



Factsheet on the interim Economic Partnership Agreement*

UE-CENTRAL AFRICA (CAMEROON)

October 2015

1. State of Play

Cameroon agreed an EPA with the EU on 17 December 2007¹. This agreement is a regional agreement open to other Central African countries. It was negotiated primarily to prevent disruption to Cameroon's exports to the EU after the trade provisions of the Cotonou Agreement expired on 31 December 2007.

In the meantime, since 1 January 2008 the EU Market Access Regulation 1528/2007 has provided for a unilateral and provisional advance application of the benefits of this agreement, meaning that Cameroon's export products enjoy unprecedented free access to EU markets. These include bananas, aluminium, processed cocoa products plywood and other fresh and transformed agricultural products.

The EPA was approved by the European Parliament on 13 June 2013 and ratified by Cameroon on 22 July 2014. Provisional application became effective as from 4 August 2014. The first EPA Committee, the institution responsible for EPA implementation, took place in May 2015. This meeting put into practice the dialogue under the agreement between the EU and Cameroon in the area of trade and aid for trade and development. It also concluded the first EPA Committee decision regarding its organization and rules of functioning.

This agreement has also provided time to negotiators of the region to conclude a more comprehensive regional EPA. Negotiations for that full EPA were launched in 2003 and are currently still ongoing (see point 3 below).

The rest of the Central African region is largely made up of Least Developed Countries. These LDCs have free access to the EU under the Everything But Arms (EBA) scheme while full EPA negotiations continue.

* *This fact sheet describes the content of the Economic Partnership Agreement. It does not in any way replace or interpret the provisions of this agreement.*

¹ From a legal point of view, this EPA is a regional agreement but on the Central African side only Cameroon has signed it.

The exceptions are Congo (Brazzaville) and Gabon. They have benefited from the regular EU Generalised System of Preferences (GSP) since 1 January 2008. In October 2012, the EU revised its GSP to focus on those countries that most need the GSP preferences. Upper-middle income (UMI) countries such as Gabon have not been able to benefit from the revised GSP since 1 January 2014. Only an EPA will offer Congo and Gabon a free access to the European Union through a partnership with the EU.

2. Main features of the EPA

Trade in goods

The provisions on Trade in Goods cover:

- Duty free quota free access into the EU for all imports from Cameroon as of 1st January 2008;
- An asymmetric and gradual opening of its markets to EU goods, taking full account of the differences in levels of development between Cameroon and the EU (see below);
- A chapter on trade defence with bilateral safeguards allowing each party to reintroduce duties or quotas if imports from the other party disturb or threaten to disturb their economy;
- A chapter on Technical Barriers to Trade as well as Sanitary and Phyto-Sanitary (SPS) measures, to help Cameroonian exporters meet EU standards; and
- A chapter aiming at facilitating trade through measures such as more efficient customs procedures and better cooperation between administrations (and between administrations and business).

Goods liberalised in the EPA

All imports from Cameroon have entered the EU duty and quota free since 1 January 2008 and without time limit. This is an improvement over the previous Cotonou trade regime. In return, Cameroon will liberalize 80% of imports from the EU over 15 years.

Liberalised EU imports are mainly industrial machines (pumps, generators, turbines, etc.), vehicles, and certain chemicals. These are mostly inputs used by Cameroon's industries which are not produced locally. Eliminating import duties will reduce the costs of inputs for local businesses and will also benefit consumers.

Goods not liberalised in the EPA

Cameroon excluded a number of agricultural and non-agricultural processed goods from liberalisation of EU imports, mainly to ensure the protection of certain sensitive agricultural markets and industries but also to maintain fiscal revenues.

The excluded products include most types of meat, wines and spirits, malt, milk products, flour, certain vegetables, wood and wood products, used clothes and textiles, paints, and used tyres.

Other elements

There is a detailed dispute settlement mechanism to support effective implementation of the agreement. New, improved rules of origin will be negotiated and annexed to the EPA as soon as possible. In the meantime Cameroon benefits from the general EPA improved rules of origin included in Council Regulation 1528/2007 on EU market access. The agreement

also maintains the possibilities under the Cotonou agreement regarding the adoption (by either party) of measures deemed appropriate concerning human rights, democratic principles, the rule of law, serious cases of corruption.

Development Cooperation

Development Cooperation provisions make the link with EU policy and instruments for development cooperation. They identify priority areas of development cooperation to accompany the implementation of the EPA. The main areas identified are:

- Development of basic regional infrastructure;
- Agriculture and Food security;
- Reinforcing, diversifying and upgrading of the capacity of the economic and productive sectors;
- Reinforcement of regional integration;
- Improvement of the business environment; and
- Supporting Implementation of trade-related rules.

3. State of play of the full EPA negotiations with Central Africa

Negotiation of a full EPA covering all the Central African countries (Cameroon, Central African Republic, Chad, Congo, Democratic Republic of Congo, Equatorial Guinea², Gabon, and São Tome é Principe) have been ongoing since 2003. The objective of the EU and Central Africa is to conclude a full agreement at regional level, which would support development and foster regional integration.

Negotiations on market access are still ongoing with a view to agreeing a common Central African market access offer for goods. The last negotiation meetings on dispute settlement in 2011 made progress. Negotiations on services and rules of origin have also been initiated. However there are still several points of divergence such as on export taxes, safeguard measures, the non-execution clause (human rights, rule of law, etc.) or the MFN clause (non-discrimination clause).

Negotiations on development cooperation provisions focus on the priority areas to accompany EPA implementation. These priority areas will soon be detailed in the Regional Programme of EPA accompanying measures (PRADA). The expectations of the Central African Region have yet to be reconciled with available development cooperation instruments in the European Union and its Member States. These development cooperation instruments include in particular EU Aid for Trade packages.

² Since May 2008, Equatorial Guinea is observer only.

Main features of the EU-Central Africa Trade

Central Africa trade in goods (2012)

Total exports: 38,798 mio€ (annual growth 20%); exports to EU: 10,179 mio€ (annual growth 27%)

Total imports: 18,540 mio€ (annual growth 12%); imports from EU: 5,946 mio€ (annual growth 9%)

Trade balance between the EU and Central Africa shows a surplus in favour of Central Africa. The main EU exports are industrial goods and vehicles. Central Africa's main exports are oil (over 65% of Central African exports), raw minerals, diamonds, aluminium, and agricultural tropical products (cocoa, wood, rubber, bananas, coffee). Agricultural products (raw and processed) are mainly exported by Cameroon.

Cameroon trade in goods (2012)

Total exports: 4,143 mio€ (annual growth 11%); exports to EU: 2,114 mio€ (annual growth 5%)

Total imports: 4,818 mio€ (annual growth 15%); imports from EU: 1,608 mio€ (annual growth 14%)

In Central Africa, Cameroon is the first EU trade partner (1/4 of the total EU trade with the region). For Cameroon, EU is the first trade partner for imports (35%) and for exports (46%).

For the latest state of play, please see:

<http://ec.europa.eu/trade/wider-agenda/development/economic-partnerships/negotiations-and-agreements/#central-africa>

For dates of EPA negotiating Rounds see:

<http://ec.europa.eu/trade/wider-agenda/development/economic-partnerships/>