



No.156/June 2006

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Policy Coherence project

The Institute for International Integration Studies

Trinity College, Dublin



IIS Discussion Paper No. 156

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November 2005

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Trade Flows of Agricultural Products with Ireland and the EU : An Analysis for Six African Countries

Hannah Chaplin¹

Abstract. This paper documents the nature and importance of agricultural trade flows between the six Irish Aid programme countries in Sub-Saharan Africa and Ireland and the EU-15 over the period 1995-2003. The six countries are: Ethiopia, Uganda, Tanzania, Zambia, Mozambique and Lesotho. Agricultural exports from these countries are highly specialised, with coffee, tea and fish and fish products dominating. There is some evidence that improved market access to the EU under the Everything But Arms initiative has led to increased exports, particularly of sugar. The pattern of Ireland's agricultural trade with the six countries differs in significant ways from the EU-15 as a whole. The agricultural trade balance was positive from the perspective of the Irish Aid programme countries, but the balance was declining over time.

Keywords. Agricultural trade, developing countries.

JEL classification. Q17

Acknowledgements. This paper is an output of the Policy Coherence project based in the Institute for International Integration Studies and supported by a research grant

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from the Advisory Board for Irish Aid. Further details can be found on the project website, available at www.tcd.ie/iis/policycoherence.

<i>Abbreviation</i>	<i>HS code</i>	<i>Full HS title</i>
LIVE ANIMALS	01	LIVE ANIMALS
MEAT	02	MEAT AND EDIBLE MEAT OFFAL
FISH AND CRUSTACEANS	03	FISH AND CRUSTACEANS MOLLUSCS AND OTHER AQUATIC INVERTEBRATES
EDIBLE ANIMAL PRODUCTS	04	DAIRY PRODUCE; BIRDS' EGGS; NATURAL HONEY; EDIBLE PRODUCTS OF ANIMAL ORIGIN
PRODUCTS OF ANIMAL ORIGIN	05	PRODUCTS OF ANIMAL ORIGIN
LIVE TREES AND OTHER PLANTS	06	LIVE TREES AND OTHER PLANTS; BULBS, ROOTS AND THE LIKE; CUT FLOWERS AND ORNAMENTAL FOLIAGE
EDIBLE VEGETABLES	07	EDIBLE VEGETABLES AND CERTAIN ROOTS AND TUBERS
EDIBLE FRUIT AND NUTS	08	EDIBLE FRUIT AND NUTS; PEEL OF CITRUS FRUITS OR MELONS
COFFEE	09	COFFEE, TEA, MATÉ AND SPICES
CEREALS	10	CEREALS
MILLING INDUSTRY PRODUCTS	11	PRODUCTS OF THE MILLING INDUSTRY; MALT; STARCHES; INULIN; WHEAT GLUTEN
OIL SEEDS ETC	12	OIL SEEDS AND OLEAGINOUS FRUITS; MISCELLANEOUS GRAINS; SEEDS AND FRUIT; INDUSTRIAL OR MEDICINAL PLANTS; STRAW AND FODDER
LAC; GUMS	13	LAC; GUMS; RESINS AND OTHER VEGETABLE SAPS AND EXTRACTS
VEGETABLE PRODUCTS	14	VEGETABLE PLAITING MATERIALS; VEGETABLE PRODUCTS NOT ELSEWHERE SPECIFIED OR INCLUDED
ANIMAL OR VEGETABLE FATS AND OILS	15	ANIMAL OR VEGETABLE FATS AND OILS AND THEIR CLEAVAGE PRODUCTS; PREPARED EDIBLE FATS; ANIMAL OR VEGETABLE WAXES
PREPARATIONS OF MEAT	16	PREPARATIONS OF MEAT OF FISH OR OF CRUSTACEANS MOLLUSCS OR OTHER AQUATIC INVERTEBRATES
SUGARS AND CONFECTIONERY	17	SUGARS AND SUGAR CONFECTIONERY
COCOA AND COCOA PREPARATIONS	18	COCOA AND COCOA PREPARATIONS
PREPARATIONS OF CEREALS	19	PREPARATIONS OF CEREALS; FLOUR; STARCH OR MILK; PASTRYCOOKS' PRODUCTS
PREPARATIONS OF VEGETABLES	20	PREPARATIONS OF VEGETABLES, FRUIT, NUTS OR OTHER PARTS OF PLANTS
MISCELLANEOUS EDIBLE PREPARATIONS	21	MISCELLANEOUS EDIBLE PREPARATIONS
BEVERAGES	22	BEVERAGES, SPIRITS AND VINEGAR
FOOD INDUSTRY RESIDUES AND WASTE	23	RESIDUES AND WASTE FROM THE FOOD INDUSTRIES; PREPARED ANIMAL FODDER
TOBACCO ETC	24	TOBACCO AND MANUFACTURED TOBACCO SUBSTITUTES
COTTON	52	COTTON

1. Introduction

This paper sets out to examine trade flows of agricultural products between six Irish Aid (IA) programme countries (Ethiopia, Lesotho, Mozambique, Tanzania, Uganda and Zambia, referred to as the Irish Aid countries or the IA-6) and the EU-15 and Ireland, using data from the EUROSTAT database. The objective is to document the nature and importance of agricultural trade between the IA-6 and their European trade partners.

All six Irish Aid countries are classified as Least Developed Countries (LDCs). In 2001, the EU implemented the Everything but Arms (EBA) initiative which opened its markets to LDCs, although full unrestricted access for rice and sugar has not yet been fully implemented, and unrestricted access for bananas only began from 1 January 2006. The EBA scheme has widened the scope for these countries to increase exports to the EU. One of the questions asked in this paper is whether there is any evidence that the EBA has encouraged more rapid growth of agricultural exports after 2001. Whether this is likely or not depends on the extent to which the EBA created additional preferential access for the LDCs. As all Irish Aid countries are also ACP countries linked to the EU through the Cotonou Agreement, the major barriers they would have faced prior to 2001 were those protecting CAP products in the EU. For the Irish Aid countries, the most important additional preference created by the EBA in practice concerns sugar.

The analysis is confined to 25 chapters of the Harmonised System (HS) tariff classification which are deemed to provide comprehensive coverage of food and agricultural trade (HS1-24 plus 52). The coverage includes fisheries products as well as beverages.² The analysis is at the HS2 level and explores both trade volumes and values. The table at the beginning of the paper gives the products covered by each HS2 code, as well as the abbreviated name used to identify these products in this paper. Because of the volatility of export prices, volume data provide a better idea of whether there has been growth in underlying trade volumes over time or not. Various volume indicators can be defined. For example, trade flows in values can be deflated by an appropriate price index and then summed to get a series in real or volume terms. In this paper, a simple volume index has been constructed by adding the weight of goods exported in tonnes. While this lumps together both low-value and high-value commodities and is thus a poor indicator when comparing the importance of different commodities in trade, it provides a reasonable guide to volume trends over time if exports are highly concentrated on a particular product or the composition of exports does not change much over time.

Although the EU-15 is an important market for the agri-food exports of Irish Aid countries, this is not the case for Ireland which accounts for only a small proportion of EU-15 trade with these countries. Ireland's imports from the IA-6 are confined to only 9 of the 25 product groups, and HS09 (tea, coffee and spices) is the only product group where there were consistent imports every year between 1995 and 2003. Section 2 examines total food and agricultural exports of the IA-6 to the EU-15 to identify the key export commodities of each country and recent trends. Section 3

² Note that for the purposes of the WTO Agreement on Agriculture, fish and fish products are not deemed to be agricultural products.

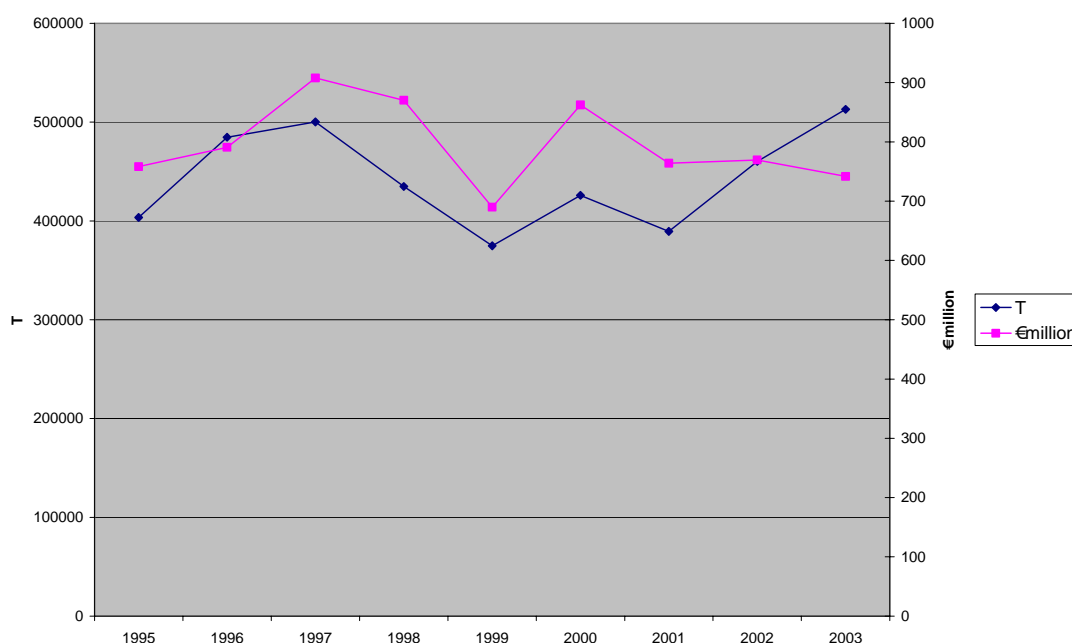
provides a country-level analysis. Section 4 repeats the analysis for agricultural exports to Ireland. Section 5 examines coffee/tea and fish in more detail. Section 6 focuses on agricultural imports by the Irish Aid countries from the EU-15 and Ireland. Section 7 concludes.

2. Agri-Food Exports to the EU-15 by Irish Aid Programme Countries

Aggregate export flows

Over the period 1995-2003, the average aggregate volume of agricultural goods traded per year was 443,000T with an average annual value of €795 million. There was considerable variation in both the value and volume of trade from year to year but little evidence of any overall trend (Figure 1). The value and volume figures both move together between 1995 and 2001. Between 2001 and 2003 there has been a sharp increase in the volume of agri-food exports to the EU-15, corresponding to the period when the EBA has been implemented, but no corresponding change in the overall value. This indicates that the increase in volume was not sufficient to offset a decline in value in the product mix exported.

Figure 1: Total agricultural imports by the EU-15 from Irish Aid programme countries 1995-2003



Major commodities traded

Exports of agricultural products by the Irish Aid countries to the EU are specialised: of the 25 HS2 groups examined, exports are concentrated on the 6 listed in Table 1. The most important of these is HS09 products which are worth almost twice those of the second most important export product group, HS03.

Table 1: Value (€ million) of trade of key commodities between the Irish Aid countries and the EU

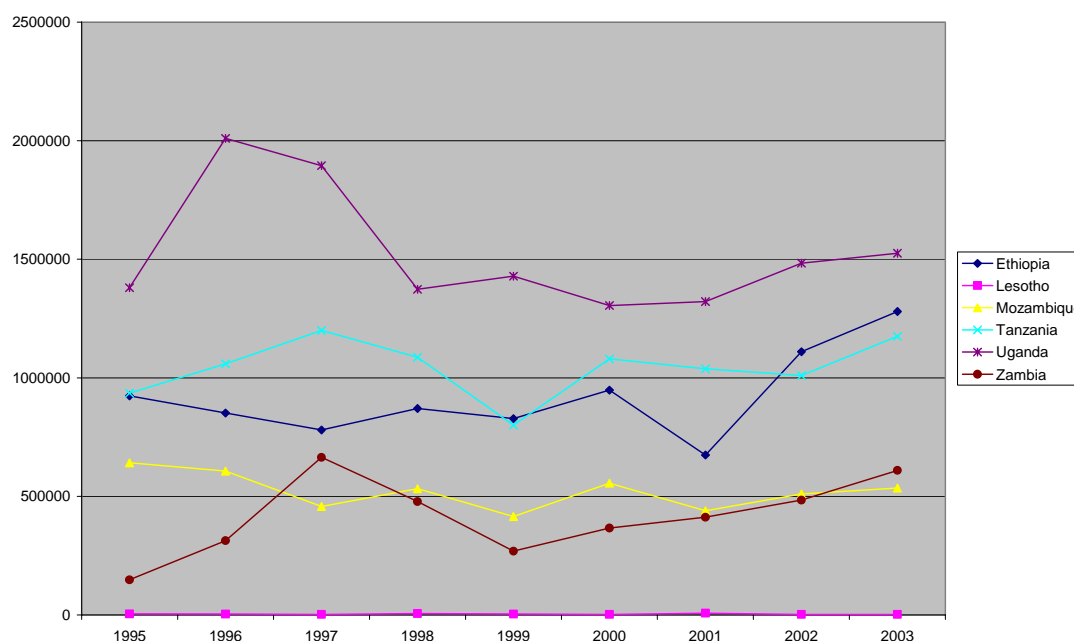
	HS Code	1995	1999	2003
COFFEE	09	514	369	212
FISH AND CRUSTACEANS	03	80	100	245
TOBACCO ETC	24	26	66	79
COTTON	52	75	59	38
EDIBLE VEGETABLES	07	20	26	32
LIVE TREES AND OTHER PLANTS	06	10	34	56
OTHER		34	36	81
TOTAL		758	690	742

Comparisons across Irish Aid programme countries

Volume

Lesotho has a low level of agricultural exports which is negligible in comparison to the other countries studied. For this reason, it is excluded from the discussion here. Ugandan exports exceeded those of the other programme countries in all years. All countries experienced fluctuating export volumes to the EU but, with the exception of Mozambique, all countries had a greater volume of exports to the EU in 2003 than in 1995. Mozambique has increased its export volumes since 2001, but they had not reached 1995 levels by 2003.

Figure 2: Comparison of the volumes of total exports of agricultural products to the EU-15 across Irish Aid programme countries



The five countries demonstrate fluctuating export levels throughout the 1995-2003 period. Zambian and Tanzanian export volumes peaked in 1997, while this occurred in 1996 for Uganda. Shortly afterwards, in 1999, Tanzania, Zambia and Mozambique all reached their lowest export levels for the same period; this occurred in the previous year for Uganda. Since 1999, export volumes have been steadier than in the 1995-1998 period. All countries exhibited an increase in export volumes after 2001, indicating that the EBA initiative may have had a positive effect on trade volumes. The largest increase in this respect occurred in Ethiopian exports. Post 1999, Zambian exports show an incremental and steady rise, in contrast to the other countries which showed greater variance throughout the period.

Value

When values are considered, the picture changes. While Uganda initially exported products with a value greater than the other countries, it was overtaken by Tanzania in 2000. The value of agricultural exports from Uganda and Ethiopia in 2003 was lower than in 1995, while the other countries experienced an increase between the same years. This difference can be attributed to the high proportion of coffee in the exports of both Uganda and Ethiopia. The world coffee price fell during the period 1995-2003: the average price in 2003 was only 37% of the 1995 price (Table 2).

Table 2: ICO coffee indicator prices 1995-2003

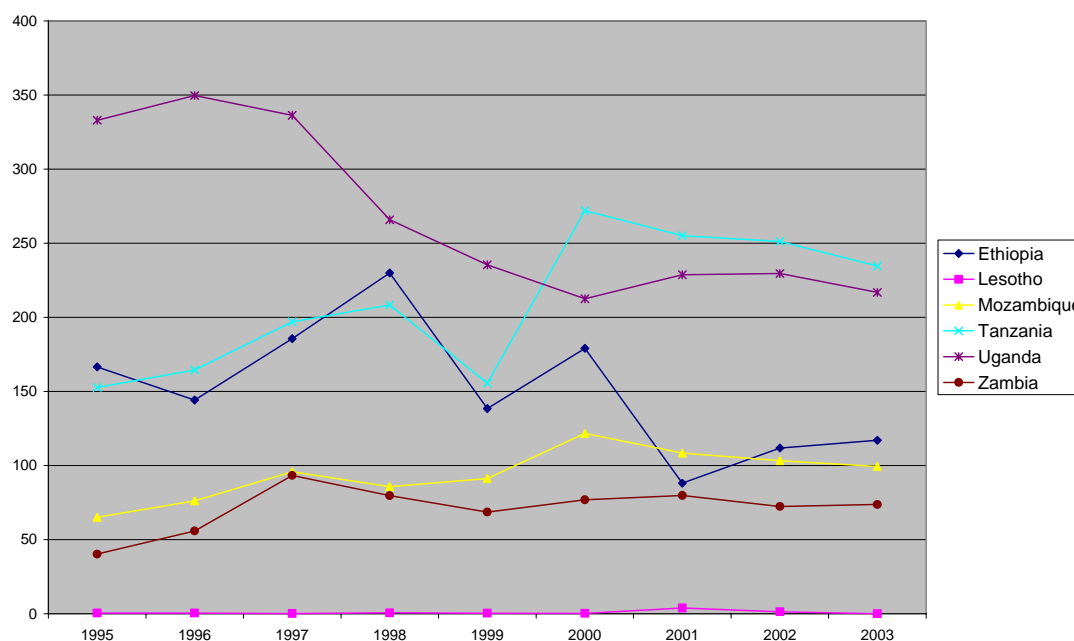
	1995	1996	1997	1998	1999	2000	2001	2002	2003
US cents/lb	138.42	102.07	133.91	108.95	85.72	64.25	45.60	47.74	51.91

When the value of exports post-2001 is examined, only Ethiopia experienced an increase in export value. Although the volume of exports increased over this period for all countries, this has not transmitted to an increase in foreign exchange revenue. This suggests that the products in which exports have expanded have declined in value. In order to benefit further from the EBA in terms of revenue, countries need to diversify their exports to include a higher proportion of products in more buoyant demand.

3. Country level analysis of EU-15 agricultural imports

This section examines trade flows at the individual country level. This enables greater insights into the observed changes at aggregate level. For each country, the average proportions by volume and value of the main exported commodities are first described. In order to obtain an idea of changes over the period 1995-2003 the export composition is also observed at these two points in time. With the exception of Lesotho, these countries export products from most HS groups (1-24 and 52). However, for many of these, exports are small and are too insignificant to be observable in the pie charts used. The charts therefore indicate the major commodities exported. Changes in export volume and value are examined for the major exported commodities for each country.

Figure 3: Comparison of the value (€million) of total exports of agricultural products to the EU-15 across Irish Aid programme countries



Ethiopia

The agricultural export base of Ethiopia to the EU is specialised in coffee production. In terms of value, coffee accounted for 87% of exports in 1995, falling to 72% in 2003. The actual value fell 41% between these two points in time.

When trends in individual commodity exports are examined, sugar revenues have increased. This suggests that the EBA has had a positive effect in terms of revenue. In the case of HS 17 (sugar and sugar confectionery), up until 2002 Ethiopia was only exporting molasses (HS1703) to the EU. In 2002, it began to export raw cane sugar (HS1701) due to obtaining quota under the EBA. Despite this, its access to the EU sugar market is still restricted by quotas and will continue to be so until 2009. Thus, there will be scope for sugar exports to continue to increase but the effect on revenue will be limited by reform of the EU common market organisation for sugar under which there is to be a significant price cut.

Coffee exports declined prior to 2001, partly as a result of a three-year drought and conflict with Eritrea. The increase in coffee exports after 2001 may be the result of a resolution of these problems.

Figure 4: Average Ethiopian export shares by value to the EU-15, 1995-2003, per cent

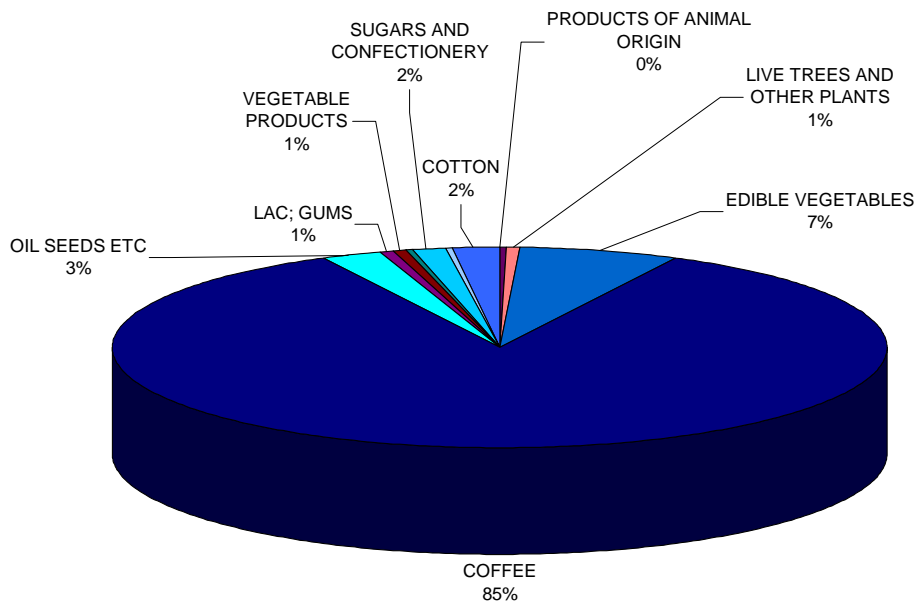
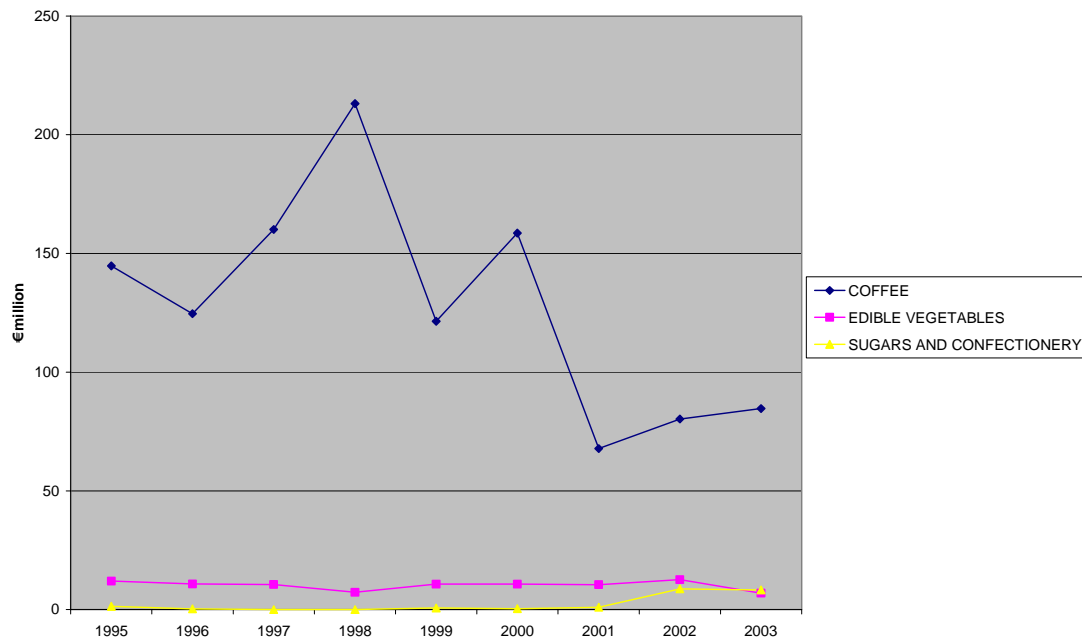


Figure 5: Trends in export values for Ethiopia to the EU-15 1995-2003 (€million)



Lesotho

Unlike the other Irish Aid programme countries, Lesotho is a net food importing country and exports only small quantities of certain products: cattle, preserved vegetables, wool, wheat and maize flour (FAO, 2004). Agricultural exports from Lesotho to the EU-15 differ from those from the other programme countries due to the small number of products exported and their haphazard and short-term nature: no one product was consistently exported throughout the 1995-2003 period. The two main exports to the EU over the period 1995-2003 were fish and crustaceans and preparations of vegetables. The latter were exported for the longest consistent period: 1995-2000 (Figure 7) while fish and crustaceans, although representing the greatest export when average exports over the period are considered, were only exported in 2000 and 2001 (Figure 7), mostly as fish fillets. They made an important contribution

Figure 6: Average Lesothan export shares by value to the EU-15, 1995-2003, per cent

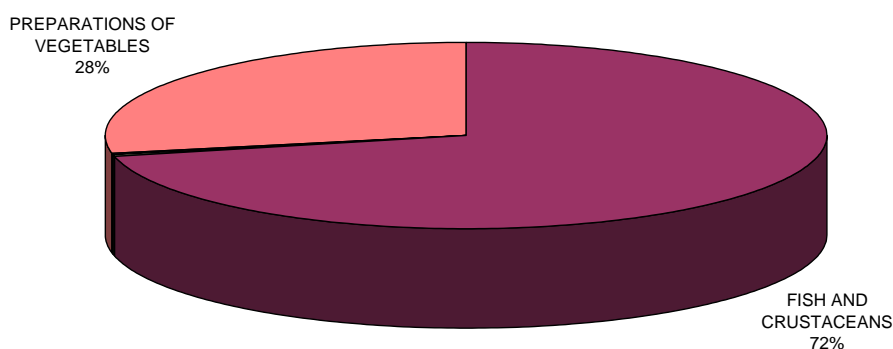
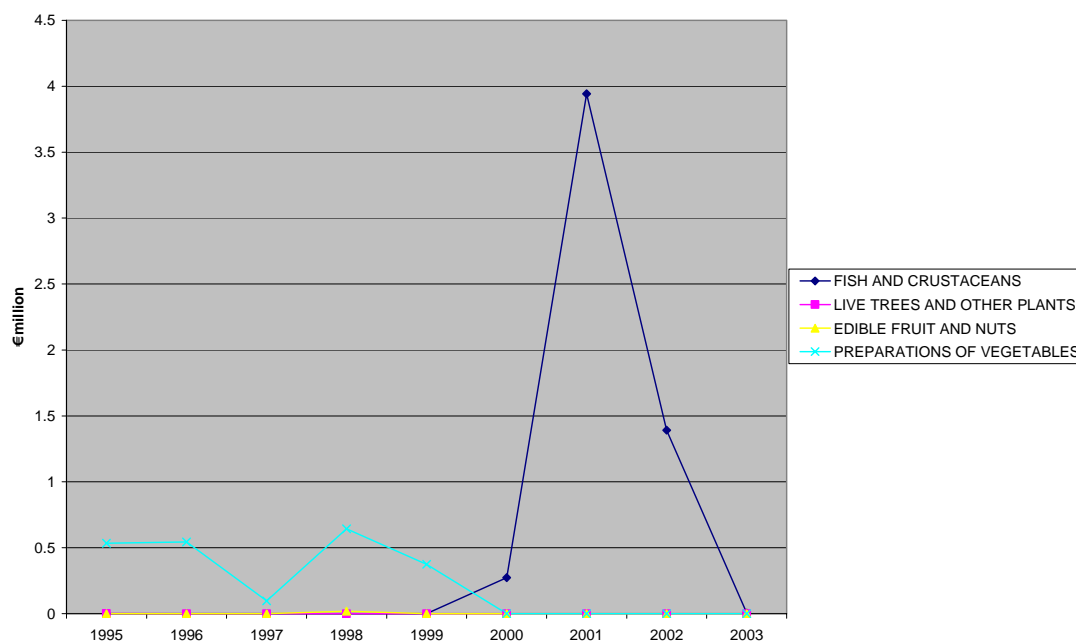


Figure 7: Trends in export values for Lesotho to the EU-15 1995-2003 (€million)

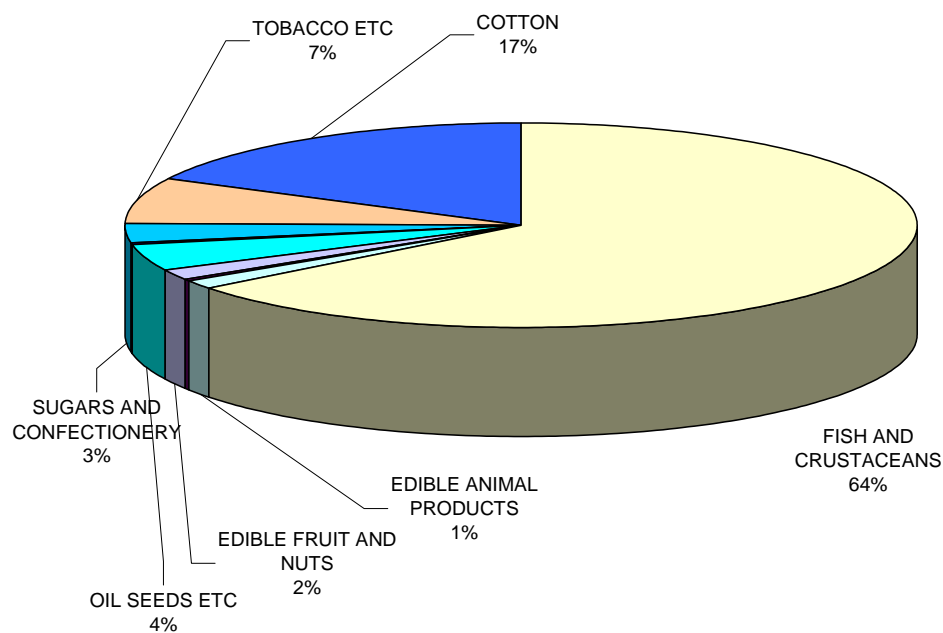


to agricultural exports in terms of value and volume over the period examined. However, as they were only exported in two years of the period examined, their longer-term contribution to Lesothan exports is unclear.

Mozambique

The main products exported by Mozambique to the EU are Fish and Crustaceans (HS03), Cotton (HS52), Oilseeds (HS12), Tobacco (HS24) and sugars and confectionery (HS17). When the portfolio of average exports to the EU between 1995 and 2003 is examined, it appears to be somewhat specialised (64% are fish and crustaceans). Cotton and tobacco are next in importance.

Figure 8: Export shares to the EU-15 by value, 1995-2003: Mozambique, per cent

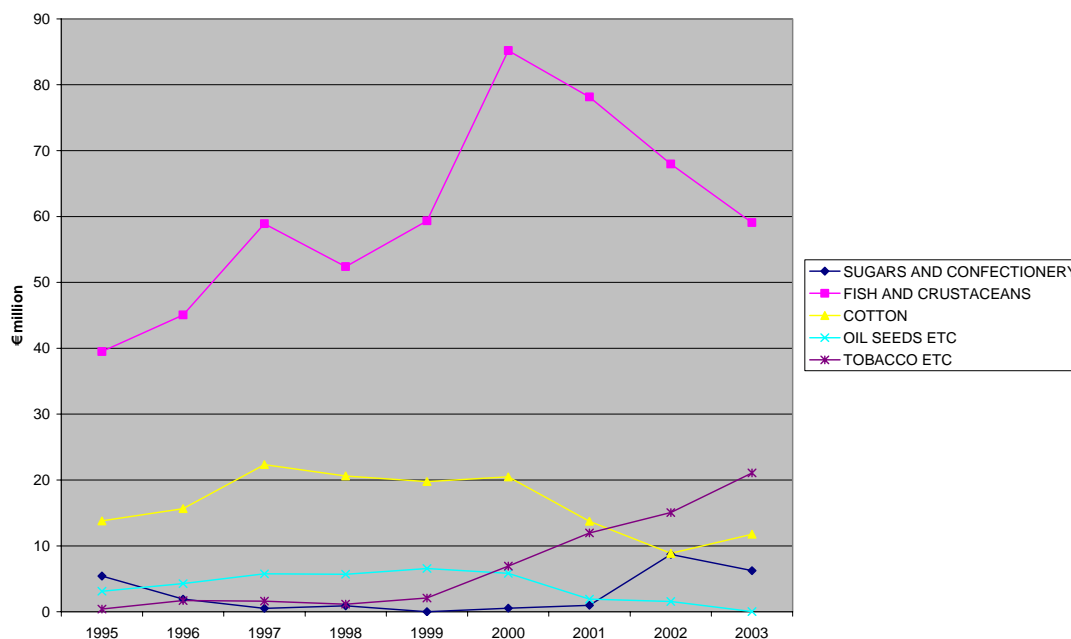


The trends in Mozambiquean trade between 1995 and 2003 are shown in Figure 9. Sugar exports declined dramatically between 1995 and 1999, when they ceased. At the end of 1999, Mozambique started to rehabilitate its sugar industry³ which enabled it to increase its exports. These demonstrated a marked increase after 2001, when Mozambique gained export quota under the EBA. The value of sugar exports has been closely correlated to the products exported. When their levels were highest during the observed period (1999, 2002 and 2003), both cane sugar and molasses were exported, while in the years in which export value was low, only molasses was being exported to the EU-15.

Oilseed exports increased between 1995 and 1999, when they plateaued before declining to zero between 2001 and 2003. Cotton shows an initial trend similar to that of oilseeds but the decline is to levels slightly around those of 1995. Tobacco exports were insignificant until the late 1990s when they began an upward trajectory.

³ http://www.sadcreview.com/country_profiles/mozambique/moz_agriculture.htm

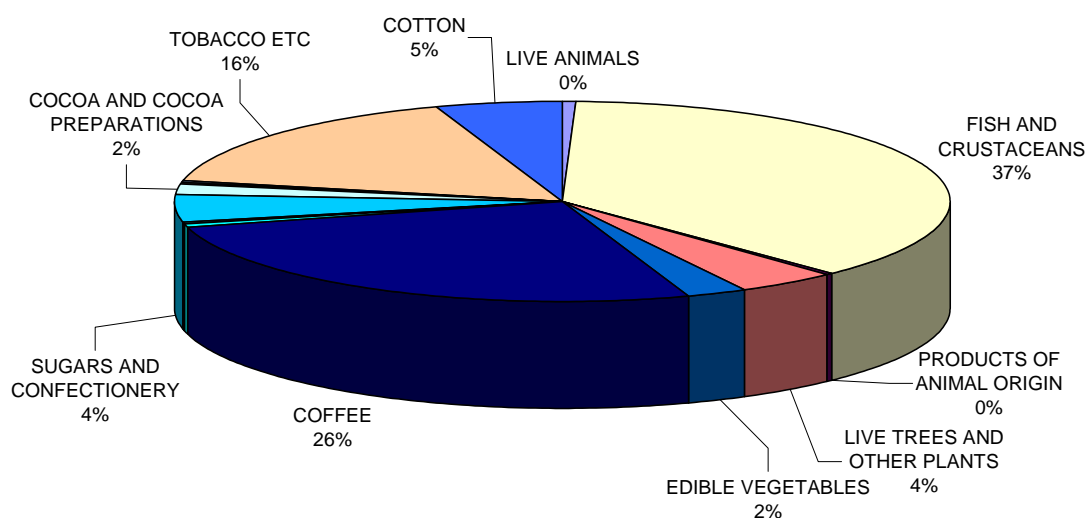
Figure 9: Exports of key commodities by value from Mozambique to the EU-15, 1995-2003



Tanzania

Tanzanian exports (average 1995-2003) to the EU-15 are more diversified than those of the other Irish Aid countries: the highest percentage of export value of any one commodity group is 37% (fish and crustaceans, HS3) which is considerably lower than Ethiopia (85% in HS09 coffee); Mozambique (64% HS03), Uganda (69% HS09). The diversified portfolio is an important factor in Tanzania having the highest value of exports to the EU-15 in 2003 compared to the other programme countries.

Figure 10: Export shares to the EU-15 1995-2003 by value from Tanzania, per cent



The main product groups which Tanzania exports to the EU-15 are: HS03, fish and crustaceans; HS09 coffee, tea, spices; HS24 tobacco; HS52 cotton; HS17 sugar and

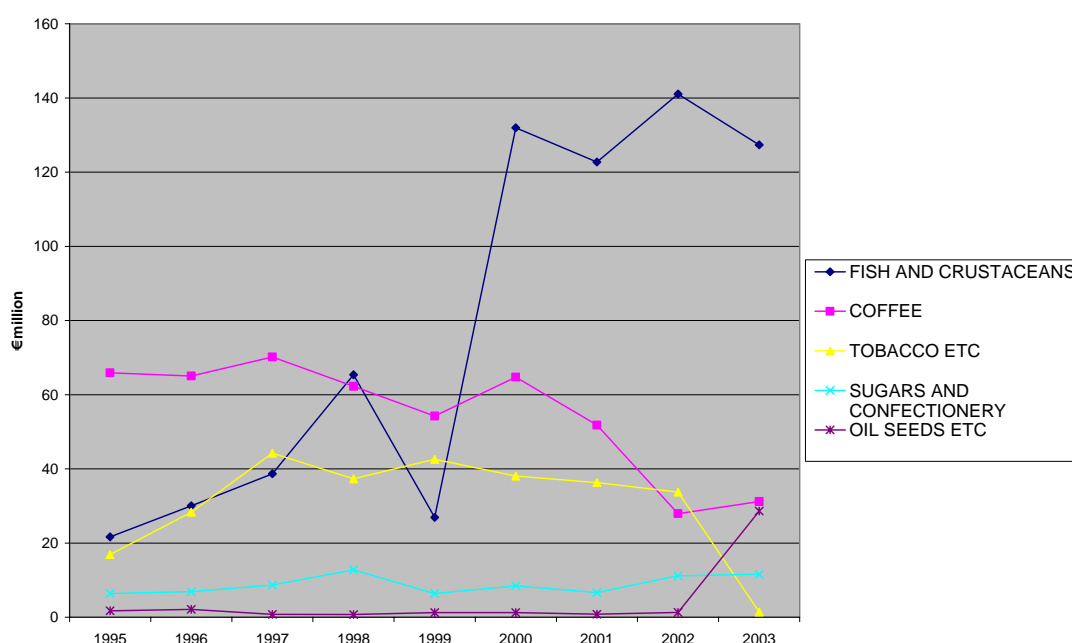
sugar confectionery. As with other nations exporting HS03 products, their value constitutes a greater proportion of exports than their volume. Under ‘coffee’ (HS09) Tanzania exports tea, coffee and spices, with coffee being the most important of these. Over the period 1995-2003, with regard to value, tea exports remained fairly stable while those of coffee declined sharply between 2000 and 2002. On average, coffee volumes were nine times those of tea.

When exports in 1995 are compared to those in 2003, Tanzanian exports have become more specialised over the period. This has been due to an increase in exports of fish and crustaceans from 14% to 54%, although these exports show large fluctuations. This is due to the EU imposing three successive bans on some fish imports between 1997 and 2000 on health and safety grounds. This accounts for the low export volume in 1999 which rebounded upwards in 2000.

The value of sugar and sugar confectionery exports remained fairly stable throughout the period. When trade volumes are examined at HS6 level, it becomes apparent that, in 1997, exports of cane molasses increased five fold on the previous year and subsequently fell again in 1998 when raw cane sugar exports showed a surge. Between 1999-2002, cane molasses were not exported while raw cane sugar exports fell to 1997 levels before rising again in 2002 and 2003, presumably in response to EBA. In 2003, for the first time in the period, Tanzania exported a small quantity (200kg) of sugar confectionery not containing cocoa (HS170490). This demonstrates a small entry into value added exports to the EU.

Coffee, tea and spice (HS9) exports show similar trends to other HS9 exporters of fluctuating volumes and declining value of exports. Tobacco and oilseed exports show the reverse trend to that observed for Mozambique in that tobacco exports have declined while oilseeds have increased.

Figure 11: Exports of key commodities by value from Tanzania to the EU-15, 1995-2003



Uganda

Agricultural exports to the EU-15 from Uganda are specialised (82% by volume) in HS9 products: coffee, tea and spices. When values are considered, the declining coffee price lowers the share arising from HS9 exports, while higher value commodities such as fish and crustaceans contribute to a greater proportion of exports by value (15%) than they do by volume (7%).

Figure 12: Export shares to the EU-15 by value from Uganda, 1995-2003, per cent

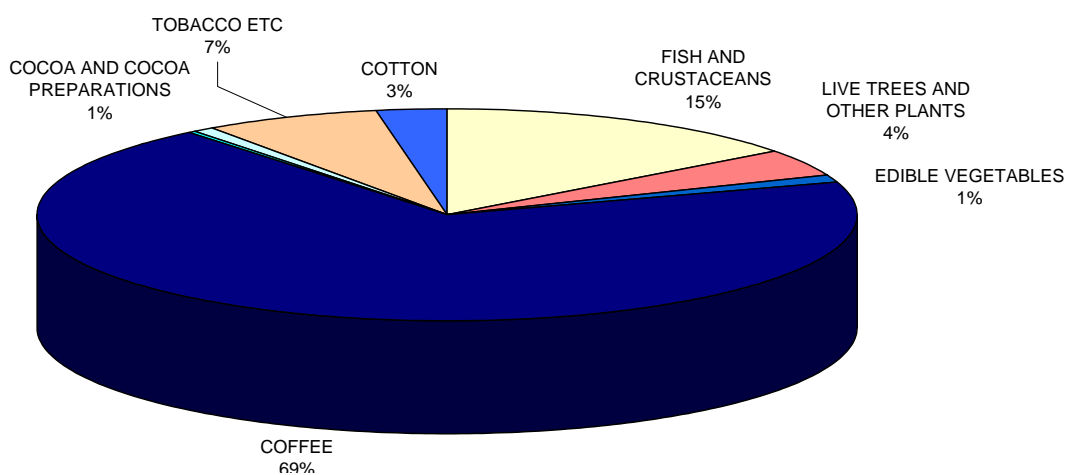
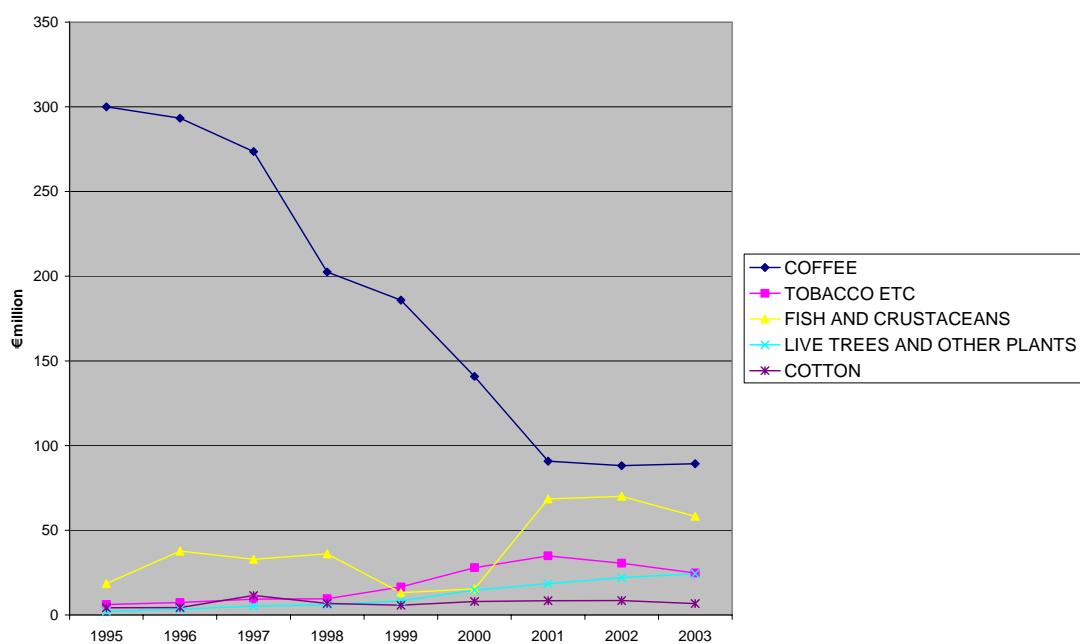


Figure 13: Exports of key commodities by value (€) by Uganda to the EU 1995-2003



Between 1995 and 2003, there has been a trend towards increasing diversification. HS9 (coffee) exports declined from 90% of agricultural exports in 1995 to 41% in 2003. HS03 (fish and crustaceans) exports increased markedly from 6% to 27%. These changes are both a function of changes in export volume and of falling coffee prices on the world market. This has the effect of lowering the proportion of revenue arising from coffee which increases the proportions of other products even if their actual volumes did not change.

When changes in the value of key commodities are examined for the period 1995-2003, the fall in coffee exports becomes evident with a consistent decline between 1995 and 2001. Coffee exports seem to stabilise for the remainder of the period. This is probably due to the coffee price also stabilising (Table 2).

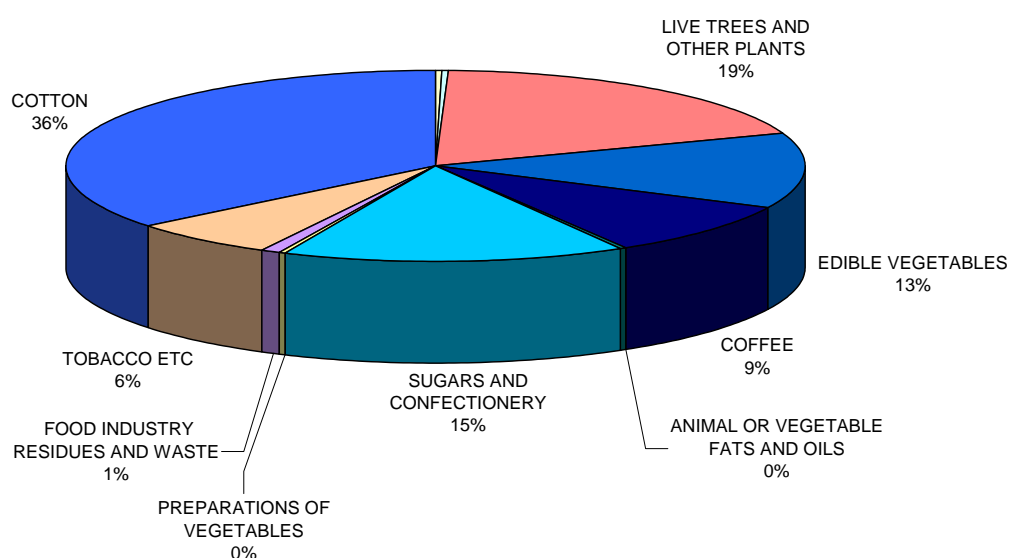
When HS03 (fish and crustaceans) exports are observed, the effect of the EU import restrictions imposed between 1997 and 2000 are evident with a decline in 1999 and 2000, followed by a subsequent increase after restrictions were lifted.

Under HS06 (live trees and plants) Uganda engages in the export of cut flowers to the EU. Exports increased over the period examined. In 2003, it appeared to be on an upward trend and on the point of overtaking tobacco.

Zambia

Zambia has a relatively diversified portfolio of exports to the EU-15: cotton is the most important, accounting for 36%. Live trees and plants, and sugar are also account for a significant proportion (19% and 15% respectively).

Figure 14: Export shares to the EU-15 1995-2003 by value from Zambia, per cent

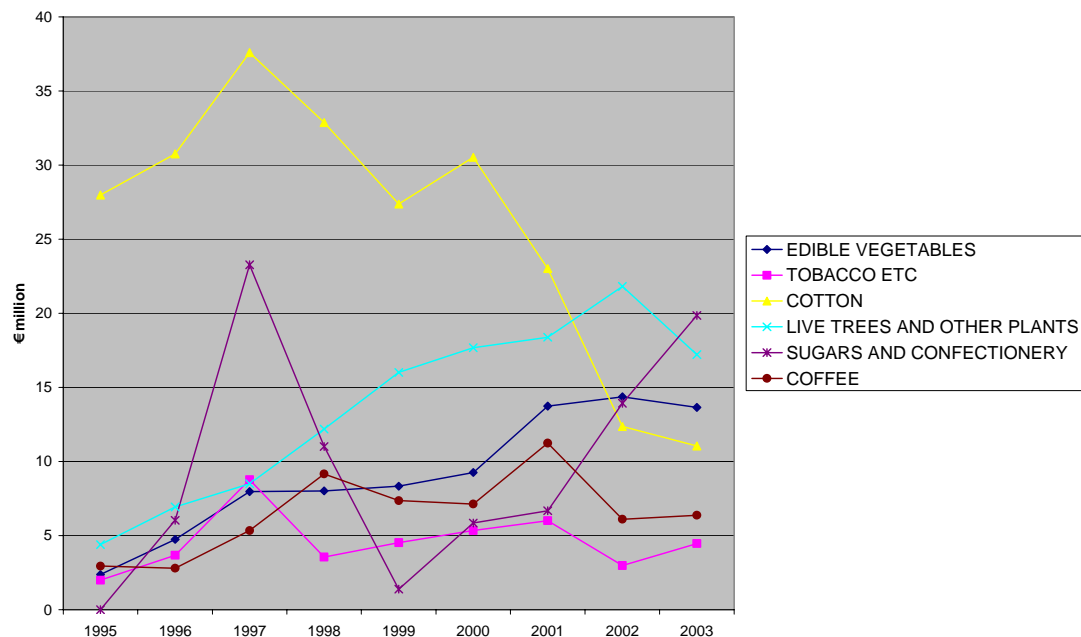


Zambian exports to the EU-15 were more concentrated in 1995: cotton accounted for 69% of total earnings in 1995, but had declined to 15% by 2003. Over the same period sugar exports rose from zero in 1995 to be the major export in 2003 (23%). A possible explanation of this is the nature of the preference agreements under which

Zambia exports sugar to the EU. Until 2001, when EBA quota became available, allowing an increase in sugar exports, Zambia exported Special Preferential Sugar (SPS). The volumes of sugar imported under SPS by the EU vary annually according to sugar production in the Overseas Countries and Territories. Thus, the quantities that Zambia was able to export varied accordingly, given that the high import tariffs applied by the EU to sugar imports outside preferential trade agreements render normal exports impossible. The EU accounts for a low proportion of sugar exports from Zambia as compared to other preference countries such as Tanzania. The quantities of sugar exported to the EU by Zambia are therefore not so much dependent on production levels, but market access.

Other noticeable trends during the period are that exports of edible vegetables (HS07) and live trees and plants (HS06) became progressively more important export commodities to the EU. Cotton (HS52) and tobacco (HS24) exports declined over the period, with cotton having the most marked fall (Figure 15).

Figure 15: Exports of key commodities by value from Zambia to the EU-15, 1995-2003



4. Irish agri-food imports from Irish Aid programme countries

When imports by Ireland are compared to those of the EU-15, there is a distinct difference in the diversity of products imported. Ireland imports only nine agricultural products at HS2 level from the Irish Aid programme countries, while the EU imports all agricultural products, although quantities of some are low in comparison to others and consequently do not appear in the charts. Tea, coffee and spices (HS09) was the only group to be consistently imported by Ireland on an annual basis throughout the period (Figure 21). This group accounts for similar proportions of imports for Ireland and the EU-15, accounting for 41% and 47% respectively. Fish and crustaceans and tobacco account for lower proportions of Irish imports than for the EU-15, while cotton and food industry wastes and residues are higher than for the EU-15. Ireland imported large quantities (relative to other imports from the Irish Aid countries) of

food industry wastes and residues in 1996 and 1997 from Tanzania. Over the 1995-2003 period, 15% of imports by value were made up of these products, as opposed to less than 1% for the EU-15. There are other differences in product groups: for the EU-15 oilseeds, edible vegetables and sugar and sugar confectionery all feature. The absence of the latter in Irish imports is not surprising, given that unlike some Member States such as the UK, Ireland does not have a sugar refining industry, and therefore has no need to import raw cane sugar for refining purposes. The main imports by Ireland which do not feature in the EU are beverages, preparations of meat, edible animal products and food industry wastes and residues.

While the EU-15 has a low level of imports from Lesotho, Ireland has none. The small volumes imported by Ireland from Irish Aid countries and their irregular nature result in differing compositions of imports by country as compared to the EU-15. The imports of food industry wastes and residues in 1996 and 1997 from Tanzania impact on the overall balance of imports by country: imports from Tanzania account for 41% of all agricultural imports from Irish Aid countries. This differs from the EU-15 where Uganda is the dominant exporter (34%). Irish imports show lower shares from Ethiopia and higher proportions from Zambia and Mozambique than the EU-15 (Figure 16).

HS09 products imported by Ireland originated in Ethiopia, Uganda and Tanzania. Ethiopia only exports coffee, while Uganda and Tanzania export both tea and coffee. Tanzanian exports 94% tea and 6% coffee while for Uganda the split is 40% tea and 60% coffee. Overall 66% of Irish imports of HS09 products from Irish Aid countries are of tea. This demonstrates a further difference from the EU-15 where 84% of HS09 imports are of coffee.

Figure 16: Irish import shares from the Irish Aid programme countries by value, 1995-2003 average, per cent

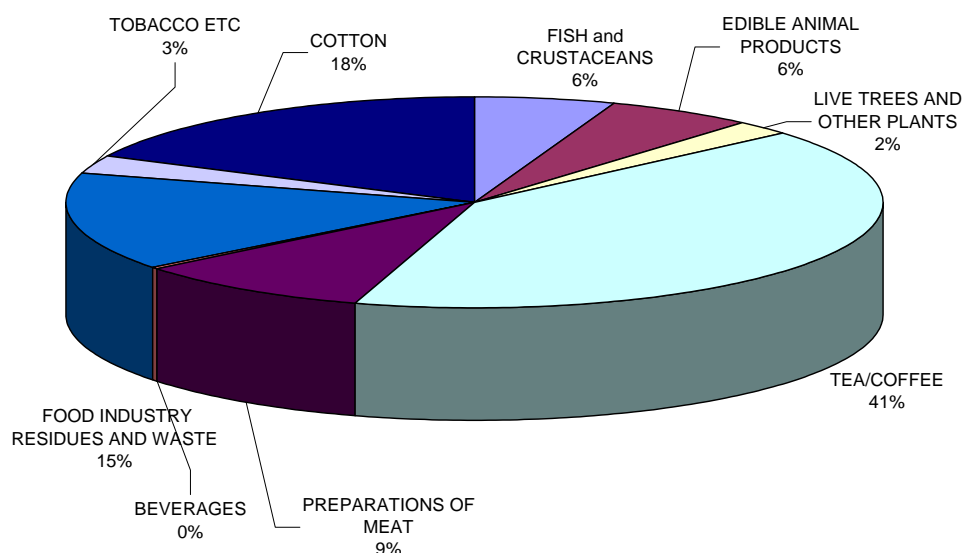


Figure 17: EU-15 imports from the Irish Aid programme countries by value, 1995-2003 average

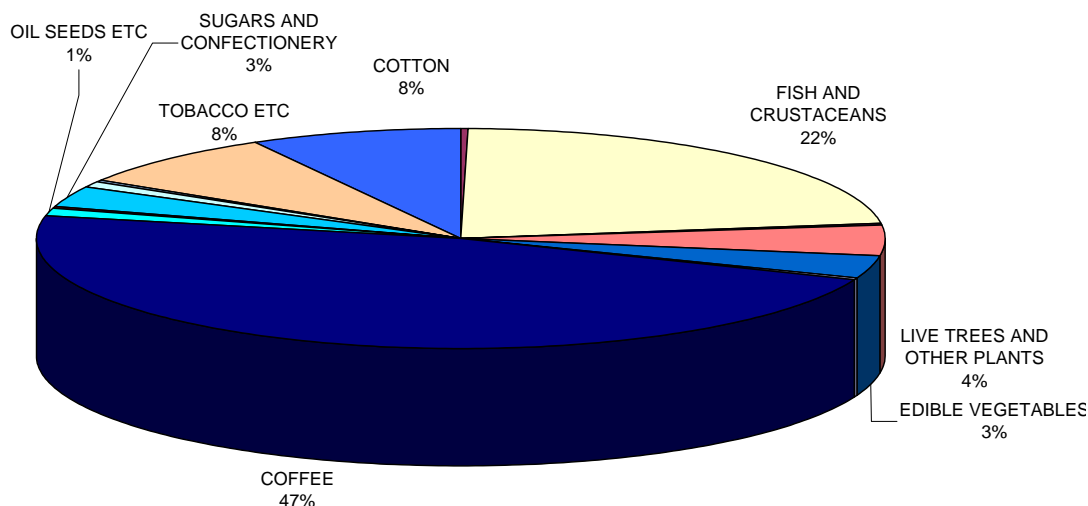
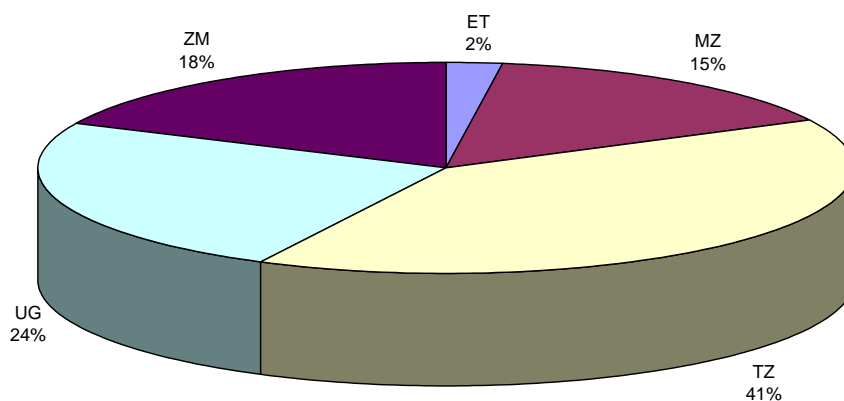


Figure 18: Irish imports by country, 1995-2003 average



Irish imports from Irish Aid countries are insignificant in comparison to the EU-15, peaking at a little over 0.25% of the EU-15 value. Between 1996 and 1998, the level declined steeply and thereafter remained below 0.15%. This compares to an Irish share of EU-15 GNI of around 1%, indicating that Irish imports of agri-food products from the IA-6 are lower than its economic weight would suggest.

When the proportion of Irish imports in EU-15 imports by value are considered for individual HS2 groups, edible animal products are the most important. The proportions are still low however, with Ireland accounting for little over 4% of imports for this group, and only 2.5% for its next most important import, preparations of meat (Figure 20).

Figure 19: Irish imports as a percentage of EU-15 agricultural import values from the Irish Aid countries 1995-2003

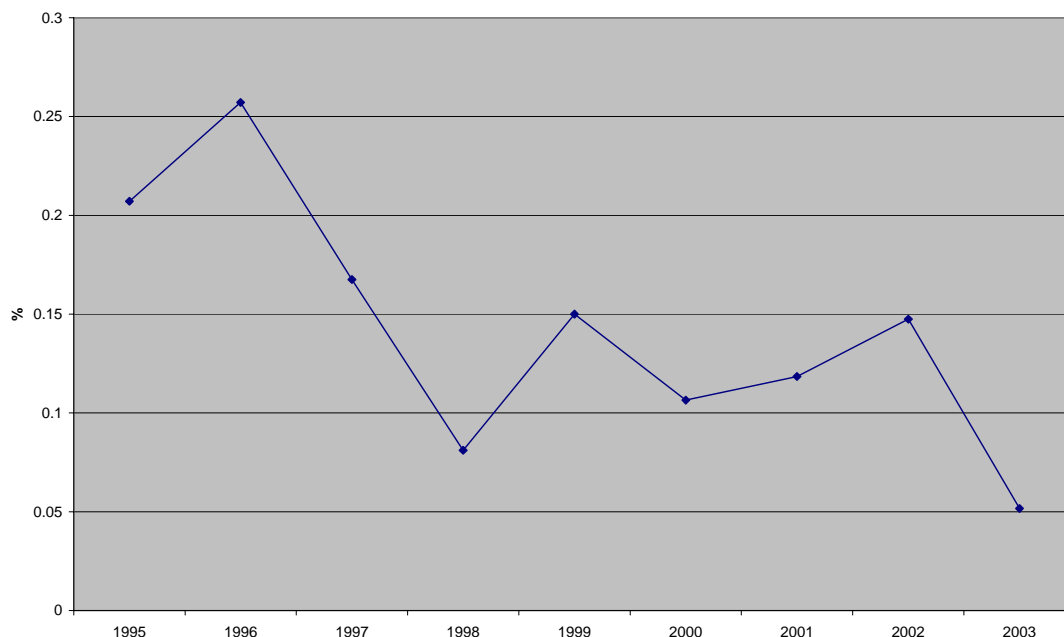
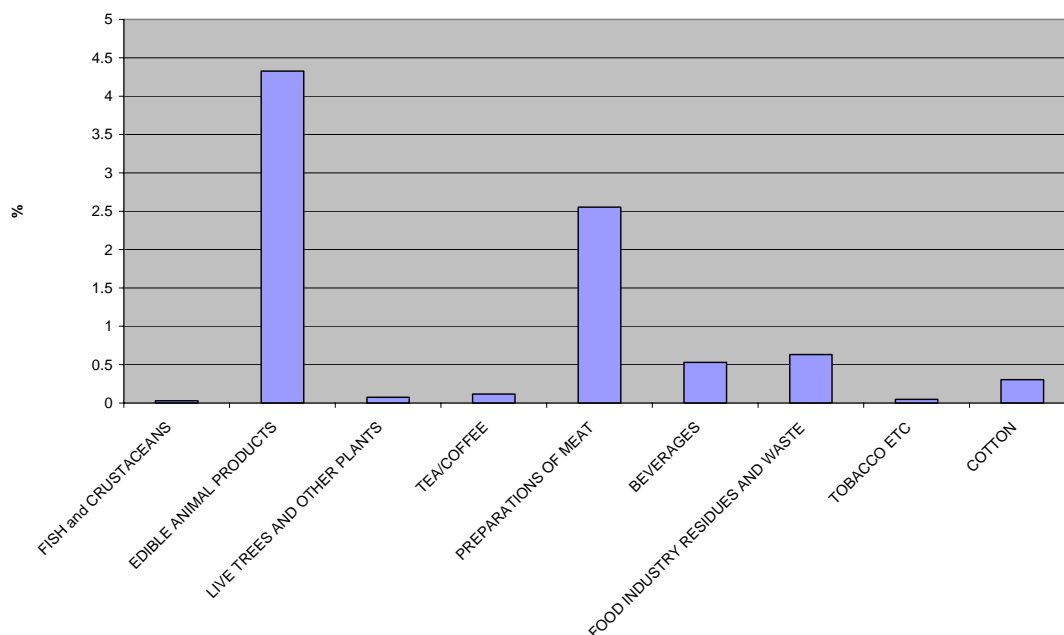


Figure 20: Irish imports by value as a percentage of EU-15 imports for individual commodities



The following charts of imports by Ireland and the EU-15 by HS2 group illustrate the inconsistent nature of Irish imports. Most commodities have only been imported over short periods, with the exception of HS09 (tea, coffee and spices) and HS52 (cotton). In comparison, the EU-15 consistently imported the different commodity groups over the observed period, even though levels by volume and value did show fluctuations. Fish and crustaceans show a surge after 2001, due to the removal of import restrictions that were in place between 1997 and 1999.

Figure 21: Irish imports by commodity 1995-2003 (€million)

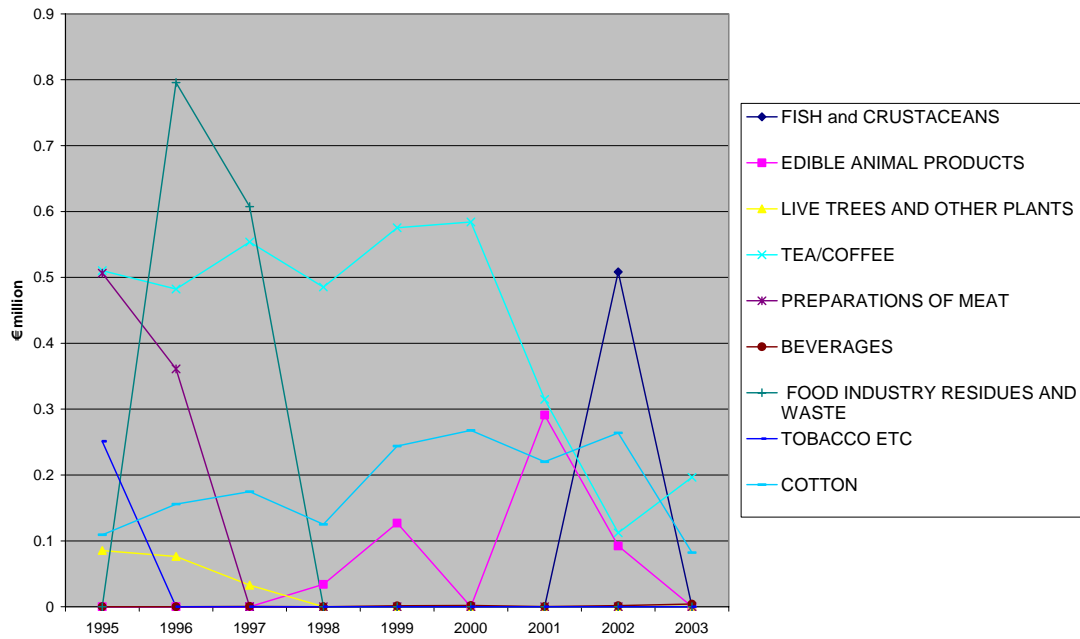
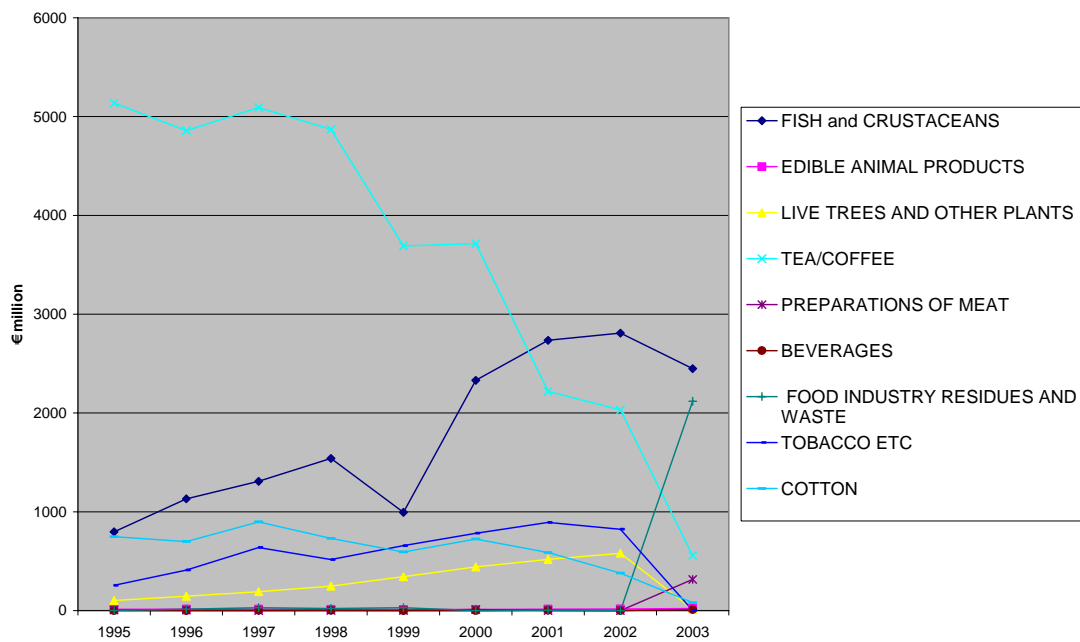


Figure 22: EU-15 imports by commodity 1995-2003 (€million)



5. Case studies of HS09 and HS03 products

Ireland

Agri-food imports by Ireland from the Irish Aid countries between 1995 and 2003 have been sporadic with several products only being imported occasionally. HS09 products (coffee, tea, spices) form the one product group from which Ireland

consistently imported goods from Tanzania and Uganda and occasionally imported from Ethiopia and Zambia (Figure 23). When import trends are examined, despite an increase of 57% in imports of HS09 products by volume, the value of HS09 products imported by Ireland from Irish Aid countries between 1995 and 2003 declined 61% (Table 3). Over the same period, the total value of HS09 products imported by Ireland from all trade partners increased 98%. The percentage of imports from Irish Aid countries in total imports of coffee, tea and spices therefore fell during the same period.

The main countries from which Ireland imports HS09 products are Kenya, Great Britain and India. Between 1995-2003, imports from GB and other EU countries increased, while those from developing countries, including the Irish Aid countries, fell (Table 4). It would appear that the Irish Aid countries are facing increasing competition in the sector from traders in developed countries, particularly Great Britain. It appears that Ireland is tending to buy a lower proportion of HS09 products direct from their country of origin and is increasingly importing from third countries which have imported tea and coffee from the countries in which they are cultivated. This may suggest that the transaction costs involved in sourcing tea and coffee from developing countries are relatively high compared to importing from traders in developed countries. It may also reflect changing retail distribution patterns in Ireland, with the large supermarket multipliers sourcing from their parent companies in the UK rather than dealing directly with traders overseas.

Imports of HS03 products (fish and crustaceans) are also dominated by developed countries. This severely restricts market access for developing countries, particularly in 2002 (Table 5). Irish Aid countries represented a very small proportion of imports and face heavy competition from Great Britain and other EU-15 Member States. Indeed, imports from Irish Aid countries only occurred in 2002 (Table 6). The quantity involved formed such an insignificant share of Irish imports that due to rounding of figures it is not reflected in Table 5. The EU-15 is a more important destination for HS03 products for Irish Aid countries than Ireland.

Table 3: Imports of HS09 products by Ireland by value 1995-2003

	1995	1996	1997	1998	1999	2000	2001	2002	2003
Total imports ('000 €)	31,958	35,706	46,905	44,703	51,049	54,474	55,803	59,296	63,376
Imports from IA countries ('000 €)	510	482	554	485	575	584	315	112	196
% of imports from IA countries	1.6	1.4	1.2	1.1	1.1	1.1	0.6	0.2	0.3

Table 4: Origins of Irish imports of HS09 (coffee, tea, spices) products by volume

	Quantity (T)	% IA	% Kenya	% GB	% India
1995	15,459	2.7	32	22	11
1996	16,541	2.2	27	20	12
1997	16,935	1.5	41	23	8
1998	14,990	1.8	34	26	11
1999	18,686	1.5	31	27	10
2000	17,771	1.3	27	30	11
2001	18,062	0.8	29	36	10
2002	20,657	0.4	29	41	4
2003	24,232	0.5	28	46	3

Figure 23: Irish imports by volume of HS09 products from the Irish Aid countries, 1995-2003



Table 5: Origins of Irish imports of HS03 (fish and crustaceans) products by volume

	% imports from GB	% EU-15	% developed countries
1995	87	97	99
1996	64	81	95
1997	75	98	98
1998	64	83	87
1999	70	98	99
2000	60	80	81
2001	30	94	97
2002	15	99	100
2003	85	96	98

Table 6: Irish imports of HS03 (fish and crustaceans) products by value

	1995	1996	1997	1998	1999	2000	2001	2002	2003
Total imports (million €)	29.4	36.0	44.5	51.2	57.3	58.8	89.7	72.3	51.0
% non-EU imports	4.3	5.4	3.2	4.3	1.9	3.0	1.8	4.6	5.5
% IA	0	0	0	0	0	0	0	0.7	0

EU-15

For the EU-15, total imports of HS09 declined 32% by value between 1995 and 2003, with imports from Irish Aid countries declining 59% over the same period. The proportion of imports from Irish Aid countries was considerably higher in the EU-15 than Ireland. As for Ireland, the proportion of imports from Irish Aid countries fell between 1995 and 2003. A further difference lies in the main sources of EU-15 imports being developing countries with Brazil, Colombia and Vietnam being the first, second and third largest exporters respectively.

Table 7: Imports of HS09 products by the EU-15 by value 1995-2003 €million

	1995	1996	1997	1998	1999	2000	2001	2002	2003
Total extra EU-15 imports	6,027	5,120	6,872	6,527	5,435	5,390	4,285	3,601	3,433
Imports from IA countries	514	486	509	487	369	371	222	203	212
% of imports from IA countries	8.5	9.5	7.4	7.5	6.8	6.9	5.2	5.6	6.2

Imports of HS03 products (fish, crustaceans etc) by the EU-15 are dominated by Norway which accounts for around 23% by volume. Most imports (39-50%) are derived from 5 countries: Norway, Russia, Argentina, Iceland and the USA (Table 8). The EU does import from many developing countries, including 27 in sub-Saharan Africa. Of these African exporters, Namibia exports the largest volume. Of the Irish Aid countries, Tanzania is the most important exporter of HS03 products, while Mozambique lies second. Tanzania benefits in having access to both Lake Victoria and the Indian Ocean, while Mozambique, in addition to its coast line has access to Lake Malawi for fishing. In 1995, Tanzania was the third largest exporter by volume, and was in fourth place in 2003 behind Namibia, South Africa and Senegal. By value it rose from 10th position in 1995, to 5th in 2003 behind these three countries and Madagascar. Over the period 1995-2003, imports of HS03 products from Irish Aid countries increased from 0.8% to 1.7% by volume, and 1.3% to 2.5% by value, of total EU-15 imports.

Table 8: EU-15 imports of HS03 products by volume

	1995	1996	1997	1998	1999	2000	2001	2002	2003
Total HS03 imports (extra-EU-15) ('000 T)	2,339	2,493	2,655	2,919	2,867	2,857	3,178	3,090	3,276
% of imports from IA countries	0.8	1.0	1.0	1.2	0.6	1.5	1.7	1.6	1.7
% of imports from NO,RU,AG,IS,US	44	46	50	47	46	44	41	41	39

Table 9: EU-15 imports of HS03 products by value (€million)

	1995	1996	1997	1998	1999	2000	2001	2002	2003
Total HS03 imports (extra EU-15)	6,044	6,250	7,017	8,402	8,331	9,488	10,449	9,941	9,949
Total HS03 imports from IA countries	80	113	131	154	100	233	274	281	245
% imports from IA countries	1.3	1.8	1.9	1.8	1.2	2.5	2.6	2.8	2.5

6. EU-15 and Irish Agri-food Exports to Irish Aid countries

Irish Aid countries are not important destinations for EU-15 agricultural exports: between 1995 and 2003, these did not exceed 0.26% of total EU-15 agricultural

exports by value. The precise level of exports by value varies from year-to-year, with the lowest levels occurring in 2001 and 2002, before a peak was reached in 2003, at a level almost twice that of 2002.

The main products exported were cereals (31%), milling industry products (14%) and beverages (13%). Exports were unevenly distributed between Irish Aid countries. As a proportion of total agricultural exports by the EU-15 between 1995 and 2003, Ethiopia was the major importer amongst the Irish Aid countries, accounting for 44% of the IA-6 total, of which 53% were cereals. Lesotho and Zambia accounted for only 5% of EU-15 exports to the group.

When trends over the period are considered, Ethiopia exhibits the greatest variability in the value of exports received.

Table 10: Agricultural exports by the EU-15 to Irish Aid countries 1995-2003 (million €)

	1995	1996	1997	1998	1999	2000	2001	2002	2003
Total exports	46,986	49,235	54,959	53,823	53,875	61,092	62,555	64,211	62,554
Total exports to IA countries	123	100	99	96	104	133	90	77	140
% exports to IA countries	0.26	0.20	0.18	0.18	0.19	0.22	0.14	0.12	0.22

Figure 24: Distribution EU-15 exports to IA countries by product for the period 1995-2003

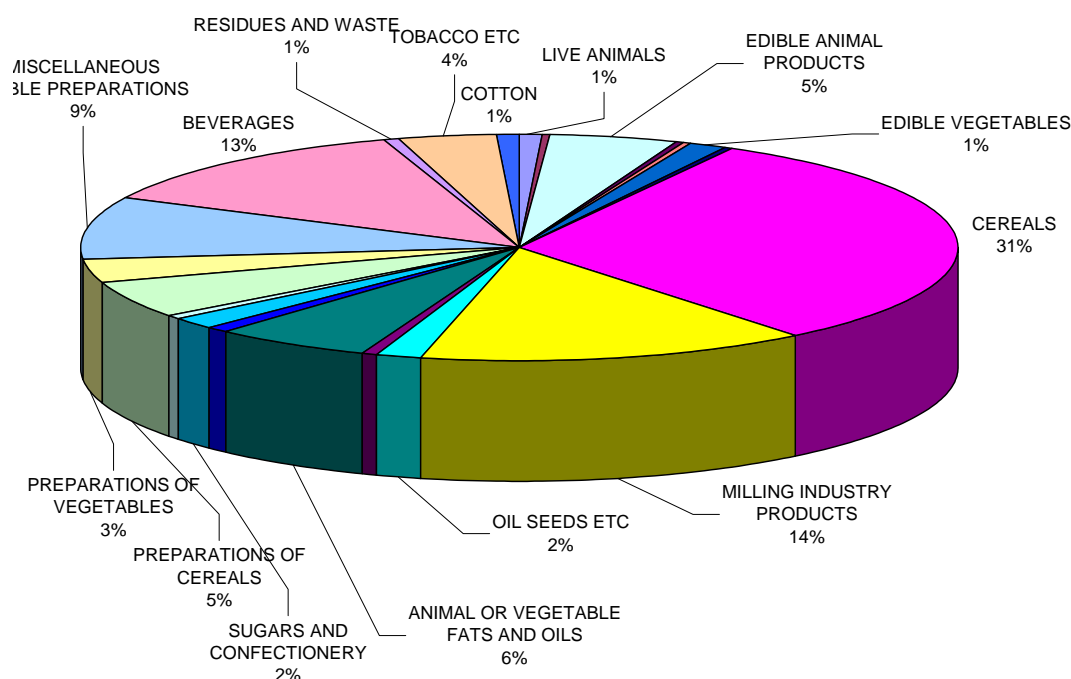


Figure 25: Distribution EU-15 exports to Irish Aid countries by country for the period 1995-2003

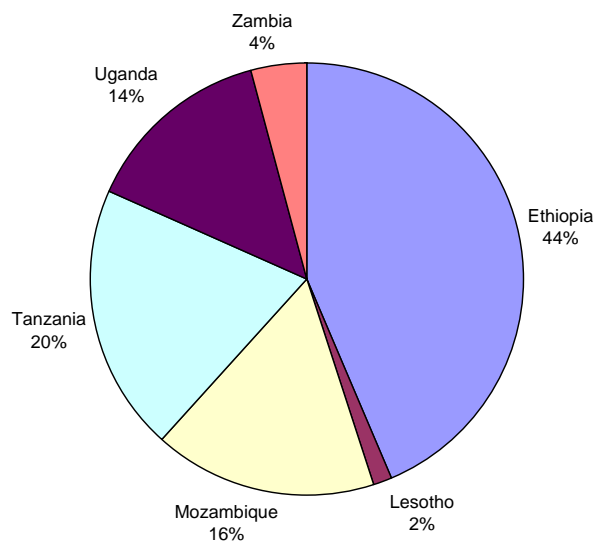
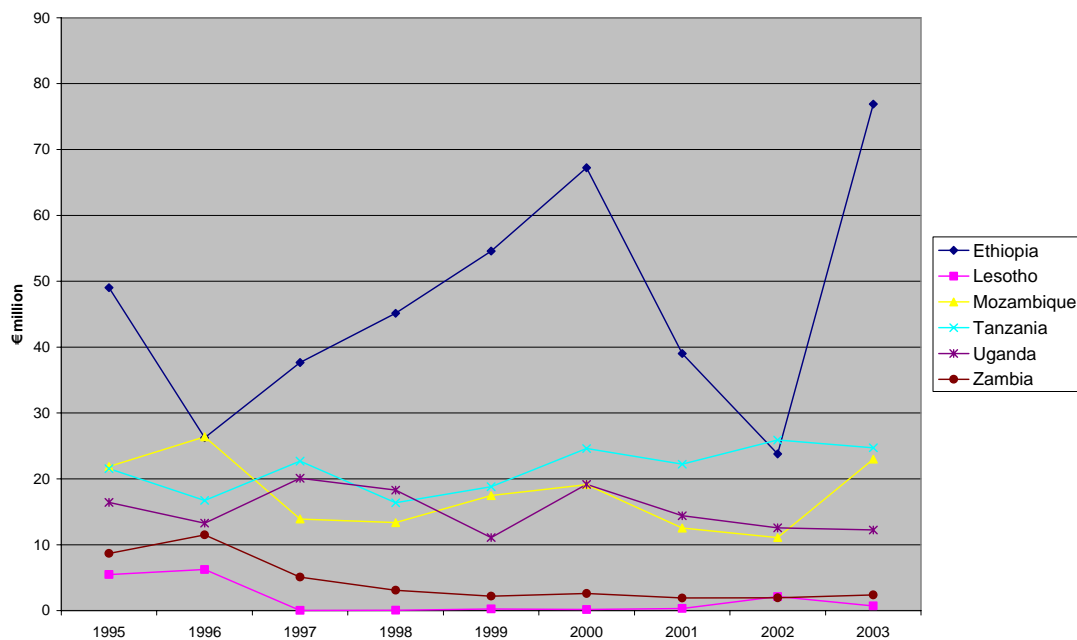


Figure 26: Distribution EU-15 exports to Irish Aid countries by country over the period 1995-2003 (€million)



An insignificant proportion of Irish agricultural exports are to Irish Aid countries. The largest share reached between 1995 and 2003 was a peak of 0.16%. As a proportion of total exports, those from Ireland are lower than for the EU-15. For Ireland, the EU is the major destination for its exports.

Irish exports to Irish Aid countries have a different composition to those of the EU-15. Where the EU-15 mainly exports cereals and milling products, Ireland's major exports are of food residues and waste (44%), miscellaneous edible preparations

(40%) and preparations of cereals (10%). The basic agricultural commodities of beef, dairy products and poultry-meat exported with the aid of export subsidies do not figure on this list.

The distribution of exports by Irish Aid country also differs from the EU-15. Mozambique accounts for only 2% of exports compared to 16% in the case of EU-15 exports. Tanzania and Uganda account for a larger proportion of exports than for the EU-15: 31% and 19% respectively as compared to 20% and 14% for the EU-15. Ethiopia remains the major destination at 47%.

Exports to Mozambique, Zambia and Lesotho are too small to illustrate trends over the 1995-2003 period. With the exception of 1995, Ethiopia has imported a greater value of Irish produce throughout the period, and exhibits less variation than that observed for the EU-15. A peak occurred in 2001, while for Uganda and Tanzania this occurred the following year.

Table 11: Irish exports 1995-2003 (million €)

	1995	1996	1997	1998	1999	2000	2001	2002	2003
Total exports	67,639	60,641	57,450	58,490	64,310	70,472	69,130	68,941	69,775
Total exports to IA countries	13	10	10	9	6	7	19	19	18
% exports to the EU-15	76	74	73	74	73	72	73	77	78
% exports to IA countries	0.11	0.08	0.10	0.09	0.05	0.06	0.15	0.16	0.14

Figure 27: Distribution of Irish exports to Irish Aid countries by product for the period 1995-2003

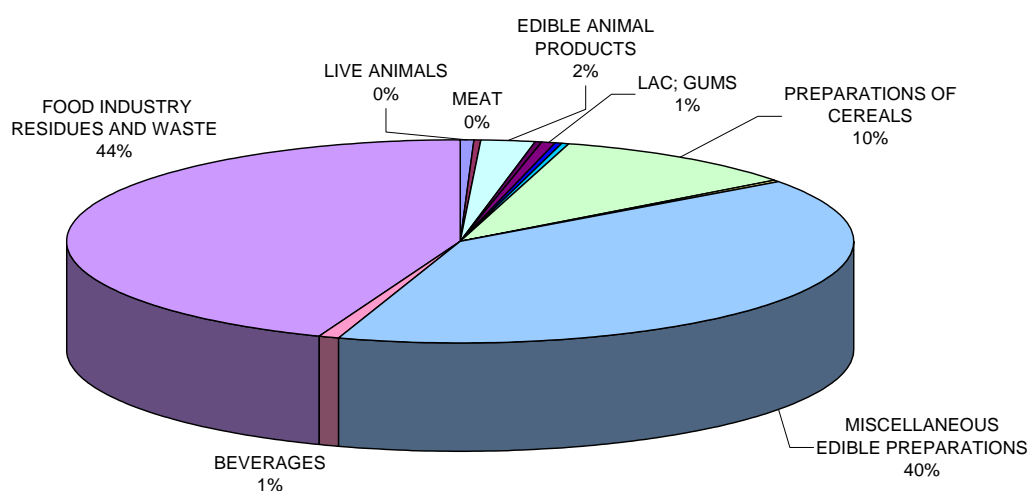


Figure 28: Distribution Irish exports to Irish Aid countries by country over the period 1995-2003 (€million)

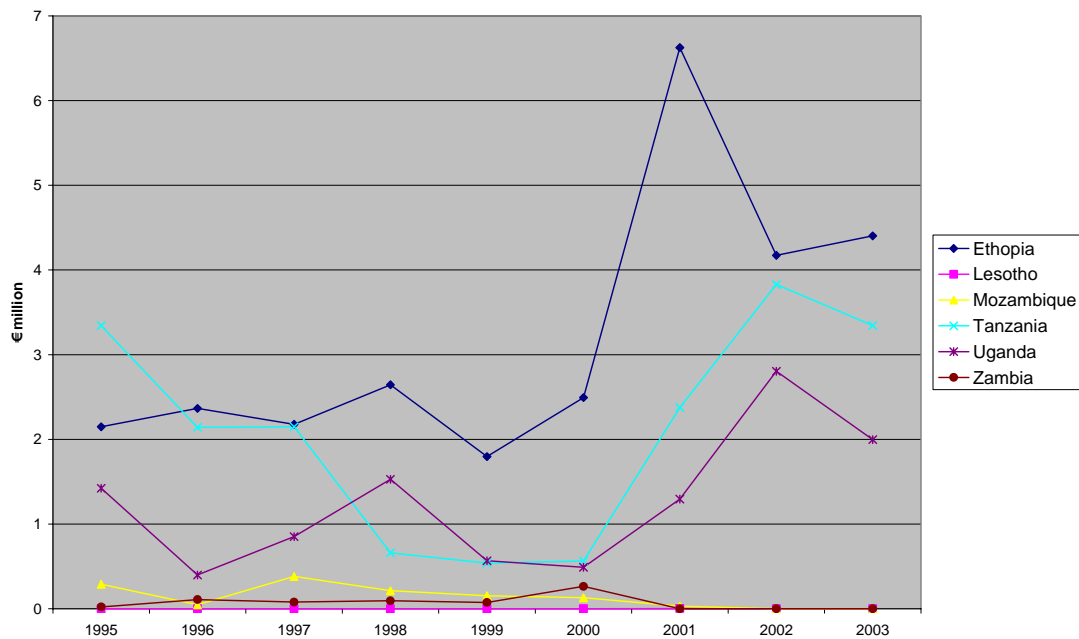
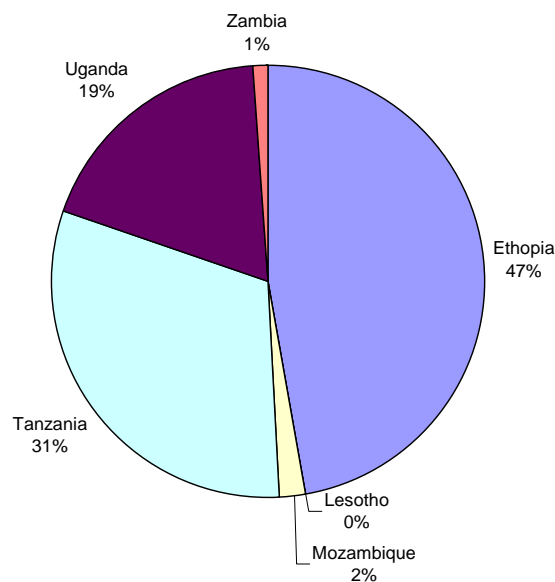


Figure 29: Distribution Irish exports to Irish Aid countries by country for the period 1995-2003

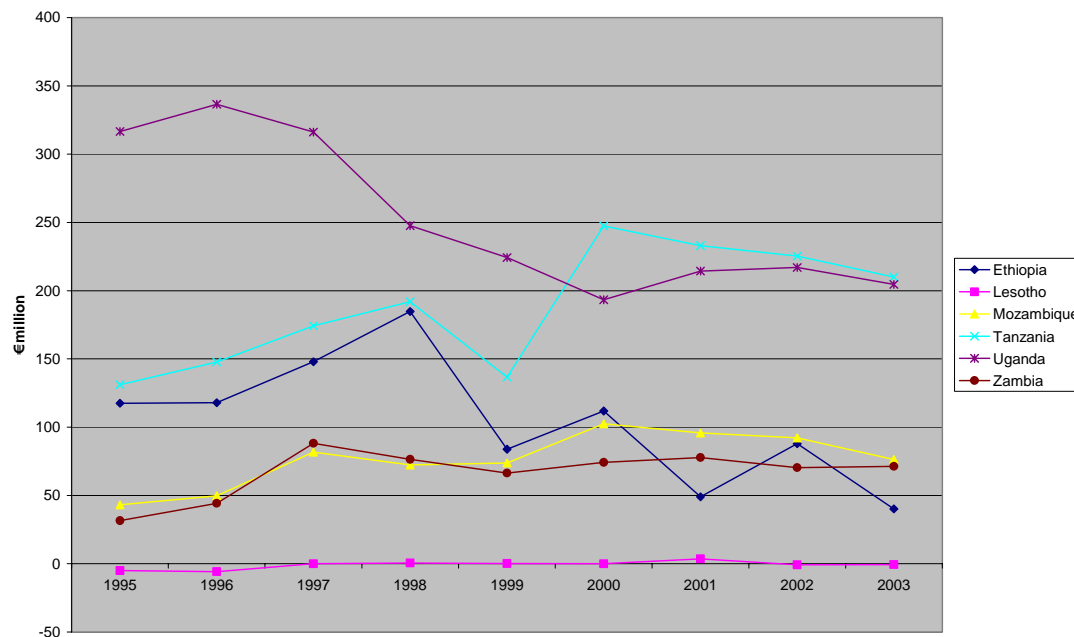


Net Trade between Irish Aid countries and the EU-15

By and large, net agricultural trade between Irish Aid countries and the EU-15 favoured the Irish Aid countries over the period 1995-2003. At the beginning of the period, Uganda had the largest agricultural trade balance but this declined over the

period, to be overtaken by Tanzanian in 2000. This pattern reflects the fall in the world coffee price over the period and a fall in the volume of coffee exported by Uganda to the EU-15. All six countries exhibit variation in their net agricultural trade although Zambia has remained fairly steady since 1997. However, in all cases, net agricultural trade has declined since 2001.

Figure 30: Net agricultural trade between the Irish Aid countries and the EU-15 1995-2003(€million)



In terms of products, all Irish Aid countries had negative trade balances for cereals, animal or vegetable fats and oils, preparations of cereals, preparations of vegetables, miscellaneous edible preparations and beverages. Products groups for which all six countries had positive net trade with the EU-15 were: fish and crustaceans, coffee, lac, gums and cotton. With the exception of cereals, it appears that Irish Aid countries tend to have positive net trade with the EU-15 for commodities and negative trade balances for processed products.

Net Trade between Irish Aid countries and Ireland

In contrast to that with the EU-15, net agricultural trade with Ireland has generally been negative for the Irish Aid countries. Therefore, although the proportion of Irish exports which goes to Irish Aid countries is low, it still exceeds the value of agricultural goods imported from these countries. Zambia and Lesotho were the only countries to have maintained a positive level of net trade, albeit small for the period, although that of Zambia became negative in 2003. Mozambique has achieved a positive trade balance in three years: 1995, 1996 and 2002, but levels were low in comparison to the negative net trade observed for Tanzania, Uganda and Ethiopia. Ethiopia had the greatest agricultural trade deficit of the group.

Negative net trade occurred for live animals, meat, preparations of cereals and miscellaneous edible preparations. It is this latter group of products which is the major

source of the negative trade flows observed. Positive net trade is observed for fish and crustaceans, coffee, tobacco and cotton. As for the EU-15, exports tend to be of commodities while imports from Ireland are generally of processed goods with value-added.

Table 12: Net trade by product between Irish Aid countries and the EU-15 for the period 1995-2003 ('000€)

	Ethiopia	Lesotho	Mozambique	Tanzania	Uganda	Zambia
LIVE ANIMALS	-664	-17	236	5,884	-3,136	-1,451
MEAT	-310	-13	-175	-144	176	-91
FISH AND CRUSTACEANS	330	5,609	545,063	705,561	350,517	1,380
EDIBLE ANIMAL PRODUCTS	-12,022	-84	5,179	-13,379	-8,666	-1,395
PRODUCTS OF ANIMAL ORIGIN	3,055	-8	1,549	4,980	1,192	-186
LIVE TREES AND OTHER PLANTS	6,709	-4	69	76,655	102,654	122,898
EDIBLE VEGETABLES	89,901	-2,205	-1,573	41,194	22,273	81,625
EDIBLE FRUIT AND NUTS	-140	19	13,073	996	2,547	966
COFFEE	1,154,771	-3	172	492,884	1,664,067	58,340
CEREALS	-220,676	-11,942	-40,757	-4,144	-6,779	-14,798
MILLING INDUSTRY PRODUCTS	-26,910	18	-14,372	-40,901	-54,093	-2,093
OIL SEEDS ETC	30,011	0	33,132	6,235	-717	-1,477
LAC; GUMS	6,103	0	322	98	30	229
VEGETABLE PRODUCTS	6,807	0	83	540	-8	-59
ANIMAL OR VEGETABLE FATS AND OILS	-21,667	-425	-15,996	-3,874	-4,598	-867
PREPARATIONS OF MEAT	-1,665	2,192	-3,758	-454	131	16
SUGARS AND CONFECTIONERY	16,535	-4	23,748	73,853	-5,410	87,801
COCOA AND COCOA PREPARATIONS	-2,136	-315	-126	35,109	22,137	-215
PREPARATIONS OF CEREALS	-21,275	-79	-5,885	-11,964	-9,634	-2,201
PREPARATIONS OF VEGETABLES	-3,400	0	-5,368	-20,018	-1,580	-296
MISCELLANEOUS EDIBLE PREPARATIONS	-37,853	-83	-4,603	-18,352	-17,513	-1,301
BEVERAGES	-33,571	-184	-43,335	-29,070	-10,880	-3,804
FOOD INDUSTRY RESIDUES AND WASTE	396	-43	-1,211	-1,820	-345	6,119
TOBACCO ETC	-16,952	0	56,817	297,052	164,522	40,437
COTTON	25,707	-2	145,604	100,450	63,396	231,502

Figure 31: Net agricultural trade between the Irish Aid countries and Ireland 1995-2003(€)

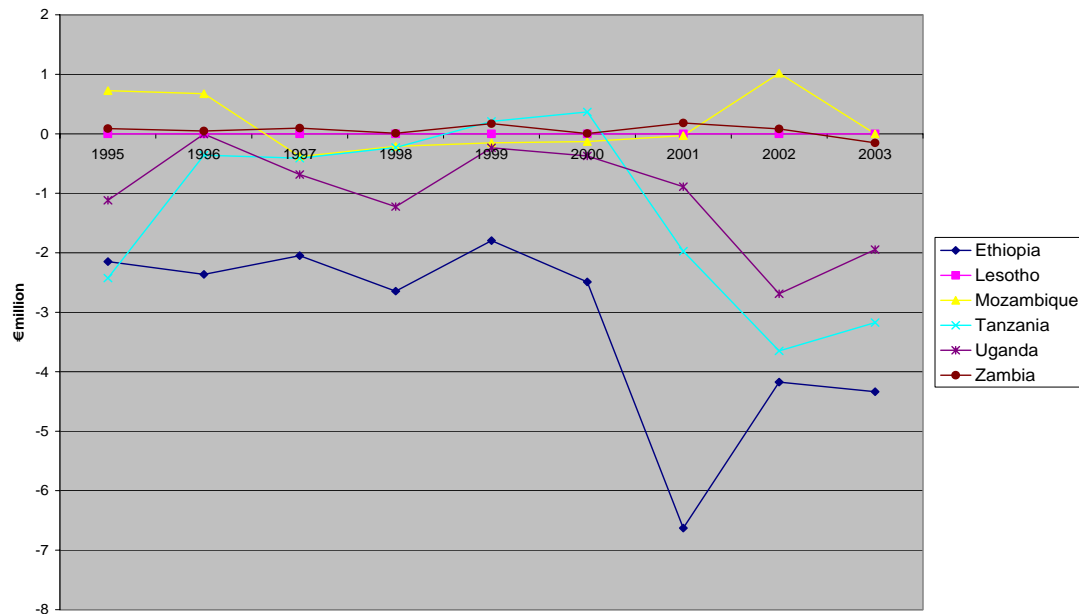


Table 13: Net trade by product between Irish Aid countries and the Ireland for the period 1995-2003 ('000€)

	Ethiopia	Lesotho	Mozambique	Tanzania	Uganda	Zambia
LIVE ANIMALS	-51	0	0	-354	-170	0
MEAT	0	-1	-94	0	-180	-228
FISH AND CRUSTACEANS	0	0	508	0	0	0
EDIBLE ANIMAL PRODUCTS	0	0	-11	-407	-685	-256
PRODUCTS OF ANIMAL ORIGIN	0	0	0	-98	394	0
LIVE TREES AND OTHER PLANTS	1	0	0	6	0	188
EDIBLE VEGETABLES	-31	0	0	0	4	0
COFFEE	197	0	0	1,984	1,605	0
OIL SEEDS ETC	0	0	0	-1	0	0
LAC; GUMS	0	0	0	-763	0	0
PREPARATIONS OF MEAT	0	0	-181	0	0	0
SUGARS AND CONFECTIONERY	0	0	0	-269	0	0
PREPARATIONS OF CEREALS	-2,118	0	-4	-8,990	-2	-410
MISCELLANEOUS EDIBLE PREPARATIONS	-26,577	0	-87	-7,912	-10,016	-230
BEVERAGES	-43	0	1,376	1,256	-114	0
FOOD INDUSTRY RESIDUES AND WASTE	0	0	0	251	-5	0
TOBACCO ETC	0	0	0	3,648	0	0

7. Conclusions

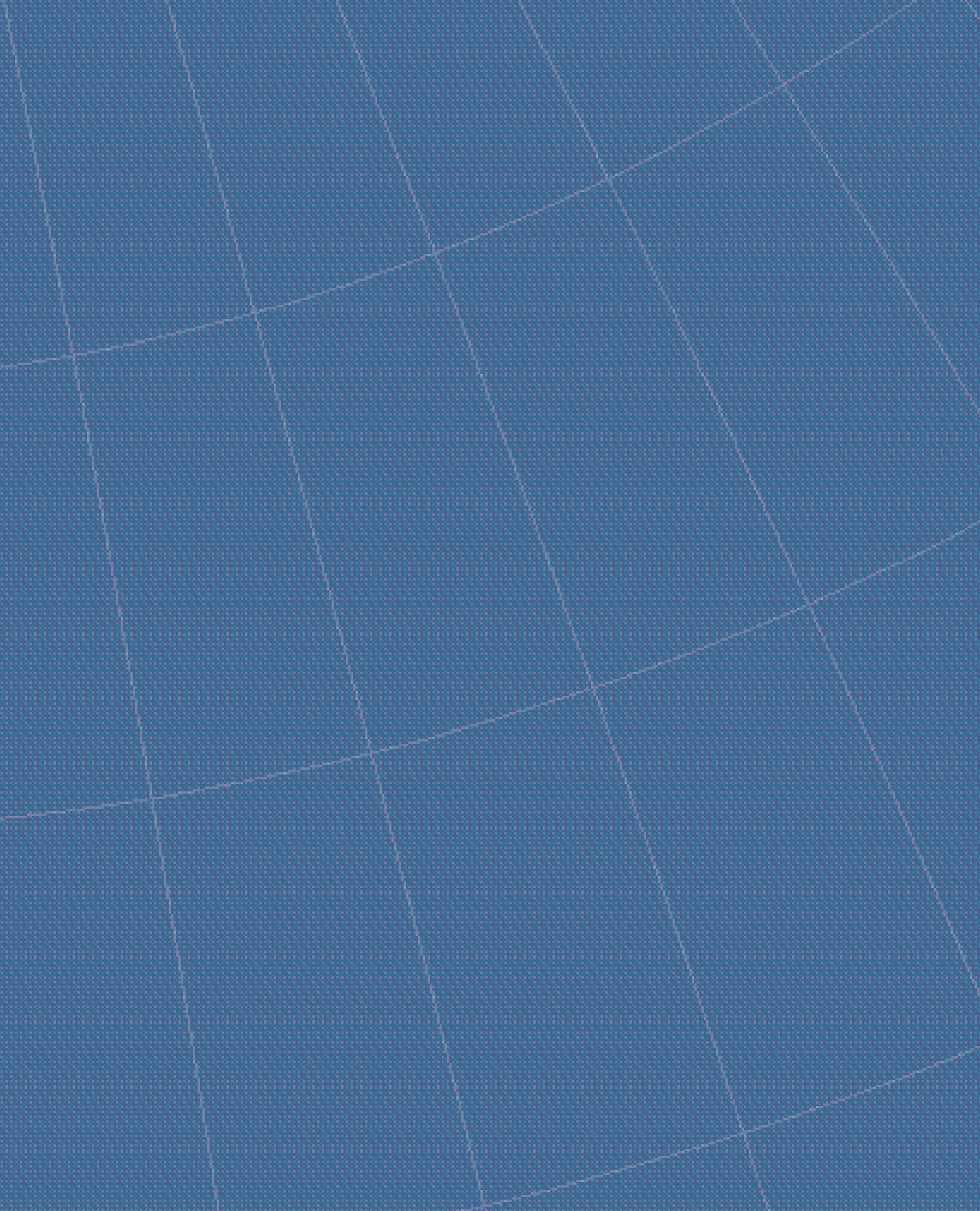
The purpose of this paper was to document the changing nature and trade in agri-food products between the EU-15 and Ireland, on the one hand, and the six Irish Aid programme countries in Africa, on the other hand. These trade flows are the starting point for any analysis of the likely impact of further EU agricultural policy reform on these countries.

The analysis highlighted the narrow range of exports from these countries to the EU-15. In 2003, 62% of Irish Aid programme countries' agri-food exports to the EU were either coffee, tea and spices, or fish and fish products. Because all of these countries are least developed countries, they face no tariff barriers on entering the EU market. However, SPS problems have led to a temporary ban on fish imports from some of these countries in the past.

The evidence does not suggest any dramatic upward trend in agri-food imports from these countries after 2001, when the EU's Everything But Arms agreement came into force. However, there have been small but significant increases in sugar exports from Ethiopia, Mozambique and Zambia, indicating that these countries will be affected by the EU sugar reform agreed in November 2005. Because of declining world market prices, however, there is no discernible trend in the value of EU agri-food imports from the six countries over the 1995-2003 period. Apart from coffee/tea and fish, agri-food exports from these countries appear sporadic and opportunistic.

As exporters, Tanzania and Uganda are the largest exporters by value to the EU-15; on the import side, Ethiopia alone accounted for 44% of imports from the EU-15 on average over the period. While Ireland imports less than its share (in comparison to its economic weight within the EU-15) from the Irish Aid programme countries, its agri-food exports are tiny, and never greater than 0.16% of the EU-15 total.

Comparing the balance in agri-food imports and exports, the Irish Aid countries tended to have a positive balance on trade in commodities, but a deficit on trade in more processed food products. The overall balance is still positive but shrinking over time.



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