

Briefing on post-Brexit trade with Ghana and Cameroon

- *As it stands, exports from Ghana and Cameroon to the UK are due to incur substantial additional tariffs on 1st January 2021.*
- *The UK is aiming to negotiate trade deals with the two countries, but these are likely to have a damaging impact – particularly on regional trade in West Africa.*
- *The UK should urgently offer Ghana and Cameroon an interim market access arrangement to ensure no disruption of international supply chains.*

Additional tariffs on Ghanaian and Cameroonian exports

At the end of the post-Brexit transition period, the UK is choosing to replicate many of the arrangements that allow exporters in developing countries to sell to the UK without having to pay additional tariffs. Many producers have built business models that rely significantly on these arrangements.

Exports from Ghana and Cameroon are currently eligible for tariff-free access to the UK market under the EU's Market Access Regulation. This is not being rolled over post-Brexit the UK has instead decided to attempt to agree Free Trade Agreements with the two countries in a very short timeframe. These have not yet been agreed, meaning that from January 2021 Ghana and Cameroon, as Lower Middle Income Countries, could find themselves trading with the UK under the Generalised Scheme of Preferences (GSP). **This would mean significant new tariffs for major industries such as Ghanaian tuna and Cameroonian bananas, undercutting their ability to compete.**

Product	Country	Current tariff (under EU Market Access Regulation)	Likely tariff to be paid from 1st January 2021 unless alternative arrangements are found ¹
Bananas	Ghana, Cameroon	0%	£95/1000kg
Cocoa butter	Ghana	0%	6%
Cocoa paste	Ghana	0%	8%

¹ These tariffs are either the UK GSP or UK Global Tariff for those products not covered by the GSP

Canned tuna	Ghana	0%	20%
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Potentially damaging trade deals

Ghana and Cameroon are Lower Middle Income Countries, but are part of the Economic Community of West African States [ECOWAS]) composed largely of Least Developed Countries which will be automatically offered tariff-free access to the UK market post-Brexit under the Everything But Arms scheme. Ghana and Cameroon's regional partners therefore have little incentive to negotiate a Free Trade Agreement (FTA) with the UK as a bloc because they already have guaranteed market access.

The UK is currently attempting to negotiate bilateral FTAs with both countries. However, the UK's Brexit situation is imposing tight timelines. This would be problematic at any time but is all the more so because responding to COVID-19 is the first priority of all countries. If they are rushed through, FTAs with Ghana and Cameroon will carry a number of risks:

1. **Undermining regional integration:** Regional trade is a major priority for African economic development and has been supported by the UK's aid budget. However, UK FTAs with Ghana and Cameroon will mean those countries will apply lower tariffs to UK imports than their neighbours. This will undermine regional trade in West Africa, as countries will need to introduce new border checks, and would represent a setback in progress towards improved continental trading links.
2. **An FTA will require reciprocal market opening:** Liberalising their markets to imports from the UK will subject some domestic sectors in Ghana and Cameroon to competition in a vastly unequal context. This could limit their developmental potential, undermining the scope to grow productive capacity to meet the needs of domestic and regional markets. This is not theoretical: Ghana's poultry industry has been destroyed by the liberalisation of imports from the EU, where high agricultural subsidies mean that chicken can be produced very cheaply.²
3. **Going further than goods:** FTAs with these countries are likely to contain 'rendezvous clauses', committing parties to negotiate beyond goods at a later date. Committing to trade rules on services, investment or patents, for instance, could undermine the countries' ability to develop strong, gender-responsive public services, to ensure investment creates decent jobs and benefits for local economies, or to achieve access to medicines for all. Developing countries have long resisted attempts to push these issues in the WTO and they should not be imposed in bilateral deals.
4. **Rolling back progress on women's economic rights:** Women comprise the majority of the cheap labour pool in both Ghana and Cameroon, and are therefore particularly vulnerable to the disruptive impact of trade liberalisation. The tight time frame to agree deals with these countries does not allow adequate time for meaningful *ex ante* gendered human rights impact assessments to be carried out, with time built into the process to amend any deal.

² <https://www.politico.eu/interactive/ghanas-poultry-industry-accuses-eu-of-unfair-competition/>

The solution: a new market access arrangement

This would allow valuable export industries such as bananas and flowers to continue trading with the UK market without interruption, while also ensuring that UK trade policy does not undermine the development of regional trade in Africa. Offering the two countries the equivalent of 'Everything But Arms' access could be justified at the WTO by reference to the overall development status of the West African trading bloc.

This arrangement would also afford all parties the necessary time to move towards a future trading arrangement with West Africa that upholds climate change, gender equality and development goals.

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For more information, please contact: Tom Wills, Senior Policy Advisor, tom.wills@traidcraft.org