

**Submission by the African Trade Policy Programme  
Firoz Lalji Institute for Africa, London School of Economics and Political  
Science**

**Authors**

David Luke, Professor in Practice and Strategic Director at the Firoz Lalji Institute for Africa, LSE

Dr Jonathan Bashi, Research Officer, Firoz Lalji Institute for Africa, LSE

Jamie MacLeod, Research Assistant, Firoz Lalji Institute for Africa, LSE

The authors would be happy to give oral evidence to the Committee if requested.

**Introduction**

1. The [African Trade Policy Programme](#) (ATPP) is hosted by the [Firoz Lalji Institute for Africa](#) at the London School of Economics and Political Science. It brings together international expertise that aims to evaluate and contribute to trade policies that can help African countries to better leverage trade as a vehicle for inclusive development.
2. The ATPP welcomes the opportunity to contribute to the parliamentary review of the United Kingdom's trade policy towards developing countries. This submission focuses particularly on the UK's approach towards African countries.

**Summary**

3. Topics covered in this submission are:
  - The need for the UK to move away from the EU's approach to Economic Partnership Agreements and towards a continent-wide approach: Such an approach would allow for market consolidation among the continent's relatively small country markets to provide commercial opportunities at scale.
  - The call for the UK's GSP to focus mainly on trade issues: The UK's Developing Countries Trading Scheme should leave non-trade issues to other mechanisms.
  - The real opportunity for the UK to be an advocate for a more equitable and ambitious multilateral trade system: The UK has an opportunity to be an advocate for a more equitable multilateral trading system by championing issues of interest to African and low-income countries, such as policy space and flexibilities for development or public health concerns.

**Should the UK's Economic Partnership Agreements with African, Caribbean, and Pacific countries be renegotiated? If so, how, by what means and to what end?**

4. The Economic Partnership Agreements (EPAs) between the EU and the African, Caribbean and Pacific States occupy a prominent place in trade relations between African countries and the EU. Five of these EU EPAs were envisaged in Central Africa, West Africa, Eastern and Southern Africa, the East African Community (EAC), and the Southern African Development Community (SADC). Only the negotiations for the SADC EPA were completed. This implied a general dissatisfaction with the approach taken by the EU on the part of African countries.
5. In lieu of the envisaged five regional EPAs, the current situation has devolved into a hotchpotch of short-term fixes. 'Interim EPAs' currently ensure market access continuity for those countries that are not covered by the EU's Everything But Arms (EBA), which grants duty-free and quota-free market access to the EU for products from least developed countries (LDCs). The impression has been given by the EU that the remaining EPAs would eventually be ratified, yet in practice progress has stalled for over a decade.
6. The effect is a fragmentation of African markets, with hard borders between African countries participating in sub-regional customs unions, perpetuating a divide and rule syndrome. Since its withdrawal from the EU, the UK's trade relations with the ACP States have been inspired by the EPAs.
7. In leaving the EU, the UK has an exceptional opportunity to pursue a different approach that is consistent with African economic integration efforts, including through the African Continental Free Trade Area, to open the continent for more trade between African countries and enhance meaningful African participation in regional and global value-chains. This involves market consolidation among the continent's relatively small country markets to provide commercial opportunities at scale.<sup>1</sup>
8. With an independent trade policy, the UK is now able to chart a different course from the EU by pursuing a continent-wide approach with Africa. The President of Nigeria recently called for the UK to change direction from the current fragmented approach. This will not only be pro-development but will also provide far-reaching commercial opportunities for the UK.

**How can the planned Developing Countries Trading Scheme improve on its predecessor, the UK Generalised Scheme of Preferences?**

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<sup>1</sup> On the importance of trade for Africa, see David Luke, "[Why Trade Matters for African Development](#)", Africa at LSE (blog), 27 July 2020.

9. When it left the EU, the UK adopted its own General Scheme of Preferences (GSP), with a view to provide preferential terms for over 70 developing countries. The UK approach essentially replicated the EU's GSP.
10. By copying the EU's GSP, the UK's GSP took on board some of its flaws, including restrictions on rules of origin cumulation among beneficiaries and a variety of conditionalities that are not directly related to trade. While a good case can be made for making adherence to ILO Conventions a GSP conditionality, care must be taken in multiplying the number of issues that the scheme is supposed to address. Experience has also shown that the needs of vulnerable stakeholders are overlooked when GSP concessions are withdrawn.
11. There are more appropriate mechanisms and forums for dealing with normative concerns. The UK's Developing Countries Trading Scheme should leave non-trade issues to these instruments. There is of course a place for positive incentives such as, for example, promotion of climate-friendly production processes for goods and services exports or promotion of climate-friendly investment.<sup>2</sup>

### **How should the UK Government work with, and on behalf of, developing countries through the World Trade Organization?**

12. Africa's share of global trade is just under 3% and concentrated in commodities. Yet WTO rules are founded mainly on a one-size-fits-all approach, with limited scope to take relatively low levels of development and shares of international trade into account. The UK has an opportunity to be an advocate for a more equitable multilateral trading system by being a champion of issues of interest to African and low-income countries, such as policy space and flexibilities for development or public health concerns. Yet on the issue of the temporary waiver of patents under the TRIPS Agreement to produce Covid-19 vaccines and therapies, the UK chose to align itself with the EU and other rich countries that oppose this initiative.
13. The UK can also become a champion for a reformed WTO that is fit for purpose in the 21<sup>st</sup> century. This will require support for approaches that prioritise development concerns on such issues as disciplines on agricultural subsidies, illegal, unregulated, and unreported fisheries, rules on digital trade and environmental sustainability.

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<sup>2</sup> For caveats on the UK's GSP, see Dirk Willem te Velde and Maximiliano Mendez-Parra, "[Importing for Development: Reforming the UK's Trade Preferences](#)", ODI, 14 September 2021.