

Brexit: Implications for African Agriculture

Presentation 21st March 2018

Brexit: The Main Dimensions

- the UK tariff dimension;
- the UK non-tariff dimension;
- the UK preference erosion dimension;
- the functioning of EU27 markets dimension;
- the trilateral trade dimension;
- the trade displacement dimension.

The Brexit Process (1)

LDCs

- UK will replicate bilaterally EU's scheme for DFQF access for LDCs (EBA)

Non-LDCs

- Exports to UK currently fall under EU-Africa Trade Agreements (EPAs)
- EU Trade Agreement consist of **reciprocal** trade preferences
 - duty free access for African exporters (**obligations**)
 - tariff and non-tariff preferences for EU exporters (**rights**)
- Once UK leaves EU EPA will no longer apply to the UK and new basis for mutual trade will need to be established – **EXCEPT.....**

The Brexit Process: During the Transition (2)

Distinction:

- Short term relations with UK during EU27/UK transition period (up to 2021)
- Long term trade relations with the UK beyond the transition (beyond 2021)

EU Position on the transition:

- UK must respect its trade obligations through the transition

UK Position on the transition:

- both UK's obligations and rights under EU trade agreements must be respected throughout the transition

Latest Compromise (19 March 2018 draft agreed Withdrawal Agreement – W.A.):

- UK must respects *obligations* throughout transition (I,e. grant DFQF access to African exporters)

BUT

- UK can **negotiate, sign & ratify** trade agreements provided these don't enter into force **until after transition**

Implications for African Countries Negotiating Positions (1)

If EU position enshrined in legally binding W.A.

- Existing African DFQF access to UK market guaranteed until 2021
- Reduces pressure on African Govts, to quickly sign 'cut & paste' bilateral UK EPAs
- Provides stronger position to ***ensure UK addresses longer term African concerns*** under refitted cut & paste bilateral trade deal

Implications for African countries

Longer Term Concerns

Can Ensure UK addresses under the 'cut & paste' 'UK-only' trade agreement

- African Rules of origin
- African SPS concerns
- African UTP concerns
- African preference erosion concerns
- African trade adjustment concerns
- African trilateral trade concerns

BUT.....Only get 1 shot to get it right

- Staff shortages in DIT means: once UK has reciprocal access the same as the EU27, DIT wont want to deal with trade agreements with African countries again
- Beware of the UK B.S. !!!!