

12th Trade Policy Dialogue (Part II)
Trade Preferences Outlook 2024: Towards new market access cooperation?
An online event co-organized by the UN Economic Commission for Africa (ECA) and
the UN Trade and Development (UNCTAD)
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Summary

The 12th Trade Policy Dialogue: “*Trade Preferences Outlook 2024: Towards new market access cooperation?*”, with a particular focus on the African continent, was jointly organized by the UN Economic Commission for Africa (ECA) and the UN Trade and Development (UNCTAD). The session was attended by 206 participants. The main points that emerged from the panel discussion can be summarized as follows:

Trade preferences and Africa

- Non-reciprocal trade preferences (NRTPs) traditionally played a significant role by supporting Africa’s exports to developed country partners such as the European Union, the United Kingdom, and the United States of America. The European Union has been a pioneer in setting the standards in trade preferences since the time of the Lomé Conventions.
- The European Union’s Everything-But-Arms (EBA) programme—which has no expiry date— has provided predictable and stable market access conditions for least developed countries (LDCs). The European Union provides data by country and product on the utilization of its preference schemes, thereby assuring transparency for its users. The record under EBA has been positive, registering a high utilization rate (80–90 per cent) and contributing significantly to export growth in LDCs.
- The main benefits of preferences have, however, fallen on only a few countries, mainly in Asia. African LDCs lag behind except for Mauritania and Mozambique. The expected graduation of Asian LDCs such as Bangladesh and Cambodia will make EBA more attractive to African LDCs.

Predictability and stability as key challenges

- The predictability and stability of NRTPs have proven to be a crucial factor for their success. The uncertainty of renewal of existing time-bound schemes, such as the United States’ African Growth and Opportunity Act (AGOA), which will expire in 2026, is a matter of concern. While Ethiopia benefited from AGOA’s provisions for its apparel and cut flower exports, the withdrawal of the country from AGOA eligibility has adversely impacted the apparel sector and associated employment, particularly in regard to women.
- Unlike NRTPs, reciprocal trade arrangements may provide more stability and certainty for businesses. While new conditions might be imposed unilaterally in European Union’s Generalized System of Preferences (GSP) schemes, they need to be negotiated under reciprocal free trade agreements (FTAs). Yet, sustainability criteria in economic partnership agreements (EPAs) are gaining importance, such as in the one between the European Union and Kenya.

Non-tariff barriers on agricultural exports

- Despite its importance in Africa, agriculture remains the most protected sector in developed markets, even in the presence of NRTPs. Africa’s food exports are mainly hindered by stringent non-tariff barriers (NTMs), such as the European Union’s sanitary and phytosanitary measures (SPS), regulations and standards. Environmental and climate-related measures consistent with the European Union Green Deal,

including the European Union Deforestation Regulation, are here to stay despite shared concerns in both European Union countries and Africa, and will affect the latter's exports to European Union markets.

Implications for regional integration in Africa

- There are concerns that NRTPs, as well as the related reciprocal trade arrangements with external partners, could have a disruptive effect on Africa's regional integration efforts, both at the sub-regional (Regional Economic Communities – RECs) level and at the continental level under the African Continental Free Trade Area (AfCFTA), which represents the priority endeavor for the continent.
- At the sub-regional RECs level, asymmetric eligibility for preferential trade arrangements of members of the same RECs (such as the Economic Community of West African States – ECOWAS) have disrupted regional integration processes. When transitioning from Cotonou to post-Cotonou preferences, LDCs could continue to benefit from existing EBA, while non-LDCs (such as Ghana and Cote d'Ivoire among ECOWAS members) had to conclude EPAs with the European Union based on reciprocity. This has disrupted the internal market and progress towards a customs union. A few LDCs that signed an EPA with the European Union as members of RECs can choose between EBA and EPA preferences. This is the case of, among others, Mozambique.
- The rather arbitrary distinction made in some NRTP programmes, such as AGOA, has de facto separated North Africa and sub-Saharan Africa, thereby dissuading the integration of the regions at the continental level within the AfCFTA and the convergence of rules of origin. Given the size of the African market and the integration efforts within the AfCFTA, cumulation across the continent in trade preference schemes would prove to be highly beneficial for Africa.

Elements of new market access cooperation in Africa

- The most important challenges in Africa are productive capacities, access to trade finance, the capacity of moving up the value chains, and the capacity of engaging in trade promotion activities.
- Awareness of NRTPs, as well as of the advantages provided by the AfCFTA, is still limited among business operators and firms in Africa. As African countries work towards formulating AfCFTA implementation and national export strategies to take advantage of intra-AfCFTA trade, a similar exercise may be conducted for NRTPs.
- Some of the development cooperation initiatives underway at national, REC, and continental levels can offer possible avenues for new market access cooperation beyond tariffs. The European Union is engaging in development cooperation projects focusing on Africa's integration and full implementation of the AfCFTA, such as the [Africa Trade Competitiveness and Market Access](#) programme (ATCMA). The ATCMA has been designed to improve livelihoods, employment, and economic growth in Africa through increased sustainable intra-African and European Union-Africa trade and aims to create a robust continental quality infrastructure.
- Critical raw materials are one of the sectors where the European Union plans to bring in investment and knowledge and contribute to local value addition and diversification, to meet the demands of both African countries and European Union member States. The Clean Trade and Investment Partnerships (CTIPs) are the new European Union initiative to cover all green value chains, including those for energy transition and renewable energy.
- [Cocoa Talks](#), another European Union initiative, is an inclusive multistakeholder dialogue, bringing together all stakeholders in the cocoa sector in West Africa and cocoa exporting countries—namely, Côte d'Ivoire, Ghana, and Cameroon—to make cocoa production and supply chain more sustainable, free of child labour and with strengthened forest protection, to help meeting increased sustainability standards.