



# **EU's Enhanced Economic Partnership with Africa:**

## **Joint Trade and Investment Opportunities**

# Facts and figures

... Africa is gaining economic importance

**6 out of 10**

fastest growing economies  
in 2019 are in  
Sub-Saharan Africa:  
Ghana (+8.8%)  
South Sudan (+8.8%)  
Rwanda (+7.8%)  
Ethiopia (+7.7%)  
Cote d'Ivoire (+7.5%) and  
Senegal (+6.9%)



**26%**

of world population is  
estimated to live in Africa  
by 2050. Africa will have  
the world's largest  
workforce, with 1.1 billion  
workers



**\$1.4 trillion**

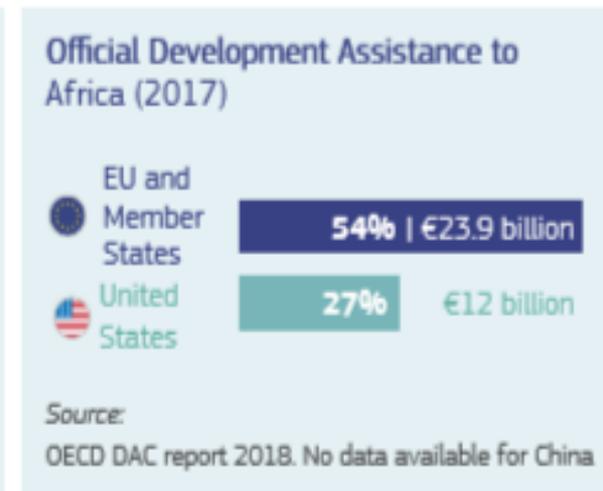
Value of consumer  
spending in Africa in 2016  
(more than India). By  
2030, consumer spending  
is expected to reach \$2.5  
trillion



**x4**

Increase in venture capital  
flowing to African start-ups  
between 2015 and 2018.  
Meanwhile, FDI flows to  
Africa rose by 11% to \$46  
billion, defying the global  
downward trend

# The EU-Africa trade and investment relations: EU still number 1!



## 2008-2018:

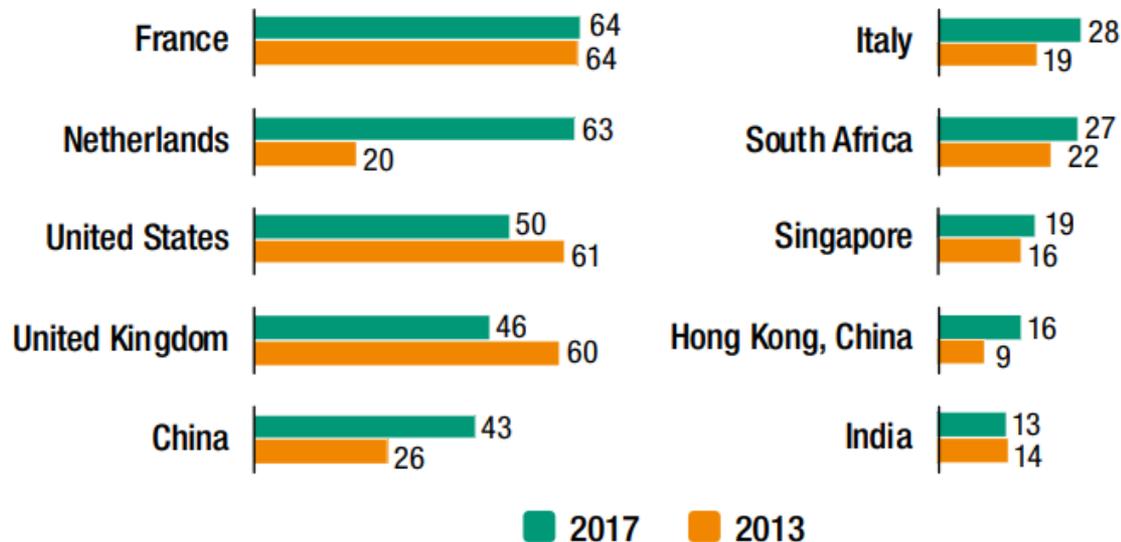
- 11% increase in imports
- 22% increase in exports

## 2008-2018:

52% increase in FDI stocks

# Africa's main investment partners

**Figure A.** | **Top 10 investor economies by FDI stock, 2013 and 2017** (Billions of dollars)



- FDI flows to Africa defied the global downward trend and rose to \$46 billion in 2018.
- 2018: EU €179 billion of FDI stocks in African ACP countries
- EU MS are by far the largest contributors to FDI stock on the African continent



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# EU companies' presence in Africa



Source: Orbis; a company is considered European if a European parent company ultimately owns >50% of shares

## Top 10 African countries with EU companies' presence

1. South Africa
2. Morocco
3. Tunisia
4. Egypt
5. Mozambique
6. Nigeria
7. Mauritius
8. Angola
9. Algeria
10. Kenya

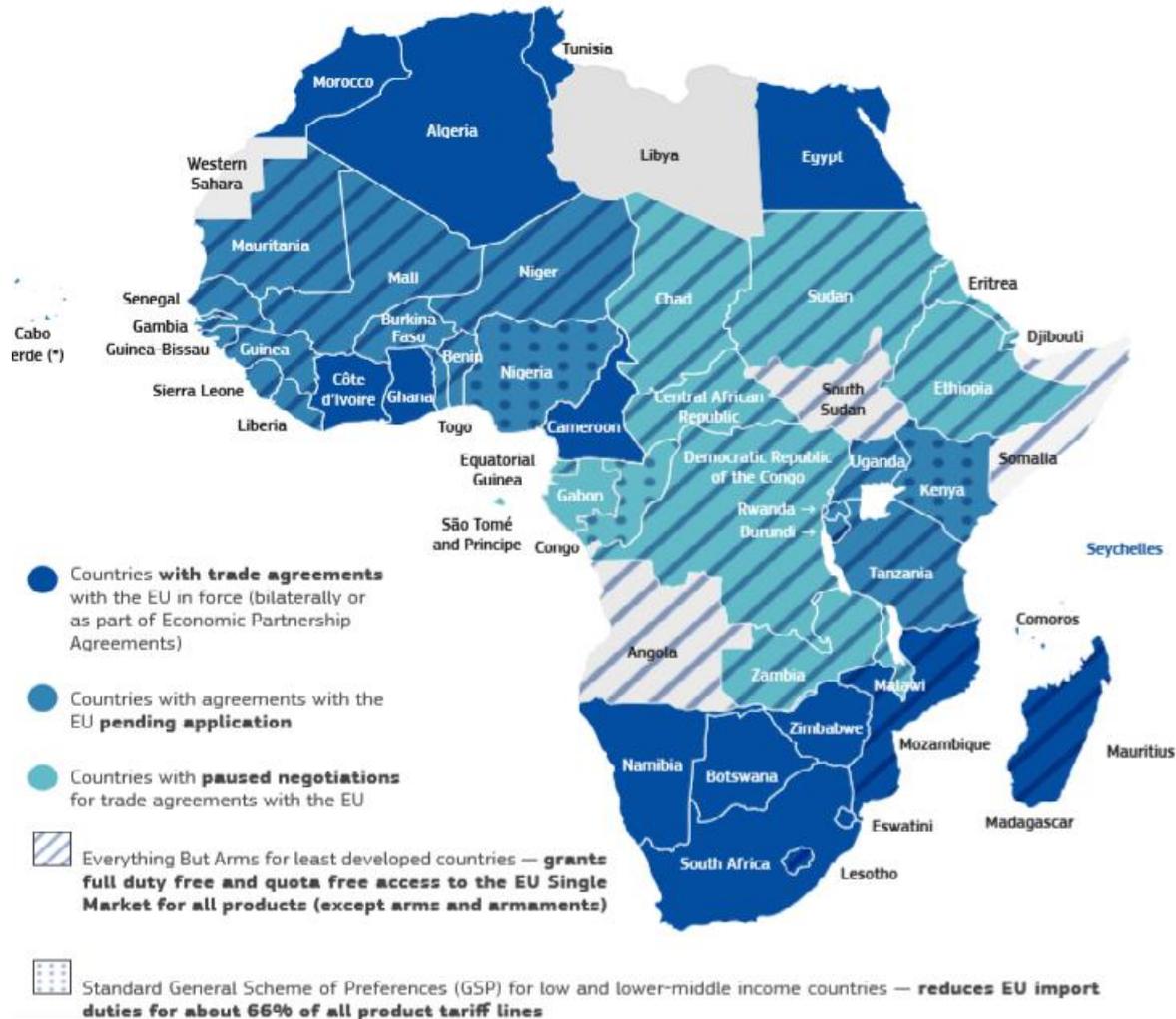
## Top 10 EU companies' presence in Africa

1. UK
2. France
3. Italy
4. Germany
5. Spain
6. Portugal
7. Netherlands
8. Belgium
9. Denmark
10. Luxemburg



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# EU-Africa current trade arrangements





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# 31 countries implementing an EPA

## **CARIFORUM (14)**

Antigua & Barbuda  
Bahamas  
Barbados  
Belize  
Dominica  
Dominican Republic  
Grenada  
Guyana  
Jamaica  
Surinam  
St Kitts & Nevis  
St Lucia  
St Vincent & the  
Grenadines  
Trinidad & Tobago

## **WEST-AFRICA (2)**

Côte d'Ivoire (iEPA)  
Ghana (iEPA)

## **CENTRAL AFRICA (1)**

Cameroon

## **Pacific (3)**

Fiji  
Papua New Guinea  
Samoa

## **SADC (6)**

Botswana  
eSwatini  
Lesotho  
Mozambique  
Namibia  
South Africa

## **ESA (5)**

Comoros  
Madagascar  
Mauritius  
Seychelles  
Zimbabwe



# Do EPAs deliver?

Implementation has just started but positive trend

EU-28 imports from EPA partners 2017-2018 (in million EUR)

EPA Partners	Imports			
	2017	2018	Change in EUR	Change in %
Cameroon	1923,69	1778,09	-145,59	-7,57
Ghana	2119,14	3126,19	1007,05	47,52
Ivory Coast	4641,43	4403,67	-237,76	-5,12
Botswana	1384,20	1294,37	-89,84	-6,49
Lesotho	270,74	352,21	81,48	30,09
Mozambique	1663,66	1866,54	202,88	12,19
Namibia	1307,84	1305,11	-2,73	-0,21
South Africa	22722,11	24069,67	1347,56	5,93
Swaziland	87,31	64,15	-23,16	-26,53
Madagascar	1181,03	1243,11	62,08	5,26
Mauritius	924,78	756,47	-168,31	-18,20
Seychelles	291,11	299,25	8,13	2,79
Zimbabwe	456,29	454,76	-1,53	-0,33
CARIFORUM-14	3522,12	3909,22	387,10	10,99
Pacific-2	991,72	914,89	-76,83	-7,75
<b>TOTAL all EPA Partners</b>	<b>43487,16</b>	<b>45837,71</b>	<b>2350,54</b>	<b>5,41</b>

SADC

ESA

# The *Africa-Europe Alliance for Sustainable Investment and Jobs* – How do EPAs fit in?

*"Building on the African Continental Free Trade Area (AfCFTA) implementation, the long-term perspective is to create a comprehensive continent-to-continent free trade area between both continents. **Economic Partnership Agreements**, Free Trade Agreements, including the Deep and Comprehensive Free Trade Areas for North Africa, and other trade regimes with the EU should be exploited to the greatest extent, as **building blocks** to the benefit of the AfCFTA." (September 2018)*

- **EPAs as building blocks as they provide:**
  - Communication and cooperation platforms (e.g. through regular implementation committees) for further cooperation (services, investment treaties, etc.) and building EPA partners' capacity
  - A strong development dimension
  - Base-line to implement key technical provisions, in particular: liberalisation schedules, trade safeguards, rules of origin, dispute settlement, customs co-operation, institutional frameworks
  - Key element of aggregation and capacity building for Regional Economic Communities



# State of play in the ACP-EU Post-Cotonou Partnership negotiations

## New structure for trade elements

**A foundation agreement** at ACP level, in combination with **3 tailor-made regional partnerships**



Forming **one single** legally binding **agreement**

## State of play:

- Trade and investment foundation almost finalised – EPAs reconfirmed as the main trade tool
- Negotiations on the regional protocols have just started

# Current priorities and next steps

- **Deepening and widening of EPAs:**
  - Deepening towards a comprehensive agreement with 5 states of the Eastern and Southern Africa (ESA-5) – launch of negotiations in Mauritius on 2 October 2019. Taking stock at political level mid-2020?
  - Possible negotiations on services with 5 states of the Southern African Development Community (SADC)
  - Accession of Angola to SADC
- **Focus on implementation of EPAs**, including:
  - Start of market access liberalisation on African side (difficult in case of Ghana & Côte d'Ivoire in West Africa)
  - Removing barriers for EU poultry exports to South Africa
  - Guaranteeing sustained/increased EU support in the new MFF
- **Promoting the signature and ratification** by all countries concerned of the regional EPAs with WA and EAC (Nigeria / Tanzania) while thinking of alternative engagements beyond the current EPAs

# Current priorities and next steps (2)

- **Supporting the AfCFTA process** via exchange of technical expertise with the African Union Commission & in our communications (cf recent joint US-AU declaration to support the process)
- **Civil society engagement and monitoring** (important for European Parliament): setting up joint platforms in SADC, Côte D'Ivoire and other EPAs / monitoring with all regions, *ex-post* evaluation with Cariforum
- **Communication** very important in this context – also towards EU private operators
- Increased call for **development sustainable supply chains** affecting our African partners (e.g. sustainable cocoa supply chain)



# A new investment initiative in Africa?

- In partnership with DGs DEVCO and NEAR (link to *Africa-EU Alliance/External Investment Plan*): propose to African partners a **menu for new agreements on sustainable investment** (facilitation, liberalisation, and possibly investment protection for countries willing to engage)
- To **EPA partners** (e.g. under EU-ESA5 EPA deepening negotiations) or as **stand-alone investment agreements** to important willing partners (e.g. Ethiopia, Senegal, Kenya, Rwanda, Nigeria etc.)
- Closer relationships with European and African private sectors
- Need to get buy-in from African partners before announcing a new initiative – start testing the idea in upcoming high-level meetings/conferences with governments and private sectors