

Afruibana – Written evidence (ACP0019)

1. Afruibana is the Pan-African Association of fruit producers and exporters. It was born from the grouping of several associations of fruit producers and exporters from Côte d'Ivoire, Cameroon, and Ghana. The Association represents the voice of African fruit producers within European and international institutions. It is made up of the national federations of the main African banana producing countries.

Question 2. What is your view of the agricultural market access schedules that have been negotiated as part of the CPTPP?

2. Since retaking control of its trade policy, the UK has been mindful of developmentally sensitive products, including bananas, and has been careful to maintain the value of trade preferences when designing unilateral trade policies including the UK's Global Tariff and the recently launched Developing Country Trading Scheme (DCTS).

3. In recent bilateral and multilateral trade negotiations however there has been a less consistent approach. The market access schedules negotiated as part of the UK's accession to the CPTPP included concerning banana tariff concessions. The UK granted a Tariff Rate Quota (TRQ) of 8000 tons to both Peru and Mexico at a reduced tariff of £40/1000kg (reduced from £62/1000kg) and reduced the tariff for other CPTPP members from the MFN of £95/1000kg to £62/1000kg¹.

4. While at present Peru and Mexico are relatively marginal suppliers to the UK market, the change threatens to set a precedent that will be hard to resist in future negotiations, undermines the value of the market access that the UK provides via the Economic Partnership Agreements (EPAs) and to Least Developed Countries via the DCTS and poses potentially serious threat to the viability of the African banana sector. It should be noted that the concessions were granted without consultation with affected African countries.

5. The UK Government did analyse the potential preference erosion impacts of the CPTPP banana tariff concessions on developing countries, including those with whom the UK has signed an EPA and those who are beneficiaries of the DCTS concluding that "in the context of total trade flows these risks from preference erosion are not expected to be substantial"². While the limitations of the static nature of the impact assessment are acknowledged, there appears to have been little consideration of the precedent that this concession sets for future trade negotiations, accessions, and forthcoming review processes.

6. Latin American suppliers already dominate the UK market, together the top three suppliers (Colombia, Costa Rica, and Ecuador) account for

¹ UK Government (2023) ["The Accession of the UK to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership: Agreement Summary"](#)

² Department for Business and Trade (2023) ["Impact assessment of the accession of the UK to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership"](#).

62.7% of the market and although African exports represent just under 12% of the market and are growing, the sector is emerging from a difficult ten-year tariff restructuring process which led some suppliers to exit the market altogether.

7. If a tariff reduction equivalent to that granted to Mexico and Peru in the CPTPP were to be given to existing high-volume suppliers such as Colombia, Costa Rica, and Ecuador, this would afford them savings of over £12 million annually which could be leveraged in contract negotiations with supermarkets and would pose a grave challenge to African exporters. This is particularly important in the UK market where 90% of bananas are sold through a handful of retailers.

8. There are two imminent processes of concern. Under the terms of the UK-Andean Free Trade Area a specific review of banana tariffs is mandated and is due to happen in 2024. Secondly two of the UK's dominant banana suppliers (Costa Rica and Ecuador) have applied to join the CPTPP and will presumably make a strong case for similar tariff treatment to Peru and Mexico.

9. Due to the structure of the UK market, tariff reductions are unlikely to be passed on to consumers where banana prices are amongst the lowest in the world - at the same level they were in 1987³. Instead, tariff reductions could lead to:

- ◆ further entrenching market concentration meaning less choice and security of supply for UK consumers,
- ◆ significant challenges for African supplying countries who are growing the sector as a much-needed source of foreign exchange and jobs, with significant social and economic consequences,
- ◆ higher food miles as imports from more distant origins increase.

10. Across the three African banana exporting countries the sector provides more than 80,000 direct and indirect high-quality jobs, sustaining approximately half a million people in rural areas where there are often few other employment opportunities. Workers in the sector benefit from full freedom of association and active trade unions, child labour is prohibited and living wages are paid along with substantial in-kind benefits (such as housing, health, education, transportation, and others). The logistics of the sector provide an engine for all food-crop production and exports as well as a springboard agro-processing as activities such as drying and banana-related products such as flour, juice and preserves create value-addition opportunities and higher skilled jobs, particularly for women. Contributing to the economic and social development of these economies also helps to decrease migratory pressure and support political stability in this potentially volatile region.

11. Afruibana is seeking reassurance from the UK government – as we have from other trading partners – that there will be no

³ Fresh Produce Journal (30 June 2022) [‘UK banana prices still below 1987 levels’](#)

further banana tariff reductions. We are urging the UK government to consider designating bananas (along with other products) as developmentally sensitive excluding them from further liberalisation and most immediately we are seeking reassurance that the UK will not reduce banana tariffs as part the forthcoming banana tariff review mandated under the UK-Andean Community FTA or as part of the expected accessions of Costa Rica and Ecuador to the CPTPP.

12. For further information please contact:

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