

The future of Africa-UK trade post-Brexit



In February Linklaters attended the launch of the APPG report which considers the future of Africa-UK trade and development cooperation in the transitional and post-Brexit period.

The report was prepared by the Africa All Party Parliamentary Group (the “**APPG**”) following an all-party delegation to southern Africa to investigate the effectiveness and appropriateness of current Africa-UK trade arrangements.

Africa-UK trade is, at present, governed by Economic Partnership Agreements (“**EPAs**”) (free trade agreements between the European Union and certain African nations based on principles of reciprocity and the progressive removal of trade barriers) and the “Everything But Arms” initiative, which gives the least developed African countries duty-free access to the EU for everything but arms and armaments.

The 2016 all-party delegation to southern Africa was focussed, in particular, on investigating the efficacy of the EPAs and understanding the EPAs’ impact on the development of economies and industries in the relevant African nations.

The delegation concluded that:

- > the process for agreeing EPAs was opaque and involved limited oversight by governments and the public. The EPAs had generally been negotiated and agreed by professional negotiators with little input from local parliaments and, in most cases, with no public debate over the merits of the proposed terms
- > EPAs have, by and large, not produced the positive outcomes for African economies that had been anticipated at the time of their conclusion. In particular:
 - > EPAs arguably have restricted the opportunities for economic diversification and industrialisation and favour EU growth over the growth of African economies

- > the varying treatment of African countries under EPAs has posed a challenge to the African integration agenda. For example, South Africa does not have duty free access to the EU, unlike other African nations. This has fragmented and undermined the supply chain across southern Africa, as products imported from other African nations for inclusion in South African exports forfeit their preferential duty-free access to the EU
- > EPAs require African nations to open up their markets to liberalisation within a specified period, exposing nascent industries to global competition before being able to operate competitively

According to the APPG report, Brexit offers an opportunity to reset the parameters of Africa-UK trade, with potential benefits for the UK (which will no longer be bound by EU rules of trade) and for African nations (for whom the existing arrangements have not produced the anticipated advantages).

On the other hand, it was also suggested that the withdrawal of the UK from the EU customs union will diminish the perceived benefits of EPAs for some African countries.

The APPG Report suggests that, rather than updating the advanced liberalisation model adopted in the EPAs, post-Brexit trade agreements with certain African nations should favour a gradual process of engagement with international markets to support development aims. The APPG Report explores whether generalised schemes of preference or “Everything But Arms” arrangements would, for those developing African nations which are currently party to an EPA, provide a more constructive trade environment for the development of domestic industry.

Consequently, the APPG Report suggests that the UK Government should be prepared for the fact that African nations may be reluctant to embrace numerous bilateral agreements which undermine African integration aims given their experiences of EPAs, and may prefer to negotiate in blocs.

In any event, contributors to the APPG Report agree that the transitional and post-Brexit period should offer undisrupted trade between African countries and the UK given the heavy reliance of some African economies on exports to the UK, and that the UK will need to provide some comfort to its African trade partners that trade arrangements post-Brexit will be no less favourable than existing arrangements.

To view the report, please see the [Royal African Society website](#).

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