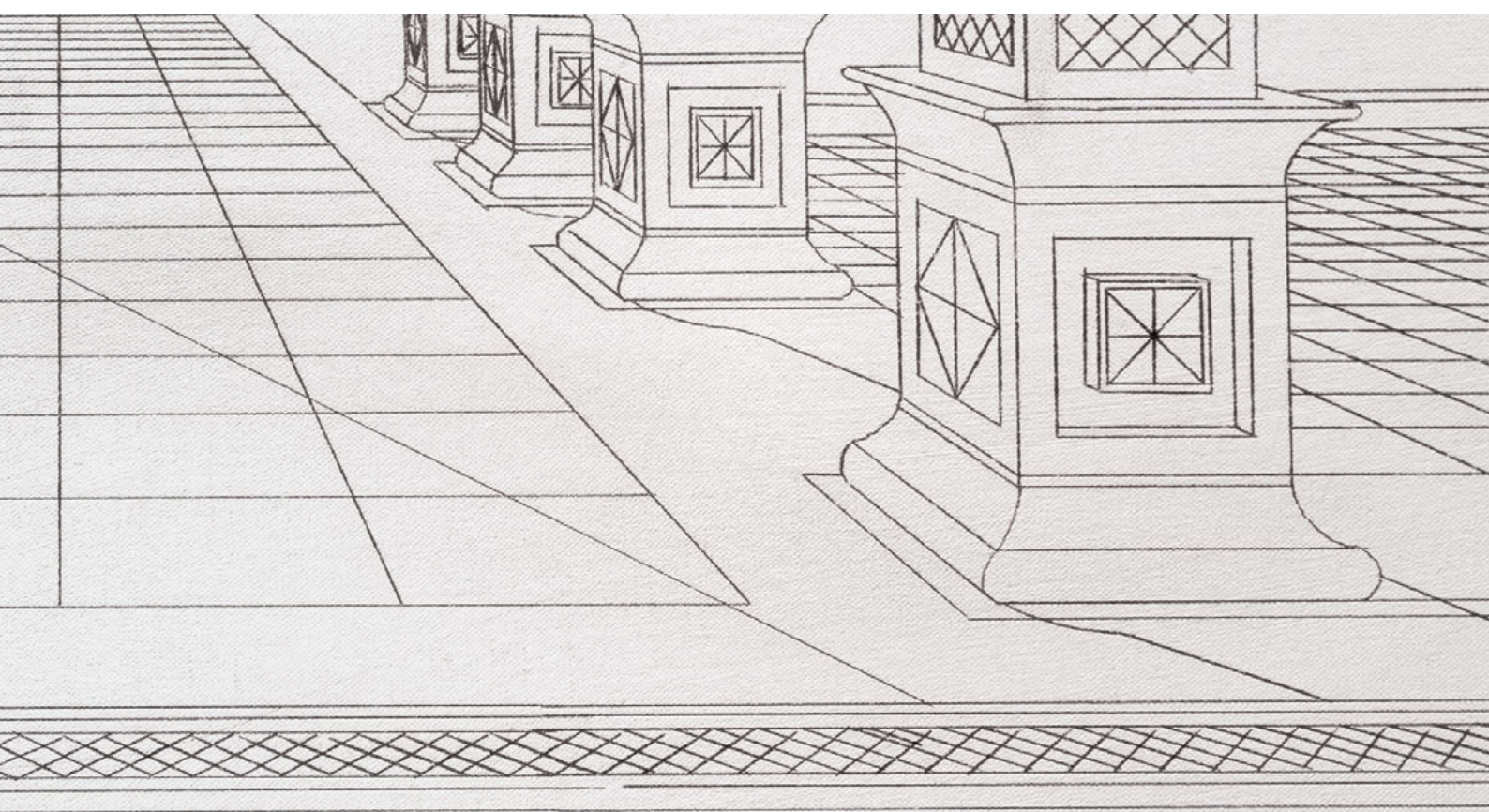


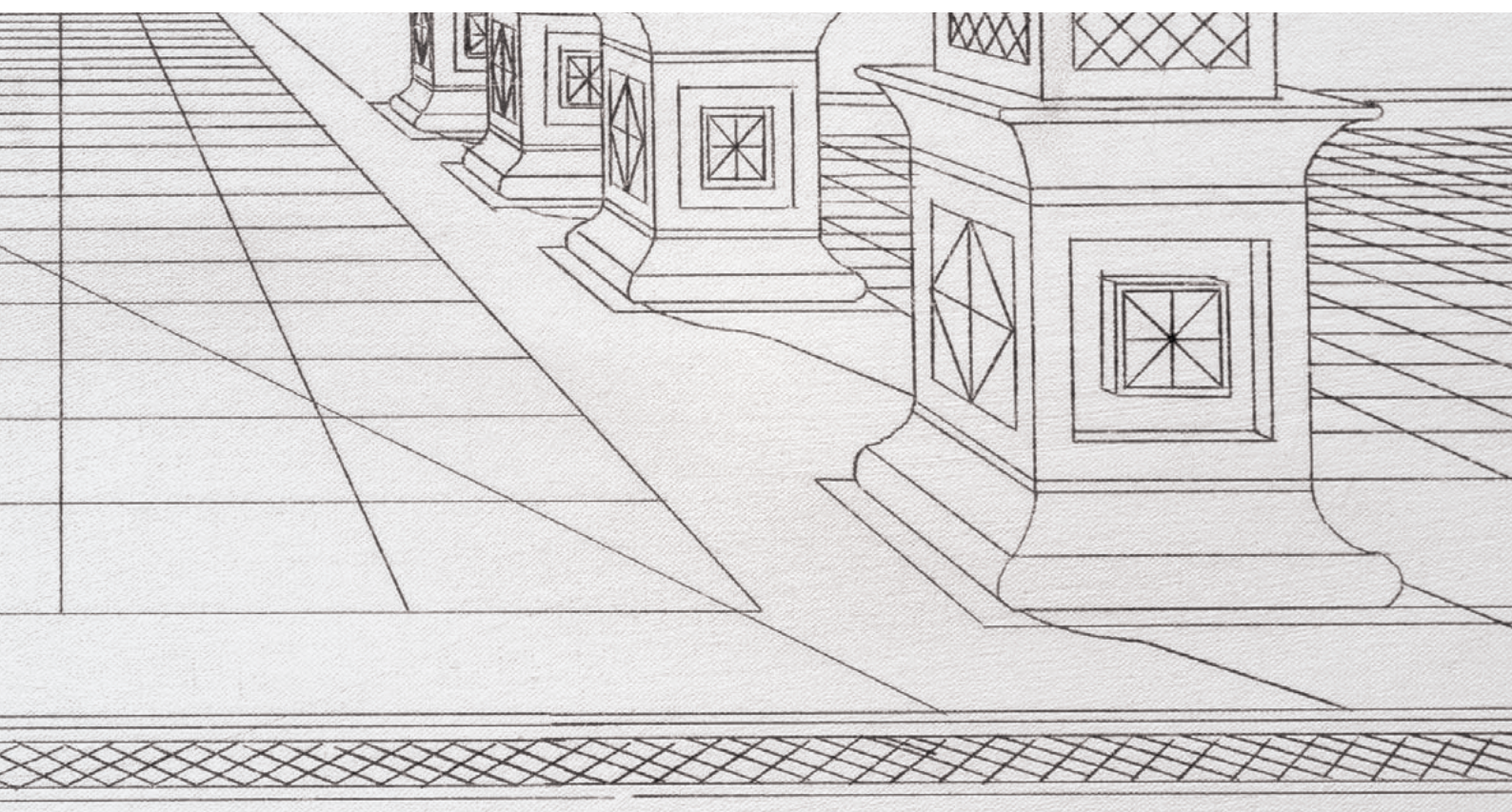
UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT
COMMON MARKET FOR EASTERN AND SOUTHERN AFRICA

THE UTILIZATION OF TRADE PREFERENCES BY COMESA MEMBER STATES INTRA-REGIONAL TRADE AND NORTH SOUTH TRADE



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Introduction

Governments are increasingly negotiating Free Trade Agreements (FTAs) and mega-regionals to create and expand market access for their economies. The African Continental Free Trade Area (AfCFTA) is the latest attempt in the region. Only recently, Governments have realized the importance of using utilization rates to monitor the effective use of FTAs by their firms.

The utilization of trade preferences is an instrument to measure how firms effectively use an FTA. As such, it is an essential tool that assists policymakers and administrations in establishing the effectiveness of trade agreements; and firms to realize the extent of the missed trade opportunities.

This study stems from a long-standing relationship between the Common Market for Eastern and Southern Africa (COMESA) and the United Nations Conference on Trade and Development (UNCTAD) Secretariat in trade and trade facilitation. It aims at shedding light on one important aspect of regional integration, namely, the effective use of the trade preferences provided by free trade agreements (FTAs) such as the COMESA FTA and other preferential trade arrangements (PTAs) granted by QUAD Developed countries¹ such as AGOA, EBA, and GSP preferences.

In this scenario, monitoring the effective utilization of trade preferences granted under North-South preferential trading arrangements as well as those under the existing Regional Economic Communities (RECs) and, soon, the AfCFTA is a priority. This will ensure that these latter trade agreements are functioning correctly to boost intra-African trade and deliver the trading opportunities and the economic growth that motivated the political will to launch such trade initiatives.

This joint publication seeks to inform COMESA's governing bodies of the measures needed to ensure that the COMESA FTA is effectively used. Furthermore, the findings should guide the planning and implementation of the necessary reforms and actions to address underutilization; this is especially true when COMESA Member States engage in the AfCFTA.

The findings of this study should be addressed by positive actions and reforms especially of rules of origin and their administrative procedures as well as effective dissemination efforts among stakeholders. The data and the related findings from utilization rates are reported from QUAD databases and notifications of COMESA Member States to the COMESA Secretariat.

¹ Canada, the European Union (EU), Japan and the United States of America (US.)

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Executive Summary

This publication is part of a series of studies on the utilization of trade preferences granted under unilateral and contractual Free Trade Agreements (FTAs) to monitor the utilization rates of trade preferences.² The objective of the series is to draw policy recommendations and reforms.

Utilization rates (URs) are an instrument to assess the effectiveness of trade preferences in terms of use by firms and are based on customs data. URs may show a sharp picture of the use of a preferential trade arrangement (PTA), as unpleasant as it may be. Yet URs serve as a valid mechanism to introduce the necessary reforms and policy actions to enhance a PTA's attractiveness and business-friendliness.

The methodology adopted in this publication identifies areas, countries, and PTAs showing less than optimal URs that require follow-up action in terms of national consultations with the private sector to discuss these findings. Such action would better to understand the reasons for such low utilization and formulate alternative rules of origin based on best practices, lessons learned, and other reforms.

The analysis carried out in this study is divided in two main parts. The first part covers the COMESA Member States' URs under trade preferences granted by Canada, the EU, Japan and the US, including the African Growth and Opportunity Act (AGOA), Everything But Arms (EBA), and GSP. In the case of the EU, since several COMESA countries have entered into Economic Partnership Agreements (EPAs), the URs of such FTA will be also examined. This analysis shows that while utilization is generally high, there are significant pockets of underutilization of trade preferences. The study provides a detailed product level assessment of each COMESA country providing the necessary information to inform and conduct follow-up actions and firm-level consultations. Some of the key insights regarding utilization include:

- The utilization rates of EU trade preferences either granted under EBA or as part of EPAs rank among the highest. Yet, there are significant pockets of underutilization for certain countries and products.
- The utilization of AGOA trade preferences shows relatively good utilization rates with significant variation among countries and products.
- Japan trade preferences under GSP show high utilization rates, albeit with modest trade volumes, while Canada trade preferences exhibit relatively lower utilization rates and even more modest trade volumes.

The second part of the study focuses on the URs of COMESA FTA and of other FTAs of which COMESA countries are members, such as East African Community (EAC) and Southern African Development Community (SADC). The analyses show rather stark differences in the URs of various RECs as follows:

- EAC utilization rates rank, on average, at the top, followed by COMESA and SADC, respectively.
- In general, the URs of the RECs are lower than the average registered under PTAs with QUAD Countries in the first part of the study.
- Additionally, there are countries where the URs of COMESA are remarkably higher than those under SADC.
- In certain COMESA countries, the URs are generally low across the board for the different RECs calling for action and analysis to identify the reasons for such low URs and differences of URs across the RECs.

A series of policy lessons can be drawn from such disparities that may primarily depend on different rules of origin and administrative procedures applied under the different RECs as follows:

- First, it has to be acknowledged that COMESA countries record significantly higher URs when using the PTAs with QUAD countries than when they are using intra-regional trade preferences under the various RECs. This finding calls for reflection as rules of origin and related administrative procedures under the RECs are generally more stringent and less trade facilitating than those under the PTAs with QUAD countries.

² The Use of the EU's Free Trade Agreements Exporter and Importer Utilization of Preferential Tariffs, 2018 available at <https://unctad.org/webflyer/use-eus-free-trade-agreements-exporter-and-importer-utilization-preferential-tariff>. See also The Utilisation Rate of EU Free Trade Agreements, BDI, 2020, available at <https://english.bdi.eu/article/news/the-preference-utilization-rate-of-eu-free-trade-agreements/>.

- Second, certain RECs and countries show conspicuously low URs, even lower than the average recorded at intraregional level.

The overall results of this study call the attention of COMESA governing bodies and COMESA Member States to consider reforms of their rules of origin and administrative procedures to align them to best practices and achieve convergence across RECs. This holds especially true in view of the AfCFTA implementation.

Dissemination efforts and consultative mechanisms should be established with firms and private sector associations to understand better and identify the reasons for low utilization.

These areas will be the subject of further analysis by UNCTAD and COMESA, using a methodology previously developed and tested.³ This follow-up analysis will be carried out in two steps to identify the reasons for low utilization due to rules of origin and related administrative procedures using filtering criteria of URs and statistical research. This publication has identified critical products or sectors showing a “malaise” of URs in the PTAs examined.

The critical products and sectors recording low URs identified in this publication should be the object of focused consultative meetings with firms, private sector associations and relevant Government officials. These public and private consultations should be geared to identify the reasons for low URs and devise a shared roadmap leading to reform and modernization of rules of origin and related administrative procedures.

³ See Crivelli, Pramila and Inama, Stefano and Kasteng, Jonas, “Using Utilization Rates to Identify Rules of Origin Reforms: The Case of EU Free Trade Area Agreements”, RSCAS Paper No. RSCAS 2021/21, available at SSRN <https://ssrn.com/abstract=3821597> or <http://dx.doi.org/10.2139/ssrn.3821597>.

Chapter 1. Concept of Utilization Rates and its use in Measuring the Effectiveness of Trade Preferences

Governments are increasingly negotiating Free Trade Agreements (FTAs) and mega-regionals to create market access for their companies. The African Continental Free Trade Area (AfCFTA) is the latest attempt in the region. Recently, governments have progressively realized the importance of Utilization Rates (URs) to effectively monitor the use of FTAs by their firms.

The concept of utilization rates was first conceived in 1974 when the UNCTAD Trade and Development Board mandated the Special Committee on Preferences to monitor the utilization of trade preferences granted under the Generalized System of Preferences (GSP). The GSP was conceived during the early years of UNCTAD as the first multilaterally agreed form of trade preferences. Intergovernmental bodies were created, within UNCTAD, to monitor the performance of the GSP, and since then the Special Committee on Preferences and the UNCTAD Working Group on Rules of Origin used the utilization rate of the GSP as the performance criteria of the GSP and developed a series of analytical studies.⁴

UNCTAD's traditional methodology of assessing the performance of the GSP used a series of indicators as reported in the intergovernmental documents prepared for the Special Committee on Preferences since the early 1970s. These indicators are as follows

- **Product coverage** is defined as the ratio between exports covered by a PTA and total dutiable exports from the beneficiary countries. The higher the percentage, the more generous the preferences may be, depending on the structure of dutiable exports of the beneficiary countries. Coverage does not automatically mean that preferences are granted at the time of customs clearance.
- **Utilization rate** is defined as the ratio between the values of imports that have effectively received the preferential tariff at the time of importation and those imports covered by the agreement. More specifically, the utilization rate of importer *i*, exporter *j*, product *h*, year *t*, is defined as follows:

$$UR_{ijht} = \frac{\text{Imports receiving preferential treatment}_{ijht}}{\text{Imports covered by the preferential agreement}_{ijht}} * 100$$

The data is based on customs import data of the preference giving countries or partners to an FTA.

Most recently, the utilization of trade preferences has been the object of a revival thanks to work done by LDCs in getting to the WTO Nairobi Decision on Preferential Rules of Origin supported by UNCTAD.⁵ The Nairobi WTO Decision contains an obligation of preference granting countries to notify the WTO Secretariat of the utilization rates of trade preferences granted to LDCs. This, in turn, meant that the WTO Members had to agree on a definition of utilization rate⁶ that is identical to the one used by the UNCTAD. The performance of the Duty Free Quota Free (DFQF) schemes granted to LDCs is currently the focus of study and analysis by WTO members, especially the LDCs⁷ and the WTO secretariat.⁸ UNCTAD has provided extensive support to the WTO LDC group with the contribution of technical notes and advisory memoranda.⁹

⁴ See UNCTAD/DITC/TNCD/4, UNCTAD/ITCD/TSB/2003/8, WTO/G/RO/W/148.

⁶ For an analytical perspective of studies and research to support the LDCs WTO group in the WTO Committee on Rules of Origin, see [Getting to better rules of origin for LDCs using utilization rates - From the WTO Ministerial decision in Hong Kong \(2005\) To Bali \(2013\), Nairobi \(2015\) and beyond](#) (UNCTAD/ALDC/2019/3).

⁶ See WTO document G/RO/W/161, G/RO/W/168, and G/RO/M/68 for further details.

⁷ For a complete overview of the work of the WTO LDC group to get to the Nairobi Decision and subsequent submissions, see forthcoming UNCTAD publication "Compendium of technical notes prepared for the LDC WTO group", UNCTAD/ALDC/2020/6, forthcoming 2022.

⁸ See WTO documents G/RO/W/168/Rev.1; G/RO/W/179; G/RO/W/185; G/RO/W/187/Rev.1; G/RO/W/203 and G/RO/W/204.

⁹ See supra, footnote 5.

Ultimately, UNCTAD has established a website on the utilization of trade preferences to facilitate access to utilization rates online, available at <https://gsp.unctad.org/home>.

Besides being used to monitor the effectiveness of the trade preferences granted to LDCs, the utilization rates are now increasingly being used to monitor the functioning of FTAs in major constituencies and, in some cases, are available to the public through websites. A series of studies have examined the utilization rates of EU FTAs and an increasing number of Governments have initiated such reviews to assess the utilization that the private sector has made of the numerous FTAs that have been negotiated and entered into force.

UNCTAD and the National Board of Trade Sweden carried out a first comprehensive and public review of the utilization of EU FTAs¹⁰ that further studies have deepened at the national level.¹¹ Most recently, other studies on utilization rates have been conducted at the national level on Swiss FTA¹² and by Belgium.¹³

This study is the first of its kind carried out on African FTAs using the URs of COMESA FTA, EAC, SADC Trade protocol from the data provided by COMESA Member States to COMESA secretariat. It also covers the use made by COMESA Member States of the preferences under unilateral trade preferences such as GSP and AGOA and FTAs such as the Economic Partnership Agreements (EPAs) with the EU.

Utilization rates may show that a given trade preference, either of unilateral or reciprocal nature, has not been fully used. This is the reason why Governments and policymakers, when confronted with unpleasant results, may become wary and may question the reliability of the data. Some of the voiced concerns relates to the following:

- a) The use of utilization rates to measure the effectiveness of an FTA or a given scheme of trade preferences; and
- b) The link between low utilization and rules of origin.

The arguments raised under (a) are mostly related to the fact that some trade preferences may not be used because there are overlapping trade preferences. This may be exactly the case of COMESA countries that are members of different RECs as discussed in Section 2.2 below. However such an argument reinforces the usefulness of utilization rates to measure the effectiveness of trade preferences. The reason is that utilization rates clearly show that one preferential scheme may be better than the other, allowing trade policy choices and improved exploitation of the more advantageous trade preferences.

Although the link of utilization rates with rules of origin under (b) has been demonstrated in a variety of studies and corroborated by evidence and testimonials from companies, it nevertheless still stirs debates in negotiating circles and the literature of this field.¹⁴

The utilization rates provide figures for the value of trade that has not received preferences at the time of customs clearance while it was eligible for preferential rates of duty. However, the utilization rates do not provide a clear and definitive reason why the preferential rate has not been requested or granted at the time of customs clearance. From a customs law perspective, the denial of the preferential duty rate means that the preferential rate of duty has not been granted at the time of customs clearance, and the MFN rate of duty has been imposed instead.

The reason for such denial of preferential treatment from the customs law point of view may be due to one or combinations of the following factors:

- (a) Lack of presentation of documentary evidence, such as a certificate of origin (CO) or an exporter or importer declaration (ED/ID) at the time of customs clearance);

¹⁰ See "The Use of the EU's Free Trade Agreements Exporter and Importer Utilization of Preferential Tariffs, UNCTAD and National Board of Trade Sweden", 2018, available at https://unctad.org/system/files/official-document/EU_2017d1_en.pdf.

¹¹ See "Who Uses the EU's Free Trade Agreements? A transaction-level analysis of the EU-South Korea free trade agreement " by Jonas Kasteng and Patrik Tingvall, National board of trade of Sweden, 2019 available at <https://www.kommerskollegium.se/globalassets/publikationer/rapporter/2019/publ-who-uses-the-eus-free-trade-agreements.pdf> and "How Companies Use Free Trade Agreements? A survey of Swedish exporters and importers in trade with South Korea", 2021.

¹² See "Free trade agreements: How are companies using them?", State Secretariat for Economic Affairs (SECO), 2020, available at https://www.seco.admin.ch/seco/en/home/Aussenwirtschaftspolitik_Wirtschaftliche_Zusammenarbeit/Wirtschaftsbeziehungen/Freihandelsabkommen/nutzung_freihandelsabkommen.html.

¹³ "Belgian Exporters and Free Trade Agreements a good match?", Belgian Foreign Trade Agency, available at https://etpoa.eu/wp-content/uploads/2021/03/belgian_exporters_and_free_trade_agreements_-_02022021_-_ld.pdf.

¹⁴ See factual and empirical evidence contained in "Getting to better rules of origin for LDCs" see supra footnote "5" and "Using Utilization Rates to Identify Rules of Origin Reforms: The Case of EU Free Trade Area Agreements" see supra footnote "3".

- (b) Excessive stringency of a given rule of origin¹⁵ that has made it impossible to produce at the time of customs clearance the documentary evidence stated in (a) above;
- (c) Lack of documentary evidence related to origin, such as direct consignment or related procedures (i.e., lack of a bill of lading, lack of a certificate of non-manipulation, mismatch of the certificate of origin/exporter declaration with a bill of lading, third-country invoicing,¹⁶ lack of the original invoice and other related documentary evidence);
- (d) Low preferential margin, this means that there has been a deliberate choice by a firm not to use the trade preference because of the low preferential margin that made compliance with rules of origin not profitable; and
- (e) Any other reasons, usually attributed in literature to different factors, such as the existence of competitive duty rebate schemes, drawbacks, etc.

Until recently, there was little evidence on how to track or identify the most common reason for the failure to provide a certificate of origin. There are several empirical studies based on econometric analyses suggesting that compliance cost is one of the causes for low utilization.¹⁷ These studies are based on academic assumptions that have not been validated by the findings of most recent studies based on a survey with firms and complementary firm-level data.¹⁸

Evidence from the business sector and firms located in beneficiary countries contained in surveys, literature, and field activities indicate that, in many cases, failure to provide a CO or ED/ID is mainly due to excessive stringency of product-specific rules of origin (PSROs)¹⁹ and/or administrative requirements related to proof of origin.

The most recent findings and studies agree that non-utilization of trade preferences is due to rules of origin requirements under (a), (b), and (c) that are mainly related to non-compliance with the rules of origin and, mostly, the administrative requirements pertaining to proof of origin. The inability of a firm to comply with (b) triggers (a); therefore, (a) and (b) are closely related. The lack of documentary evidence related to origin under (c) has been one of the most underestimated reasons for the low utilization of rules of origin. Recent research²⁰ has shed some light on this area that has not yet received the attention it deserves, especially its potential for trade facilitation.

As a result of the recent debates in WTO Committee on Rules of Origin fueled by recent research²¹ and submissions by LDCs as well as discussions during the updating of Annex K of the revised Kyoto Convention²² it has become evident that the administrative requirements to comply with rules of origin are decisive factors for the utilization or non-utilization of trade preferences. For instance, the requirement of documentary evidence of direct consignment is the most glaring example of administrative requirements that impact utilization rates.

¹⁵ Excessive stringency of a rule of origin means that the producer of the goods has been unable to meet the specific requirements to qualify as an originating product such as ad valorem percentage criterion, change of tariff classification or specific working and processing requirement.

¹⁶ For a definition of third-country invoicing and other terminology used, see “WCO Guidelines on Certification of Origin” available at <http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/key-issues/revenue-package/guidelines-on-certification.pdf?la=en>.

¹⁷ Cadot et al. (2005) estimate that the compliance costs associated with the rules of origin under NAFTA and the PANEURO represent 6.8 and 8 percent of the product’s value, respectively. See Olivier Cadot, Céline Carrère, Jaime de Melo, Alberto Portugal-Pérez, Market Access and Welfare under Free Trade Agreements: Textiles under NAFTA, The World Bank Economic Review, Volume 19, Issue 3, 2005, Pages 379–405, <https://doi.org/10.1093/wber/lhi019>.

¹⁸ See supra footnote “9”.

¹⁹ See supra footnote “3”.

²⁰ See Inama, S. & Ghetti, P. (2020). The real cost of rules of origin: A business perspective to discipline rules of origin in a post COVID-19 scenario. *Global Trade and Customs Journal*, 15(10), 479-486, and Submissions of the LDC WTO group contained in “Compendium of technical notes prepared for the LDC WTO group”, UNCTAD/ALDC/2020/6, forthcoming 2021.

²¹ [Getting to better rules of origin for LDCs using utilization rates - From the WTO Ministerial decision in Hong Kong \(2005\) To Bali \(2013\), Nairobi \(2015\) and beyond](#), UNCTAD/ALDC/2019/3.

²² In the context of updating annex K of the revised Kyoto convention a proposal has been raised for any overall review of Annex K on rules of origin. During the discussions leading to such proposal supported by China, EU, Japan, Norway, New Zealand, Switzerland, UNCTAD, Nissan Renault, and Fotnerra has been widely discussed.

Chapter 2. Overall Perspective of Utilization Rates of COMESA Member States of Unilateral and Contractual Trade Preferences - South-North Direction of Trade

2.1. Introduction

This section provides a general overview of COMESA utilization rates as a region of major preferential unilateral trading arrangement such as the Generalized System of preferences (GSP) and Africa Growth and Opportunity Act (AGOA) and reciprocal preferences under the Economic Partnership Agreements (EPAs) that some COMESA Member States have entered with the European Union (EU). Under the GSP schemes, special treatment is provided for Least Developed Countries (LDCs). With respect to other beneficiary developing countries, additional preferences for LDCs are granted in the form of deeper tariff cuts, expanded product coverage and more lenient rules of origin.²³

2.2. The Issue of Overlapping Trade Preferences and Utilization Rates

The overlapping trade preferences granted to COMESA Member States under different trade arrangements complicate the analysis of the utilization rates of the COMESA Member States. Some COMESA Member States may be beneficiaries of the AGOA or GSP or may be excluded from one of the schemes for non-trade related conditionalities.²⁴ For example, under the AGOA, only certain African countries are beneficiaries of the special provisions for apparel.²⁵ To exhibit this clearly, both preferential trade under the US GSP and AGOA is explicitly shown in Table 1 in separate columns titled GSP and “Other Preferences” utilizations rates, the latter being the AGOA trade preferences.

This distinction is also mirrored in the case of the EU where the separate column “other preferences” refers to the utilization rates of EPAs that COMESA countries have entered. Since 2002, the EU has been negotiating EPAs with the African, Caribbean and Pacific (ACP) Group of States. These cover seven regions comprising the Caribbean, Central Africa, Eastern and Southern Africa, the East African Community, the Pacific Island States, the South African Development Community (SADC) and West Africa. However, not all the EPAs have entered into force, and in some cases, some Member States have not completed the ratification process. For these COMESA countries, the fallback position is the standard EU GSP, the Market Access Regulations (MAR) or, if LDCs, the EU GSP for LDCs, which is also known as the Everything But Arms (EBA) initiative.

²³ See UNCTAD Handbook on Duty-Free and Quota-Free Market Access and Rules of Origin For Least Developed Countries (Part I), 2018, UNCTAD/ALDC/2018/5 (Part I), available at https://unctad.org/system/files/official-document/aldc2018d5part1_en.pdf.

²⁴ See for the US GSP the following criteria: 1. Basis for Ineligibility 19 U.S.C. § 2462(b)(2) of the GSP statute sets forth the ineligibility criteria. These criteria are summarized below for informational purposes only. Please see the GSP statute for the complete text. 1) a GSP beneficiary may not be a Communist country, unless such country receives Normal Trade Relations (NTR) treatment, is a World Trade Organization (WTO) member and a member of the International Monetary Fund (IMF), and is not dominated or controlled by international communism; 2) a GSP beneficiary may not be a party to an arrangement of countries nor participate in actions the effect of which are (a) to withhold supplies of vital commodity resources from international trade or to raise the price of such commodities to an unreasonable level and (b) to cause serious disruption of the world economy; 3) A GSP beneficiary may not afford preferential treatment to products of a developed country that has, or is likely to have, a significant adverse effect on U. S. commerce; 4) a GSP beneficiary may not have nationalized, expropriated or otherwise seized property of U.S. citizens or corporations without providing, or taking steps to provide, prompt, adequate, and effective compensation, or submitting such issues to a mutually agreed forum for arbitration; 5) a GSP beneficiary may not have failed to recognize or enforce arbitral awards in favor of U.S. citizens or corporations; 6) a GSP beneficiary may not aid or abet, by granting sanctuary from prosecution, any individual or group that has committed an act of international terrorism; 7) a GSP beneficiary must have taken or is taking steps to afford internationally recognized worker rights, including 1) the right of association, 2) the right to organize and bargain collectively, 3) a prohibition on the use of any form of forced or compulsory labor, 4) a minimum age for the employment of children, and a prohibition on the worst forms of child labor, and 5) acceptable conditions of work with respect to minimum wages, hours of work and occupational safety and health. 8) A GSP beneficiary must implement any commitments it makes to eliminate the worst forms of child labor. See https://ustr.gov/sites/default/files/gsp/GSPGuidebook_0.pdf.

²⁵ See <https://agoa.info/about-agoa/apparel-rules-of-origin.html>.

Table 1 PTAs available to COMESA Countries (2018)

QUAD	CANADA		EU		JAPAN	USA	
SCHEME	GSP	GSP	Other Preferences (EPAs)		GSP	GSP	Other Preferences (AGOA)
LDC COMESA Countries							
Burundi	X	X			X	X	
Comoros	X	X			X	X	X
Democratic Republic of Congo	X	X			X	X	
Djibouti	X	X			X	X	X
Eritrea	X	X			X	X	
Ethiopia	X	X			X	X	X
Madagascar	X	X	X		X	X	X
Malawi	X	X			X	X	X
Rwanda	X	X			X	X	X
Sudan	X	X			X		
Uganda	X	X			X	X	X
Zambia	X	X			X	X	X
Non-LDC COMESA Countries							
Egypt	X		X ^a		X	X	X ^a
Eswatini	X	X	X		X	X	X
Kenya	X	X	X ^c		X	X	X
Libya					X		
Mauritius			X		X	X	X
Seychelles			X				
Zimbabwe	X		X		X	X	

Note: ^a Egypt has developed a long-standing trade relation with the EU culminating in the EU-Egypt Association Agreement (EEAA) which has been in force since 2004.
^b A special case applies to Egypt as it benefits from the Qualifying Industrial Zone (QIZ). In 1996, the U.S. Congress established the Qualifying Industrial Zone (QIZ) initiative to support the peace process in the Middle East. The QIZ initiative allows Egypt and Jordan to export products to the United States duty-free, as long as these products contain inputs from Israel. See <http://web.ita.doc.gov/tacqi/fta.nsf/7a9d3143265673ee85257a0700667a6f/196ed79f4f79ac0085257a070066961d> for further details.
^c Article XXIV of the General Agreement of Tariffs and Trade 1994 of the EU Market Access Regulation (EU) 2016/1076.

One example is the Eastern and Southern African (ESA) EPA entered by six ESA countries, namely Comoros, Madagascar, Mauritius, Seychelles, Zambia, and Zimbabwe that concluded an interim EPA with the EU at the end of 2007. In August 2009, four of those countries (Madagascar, Mauritius, Seychelles, and Zimbabwe) signed the agreement. These countries have provisionally applied the EPAs since 14 May 2012 and have benefitted from it since. Comoros signed the agreement in July 2017 and applied it as of February 2019. Zambia only benefits from the EBA regime since it has not ratified the ESA-EPA. The ESA-EPA is currently under renegotiations that started in October 2019.²⁶

In the case of Egypt, it has entered into an Association Agreement with the EU (EU-Egypt Association Agreement) that entered into force in 2004.²⁷ Kenya enjoys benefits under the EU Market Access Regulation (MAR) that provides market access to the EU for products originating in ACP countries that do not benefit from the EU's EBA scheme, and have concluded, but not yet ratified, an EPA with the EU.

The specific situation of Kenya arises from a series of circumstances. As the previous ACP-EU (Lomé IV) convention trading arrangements were found incompliant with the 'most favoured nation' principle of the World Trade Organization (WTO), new trading arrangements had to be found. The new ACP-EU trade relations provided the possibility to negotiate different EPAs with regional groupings. Although the negotiations with the East African Community (Burundi, Kenya, Rwanda, Tanzania and Uganda) were finalized in October 2014, the signing of the EPA agreement has been stalled. The postponement of the ratification has few consequences for other EAC states as their LDCs status entitles them to continue to be eligible under EBA (Everything But Arms). However, Kenya, which is not classified as an LDC, would have lost its market access if the EPA was not concluded at the

²⁶ See for further information: <https://ec.europa.eu/trade/policy/countries-and-regions/regions/esa/>.

²⁷ See Official Journal of the European Union, L 304, 30 September 2004.

regional level by 2 February 2017. As Kenya has negotiated and signed the EPA, it still benefits from the EU Market Access Regulation.²⁸

Currently, Japan and Canada do not have other preferential trading arrangements with COMESA countries other than GSP.

Due to the LDC's status, the COMESA LDCs countries have special preferential access to the GSP scheme of the QUAD countries in addition to the standard GSP scheme granted to eligible developing countries. However, being an LDC does not automatically ensure that a country is a beneficiary of GSP preferences. In the case of Sudan, the eligibility criteria under the US scheme are not met due to workers' rights issues.²⁹

Besides the GSP schemes, Table 1³⁰ includes other preferential schemes, i.e., various EPAs with the EU and the US AGOA. Among the COMESA LDCs, eight are eligible for the AGOA, namely Comoros, Djibouti, Eritrea, Ethiopia, Madagascar, Malawi, Rwanda, Uganda, and Zambia. Madagascar signed and ratified an EPA with the EU in 2018 (i.e., ESA-EU EPA) while Comoros started applying the ESA-EU EPA in February 2019.³¹

Table 1 also shows the PTAs available to COMESA countries in 2018, grouped according to LDC and Non-LDC COMESA Countries.

In the case of Non-LDC COMESA countries, aside from the abovementioned EPAs with the EU, Eswatini and Kenya still enjoy the EU Standard GSP or in case of Kenya the Market Access regulation mentioned above and are also eligible for all GSP schemes from the remaining QUAD countries.³² Additionally, Eswatini, Kenya and Mauritius benefit from the US AGOA. In contrast, Libya³³ is only eligible for the Japan GSP scheme. According to available information from the official websites of the QUAD countries, one of the possible reasons for the current ineligibility of Libya may be due to its political and security situation.³⁴ Seychelles³⁵ is not eligible for any GSP schemes of the QUAD countries since it has graduated according to the mechanisms contained in the respective GSP schemes.

2.2.1. Utilization Rates for COMESA LDCs

Table 2 shows the utilization rates of QUAD preferences for all COMESA LDCs. It is important to note that in the case of the EU and US trade preferences, the overall results are influenced by the overlapping of trade preferences that may cause lower utilization rates under a certain scheme. Where overlap occurs, total figures of utilization rates under the overlapping trade preferences are shown in an additional column (All Pref.: GSP + Other preferences) to represent a fair and correct representation of the combined URs. The EU preferences under various EPAs for the LDC show the highest utilization rate of 89.6 percent and high volumes of received preferential trade, slightly over one billion USD. When the combined value of received trade preferences under the EPAs, and the EBA for LDC beneficiaries, are cumulated the total utilization rate is 92.5 percent, showing that the COMESA LDCs are utilizing trade preferences with the EU.

The utilization rates of both US GSP and AGOA at 51.3 and 71.6 percent, respectively, showing relatively lower utilization rates and trade volume than the EU. Yet when the combined value of the received trade preferences is contrasted with the dutiable products, overall utilization rates are as high as 89.3 percent.

²⁸ See for further information: <https://www.europarl.europa.eu/legislative-train/api/stages/report/current/theme/a-balanced-and-progressive-trade-policy-to-harness-globalisation/file/epa-with-east-africa>.

²⁹ For more information on eligibility criteria, see the USTR Handbook (available at https://ustr.gov/sites/default/files/IssueAreas/gsp/GSP_Guidebook-December_2019.pdf; https://unctad.org/system/files/official-document/itcdtsbmisc58rev3_en.pdf).

³⁰ Table 1 does not include Somalia and Tunisia that joined the COMESA FTA in July 2018 as there was not data available for these countries at the time of the writing of this study. See <https://www.comesa.int/countries-participating-in-the-comesa-fta-set-to-increase/>.

³¹ See <https://trade.ec.europa.eu/doclib/press/index.cfm?id=1978> for further details.

³² See https://trade.ec.europa.eu/doclib/docs/2018/january/tradoc_156536.pdf for further details. Eswatini and Kenya have standard GSP for 2018. However, Eswatini lost its access to standard GSP in January 2019 because of a new PTA with EU.

³³ See <https://www.mofa.go.jp/policy/economy/gsp/explain.html>.

³⁴ See <https://ec.europa.eu/trade/policy/countries-and-regions/countries/libya/> for further details in the case of EU and https://www.canadainternational.gc.ca/libya-libye/bilateral_relations_bilaterales/canada-libya-libye_bu.aspx?lang=eng for the case of Canada.

³⁵ Seychelles have been provisionally applying the ESA-EU EPA since May 2012. Seychelles is not eligible for the GSP schemes of Canada or the US due to country income status. For more information see: <https://www.cbsa-asfc.gc.ca/trade-commerce/tariff-tarif/2015/01-99/countries-pays-eng.pdf>.

Table 2 All COMESA LDCs: Overall Utilization of QUAD Preferences (2018)

QUAD	Exports (USD thousands)						Utilization Rates (%)		
	Total	Dutiable	Covered under		Received under		GSP	Other Pref.	All Pref. (GSP + Other Pref.)
			GSP	Other Pref.	GSP	Other Pref.			
Canada	216 261	19 671	19 671		13 652		69.4		69.4
EU	4 816 023	2 081 590	2 081 408	1 147 388	897 831	1 028 448	43.1	89.6	92.5
Japan	557 747	198 869	195 438		187 386		95.9		95.9
USA	1 890 432	640 697	264 155	610 308	135 419	436 958	51.3	71.6	89.3

Note: In 2018, Canada and Japan did not have other preferential trade arrangements with COMESA countries other than GSP; hence, cells under “other preferences” for both countries are left empty.

In absolute terms, the utilization rate of the Japanese GSP scheme is the highest, recording almost 96 percent, albeit with a significantly lower volume of trade flow of more than 198 million. The Canadian utilization rate is 69.4 percent, with a relatively lower trade volume of 19 million USD.

2.2.2. Utilization Rates for COMESA Non-LDCs

Table 3 reports the overall performance and utilization rates for the Non-LDC COMESA countries. As previously mentioned, the column “other preferences” in the case of the EU refers to the EPAs that Non-LDC COMESA countries have signed with the EU or the trade preferences granted under the Market Access Regulation in the case of Kenya. In the case of the US, other trade preferences refer to the US AGOA. A special case applies to Egypt as it benefits from the Qualifying Industrial Zone (QIZ).

As shown in Table 3, the EU and US trade preferences display high performances with a utilization rate of 94.3 percent for various EPA's and 89.7 percent for the US AGOA and QIZ. These high utilization rates are also showing high trade volumes with more than 7 billion USD of received trade in the case of EPAs and more than 1.5 billion USD for AGOA and QIZ. The utilization rates for Canada and Japan are comparatively lower at 62.4 percent and 80.8 percent, respectively, with a significantly lower volume of received export that amounts to more than 16 million USD and 90 million USD for Canada and Japan, respectively

Overall, the utilization rates of COMESA countries may be considered relatively satisfactory, yet there are significant pockets of underutilization requiring further analysis. A closer look at the detailed utilization rates by individual COMESA countries is outlined in the following chapters.

Table 3 All COMESA Non-LDCs: Overall Utilization Rates of QUAD Preferences (2018)

QUAD	Exports (USD thousands)						Utilization Rates (%)		
	Total	Dutiable	Covered under		Received under		GSP	Other Pref.	All Pref. (GSP + Other Pref.)
			GSP	Other Pref.	GSP	Other Pref.			
Canada	734 872	65 395	26 804		16 729		62.4		62.4
EU	13 369 204	7 791 570	563 948	7 715 500	4 421	7 275 448	0.8	94.3	93.4
Japan	453 400	181 349	111 484		90 078		80.8		80.8
USA	3 565 238	2 522 885	256 201	1 744 005	174 103	1 564 196	68.0	89.7	86.9

Note: In 2018, Canada and Japan do not have other preferential trading arrangements with COMESA countries other than GSP; hence, cells under “other preferences” for both countries are left empty.

Chapter 3. Analysis of Utilization Rates of Individual COMESA Member States

This chapter analyzes the utilization rates of individual COMESA Member States to the respective PTAs/FTAs according to their beneficiaries status or membership to a FTA. The basic presentation of the results as shown in the respective tables of this chapter for each country is as follows:

- (a) A summary table outlining the utilization rates under the different PTAs/FTAs;
- (b) Products with utilization rates of less than 70 percent by HS chapters; and
- (c) Products with utilization rates of less than 70 percent by tariff line and a preferential margin of above two percentage points

The filtering of data on utilization rates under (b) and (c) has been set to focus the analysis on those chapters and products showing lower utilization rates and low preferential margins. This sequenced presentation allows for a progressive focus on products and tariff lines that are responsible for low utilization.

The analysis outlined above has been further tailored to each COMESA country to accommodate the different beneficiary status and overlapping trade preferences to provide a correct reading of the utilization rates.

Accordingly each COMESA country has been associated with a different category as follows:

1. **Category 1** refers to COMESA countries who are eligible under GSP from QUAD countries without any overlapping preferences, neither in the case of the EU nor the US. Five countries belong to this category: Burundi, the Democratic Republic of Congo, Eritrea, Libya and Sudan. This category however does not mean that the countries are enjoying GSP treatment as eligibility is determined by each Preference giving country. Each section dedicated to individual countries below will examine the eligibility issue.
2. **Category 2** groups COMESA countries enjoying GSP with an overlapping preference in the case of the US AGOA, namely Comoros, Djibouti, Ethiopia, Malawi, Rwanda, Uganda and Zambia. It is important to note that while Comoros belongs to this category, its case exhibits a peculiarity that will be explored more in-depth in Section 3.2.
3. **Category 3** comprises COMESA countries benefitting from QUAD countries' GSP schemes with overlapping preferences for the EU and US. Three countries belong to this category, namely Eswatini, Kenya, and Madagascar.
4. **Category 4** concerns the remaining four COMESA countries that have particular circumstances. The only commonality of these countries is that they are all COMESA non-LDCs who do not benefit from the EU GSP scheme but enjoy their respective FTAs with the EU. These countries are Egypt, Mauritius, Seychelles and Zimbabwe. Each of these cases will be explored in a more detailed manner in the respective section.

The analysis of countries belonging to Category 1 has been carried out using the criteria of filtering of data outlined in (b) and (c) based on the GSP utilization rate, the GSP preference margin, and the sorting of data is by the GSP covered exports.

The analyses of the countries in Categories 2 and 3 add another criterion in filtering the data with respect to the criteria presented in (b) and (c) above. For these countries that are benefitting overlapping trade preferences, the tables distinguish between utilization rates of other preferences and the combined utilization of both GSP and other preferences (hereinafter "All Pref.")³⁶ Regarding preference margin, Category 2 follows the GSP preference margin, while Category 3 presents the maximum average preference margin over MFN rates of duties.

³⁶ Further adjustments have been made in presenting the results for Categories 2 and 3 URs to take into account overlapping preferences. In some cases determining the correct trade volume of the covered trade under each preferential scheme is difficult since the product coverage of GSP and other preferences may not be mutually exclusive. As such, adding the volume of GSP covered exports and other preference covered exports will result in double counting and this would bias the calculation of utilization rates towards a negative finding. In order to adequately factor this, three different measures have been adopted:

- i. Calculation of all preference utilization rates;
- ii. Sorting of data; and
- iii. Presentation of covered export value.

The analyses of the countries belonging to Category 4 contains differentiated utilization rates for GSP and other trade preferences according to their membership to FTA or beneficiary status under unilateral trade preferences. Category 4 countries show the maximum preference margin between GSP and other preferences for the preference margin cut off. This approach has been used because Category 4 countries do not benefit from the EU GSP.

Lastly, two important notes should be kept in mind: first, in all the subsequent tables, zeros are represented as “-” for readability and secondly, the tables belonging to the countries of Categories 2 to 4, empty cells represent cases that are not applicable, especially regarding exports to Canada and Japan as both countries do not have another preferential trading arrangement with COMESA countries other than GSP at present.

3.1. Burundi

Burundi benefits from GSP preferential access thanks to its LDC status. In terms of other preferential schemes, Burundi has not taken the necessary steps for ratifying and applying the relevant EAC-EU EPA and thus, it does not qualify for the benefits of such agreement.³⁷ Furthermore Burundi has been removed as a beneficiary of AGOA in 2016 as it “has not established or is not making continual progress toward establishing the rule of law and political pluralism”, as required by the AGOA eligibility requirements outlined in Section 104 of the AGOA (19 U.S.C.).³⁸ Hence, Burundi is grouped under Category 1, implying that Table 4 to Table 6 would show the basic analytic structure where the main filtering mechanism is the GSP utilization rates, and the cut off would be in terms of the GSP preferential margin sorted according to GSP covered exports to highlight pockets of underutilization at the HS chapter and tariff line levels.

Table 4 shows that the trade volume for Burundi has a relatively low amount of just over 2 million USD dutiable exports, with the highest amount of 1.9 million USD being directed to the US market. In terms of the utilization rates, the utilization of the US GSP reveals the highest rate of 100 percent, while the EU GSP has a modest utilization rate of almost 60 percent. Both Canada and Japan show no utilization of preferences at all.

Table 4 Burundi: Overall Utilization Rates of QUAD Countries’ Preferential Schemes (2018)

QUAD	Scheme	Exports (USD thousands)				Coverage (%)	Utilization Rates (%)
		Total	Dutiable	Covered	Received		
Canada	GSP	372	1	1	-	100.0	-
EU	GSP	29 048	273	273	163	100.0	59.7
Japan	GSP	1 178	27	27	-	100.0	-
US	GSP	14 183	1 949	1 933	1 932	99.2	100.0
TOTAL		44 781	2 250	2 234	2 095	99.3	93.8

Table 5 shows the first two HS Chapters by QUAD country with GSP utilization rates of less than 70 percent and sorted in descending order of GSP covered exports. Table 5 depicts the limited volume of exports from Burundi to preference-giving countries and the high concentration of agricultural products, amongst others, with zero utilization rates. For example, exports under HS Chapter 15 to the EU with a dutiable export value of 53,000 USD have zero utilization of the EU GSP. This is also the case for exports under the Japan GSP.

Depicted in Table 6 are exports of Burundi to QUAD countries at the tariff line level where pockets of underutilization, i.e., the utilization rates for GSP schemes are below 70 percent, the GSP preference margin is greater than two percentage points, and GSP covered exports are higher than 1,000 USD. As seen in Table 6, the highest dutiable exports of vegetable oils (HS 15159059) to the EU with 53,000 USD has zero utilization of the EU GSP scheme. It is also not surprising to see that the Japan GSP utilization rates for tea exports (HS 090240210) is at zero, as

An overall calculation of the utilization rate for All Pref. has been introduced using the total export value received from both GSP and other preferences as the numerator and the dutiable export as the denominator. Unlike Category 1, the data sorting is now based on dutiable exports. To reduce the information that is needed to be processed, the tables do not display both GSP’s and other preferences’ coverage. Instead, only the maximum coverage is shown in the cases where the coverage is not the same between the overlapping preferences in a specific QUAD country.

³⁷ See (for the official text): https://trade.ec.europa.eu/doclib/docs/2015/october/tradoc_153845.pdf.

³⁸ See <https://agoa.info/images/documents/5898/burundiagoamessagetocongress.pdf>.

revealed in the previous table. From this preliminary analysis, it is evident that further steps need to be undertaken at the national level to identify the reasons for the absence of utilization of the preferential trade arrangement, even if the export volume is extremely low.

Table 5 Burundi: Exports to QUAD countries for selected HS Chapters (2018)

First two HS Chapters by QUAD country with GSP UR < 70%, sorted in descending order of GSP covered exports

QUAD	HS2	Product Description	Exports (USD thousands)				GSP UR (%)	GSP PM (pp)
			Dutiable	GSP Covered	Received under			
					GSP	MFN		
CAN	42	Articles of leather; saddlery/harness; travel goods etc.	1	1	-	1	-	13.0
EUN	15	Animal/vegetable fats & oils & their cleavage products; prepared edible fats; animal/vegetable waxes	53	53	-	53	-	6.4
	85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers; television image...	22	22	-	22	-	1.4
JPN	09	Coffee, tea, mate and spices	27	27	-	27	-	1.5
USA	40	Rubber and articles thereof	1	1	-	1	-	2.5

Table 6 Burundi: Exports to QUAD countries by national tariff lines (2018)

National tariff lines with a GSP UR < 70%, GSP Preferential Margin (PM) > 2 percentage points (PP), and GSP covered exports > 1,000 USD, sorted in descending order of GSP covered exports

QUAD	Tariff Line	Product Description	Exports (USD thousands)				GSP UR (%)	GSP PM (pp)
			Dutiable	GSP Covered	Received under			
					GSP	MFN		
EUN	15159059	Crude fixed vegetable fats and oils, in immediate packings of a content of > 1 kg, or crude	53	53	-	53	-	6.4
JPN	090240210	Tea, whether or not flavoured: Other black tea (fermented) and other partly fermented tea...	27	27	-	27	-	3.0
EUN	85359000	Electrical apparatus for switching or protecting electrical circuits, or for making connections to...	11	11	-	11	-	2.7
EUN	84099900	Parts suitable for use solely or principally with compression-ignition internal combustion piston...	8	8	-	8	-	2.7
EUN	44152020	Pallets and pallet collars, of wood	6	6	-	6	-	3.0
EUN	33073000	Perfumed bath salts and other bath and shower preparations	5	5	-	5	-	6.5
EUN	46021990	Basketwork, wickerwork and other articles, made directly to shape from vegetable plaiting materials...	4	4	-	4	-	3.7
EUN	87089235	Silencers mufflers and exhaust pipes, for tractors, motor vehicles for the transport of ten or more...	4	4	-	4	-	4.5
EUN	85437090	Electrical machines and apparatus, having individual functions, n.e.s. in chap. 85 : Flight recorders...	2	2	-	2	-	3.5

Note: There are no entries for Canada in the table given that no product covered by its GSP scheme is exported from Burundi for more than 1,000 USD (cut-off value).

3.2. Comoros

Comoros belongs to Category 2 due to its overlapping preferences in the case of the US. However, as discussed earlier, Comoros is a special case within this category. Firstly, although it benefits from the US AGOA, no exports are received under this preference. In addition, Comoros' exports to Japan in 2018 were all MFN duty-free. Therefore, the subsequent tables omit the information on US AGOA and Japan GSP.

As shown in Table 7, Comoros benefitted from the GSP schemes of the QUAD countries in 2018. Comoros has since ratified and applied the ESA-EU EPA as of February 2019.³⁹ Since the entire analysis was done in 2018, the tables exclude data from the ESA-EU EPA. Table 7 shows extremely limited utilization rates for Comoros, with the positive exclusion of exports to the EU showing a utilization rate of 65.9 percent, indicating a large margin for improvement. In addition, it shows an overall low trade volume of around 35 million USD.

³⁹ See <https://trade.ec.europa.eu/doclib/press/index.cfm?id=1978>.

Table 7 Comoros: Overall Utilization Rates of Canada, the EU, and the US Preferential Schemes (2018)

QUAD	Scheme	Exports (USD thousands)				Coverage (%)	Utilization Rates (%)
		Total	Dutiable	Covered	Received		
Canada	GSP	166	102	102	-	100.0	-
EU	GSP	31 005	10 503	10 503	6 923	100.0	65.9
US	GSP	3 038	44	17	-	38.1	-
TOTAL		34 209	10 649	10 622	6 923	99.7	65.2

Table 8 shows the two highest GSP covered exports per QUAD country at the HS two-digit level with GSP utilization rates of lower than 70 percent. As depicted in Table 8, exports of Comoros to the EU are largely not benefitting from the EU GSP scheme. For example, in the case of HS Chapter 09, which comprises coffee, tea, mates, and spices, only 67.8 percent utilization of the EU GSP is observed despite having a substantial preference margin of more than seven percentage points.

Table 8 Comoros: Exports to Canada, the EU, and the US for selected HS Chapters (2018)

First two HS Chapters with GSP UR<70%, sorted in descending order of GSP covered exports

QUAD	HS2	Product Description	Exports (USD thousands)				GSP UR (%)	GSP PM (pp)
			Dutiable	GSP Covered	Received under			
					GSP	MFN		
CAN	94	Furniture; bedding, cushions etc; lamps & lighting fittings nes...	102	102	-	102	-	8
EUN	09	Coffee, tea, mate and spices	10 058	10 058	6 818	3 241	67.8	7.3
	85	Electrical machinery & equipm.& parts thereof; sound recorders & reproducers...	289	289	-	289	-	1.2
USA	96	Miscellaneous manufactured articles	13	13	-	13	-	2.8
	85	Electrical machinery & equipm.& parts thereof; sound recorders & reproducers...	3	3	-	3	-	3.3

Looking at the tariff lines level, Table 9 indicates that the specific product under HS Chapter 09 that is not benefitting from the EU GSP scheme is vanilla (HS 09051000). Of the over 7 million USD dutiable trade, which the EU GSP totally covers, only 57.2 percent benefitted from trade preferences, meaning that more than 3 million USD is received under MFN. This is especially interesting given that there is a significant preference margin of six percentage points. Since vanilla exports are surely originating in Comoros, the reasons for such relatively low utilization rates may be due to administrative requirements related to the origin that could be identified and addressed at the national level.

Table 9 Comoros: Exports to Canada, the EU, and the US by national tariff lines (2018)

National tariff lines with a GSP UR < 70%, GSP Preferential Margin (PM) > 2 percentage points (PP), and GSP covered exports > 1,000 USD, sorted in descending order of GSP covered exports

QUAD	Tarrif Line	Product Description	Exports (USD thousands)				GSP UR (%)	GSP PM (pp)
			Dutiable	GSP Covered	Received under			
					GSP	MFN		
EUN	09051000	Vanilla, neither crushed nor ground	7 158	7 158	4 092	3 066	57.2	6.0
EUN	85030099	Parts suitable for use solely or principally with electric motors and generators, electric generating	286	286	-	286	-	2.7
CAN	94017910	Seats (other than those of headings 9402), whether or not convertible into beds, and parts thereof	102	102	-	102	-	8.0
USA	96039080	Brooms & brushes nesoi, mops, hand-operated mechanical floor sweepers, squeegees and similar articles,	13	13	-	13	-	2.8
EUN	22021000	Waters, incl. mineral and aerated, with added sugar, sweetener or flavour, for direct consumption as a	6	6	-	6	-	9.6
EUN	71131900	Articles of jewellery and parts thereof, of precious metal other than silver, whether or not plated or	6	6	-	6	-	2.5

QUAD	Tarrif Line	Product Description	Exports (USD thousands)				GSP UR (%)	GSP PM (pp)
			Dutiable	GSP Covered	Received under			
					GSP	MFN		
EUN	95063910	Parts of golf clubs	5	5	-	5	-	2.7
EUN	83119000	Wire, rods, tubes, plates, electrodes and the like, of base metal or of metal carbides, coated or core	4	4	-	4	-	2.7
USA	85030035	Parts of electric motors under 18.65 W, stators and rotors	3	3	-	3	-	6.5
EUN	42023210	Wallets, purses, key-pouches, cigarette-cases, tobacco-pouches and similar articles carried in the poc	2	2	-	2	-	9.7

3.3. Democratic Republic of Congo

Democratic Republic of Congo (DRC) enjoys the GSP preferential access to QUAD countries thanks to its LDC status. DRC has not taken the necessary steps for entering or progressing discussion with the EU for an EPA negotiation⁴⁰ and had previously been removed as a beneficiary of the US AGOA in 2016 for not establishing or not making continual progress toward establishing the rule of law and political pluralism. On January 1, 2021, the DRC was reinstated as an AGOA beneficiary.⁴¹ Since DRC has no overlapping preferences, neither in the case of the EU nor the US, the following analyses exhibit the basic structure, i.e., the GSP utilization rates are the main indicator of the critical sectors and products at the tariff line level, making the DRC a Category 1 country.

Table 10 shows that the majority of exports of the DRC to QUAD countries are primary commodities not attracting positive MFN rates. Such export composition diminishes the scope for preferential trade that is reduced to 68.3 million USD dutiable trade. The main export destinations are the EU and the US, with utilization rates of 84.8 percent and 97.9 percent, respectively. Exports to Canada and Japan shows little to no utilization of their respective GSP scheme.

Table 10 Democratic Republic of Congo: Overall Utilization Rates of QUAD Countries' Preferential Schemes (2018)

QUAD	Scheme	Exports (USD thousands)				Coverage (%)	Utilization Rates (%)
		Total	Dutiable	Covered	Received		
Canada	GSP	69 712	10	10	-	100.0	-
EU	GSP	831 728	46 642	46 511	39 462	99.7	84.8
Japan	GSP	2 893	1 118	181	2	16.2	1.1
US	GSP	49 548	20 572	20 441	20 007	99.4	97.9
TOTAL		953 881	68 342	67 143	59 471	98.2	88.6

Table 11 shows the first two HS Chapters by QUAD country with a GSP utilization rate of less than 70 percent, sorted in a descending order of GSP covered exports. Looking at exports of the DRC at the HS two-digit level (HS Chapter), Table 11 shows that DRC exports to the EU and US are largely made up of parts of machinery (HS Chapter 84). In reality, these are most likely re-exports, explaining the zero utilization rates. It is also interesting to notice that fish products (HS Chapter 03) exported to Japan with dutiable trade of 179,000 USD are also not benefitting from Japan GSP. Since these fish products may be coming from inland fishery activities in the lakes of DRC, there is a need for a more in-depth analysis to understand possible reasons for the underutilization of preferences.

Table 12 shows the exports of the DRC at the tariff line level, which have higher than a two percentage point GSP preference margin on top of the same GSP utilization rate threshold and sorting as the previous table. For the sake of brevity, only GSP covered exports greater than 10,000 USD are shown. Table 12 shows that significant exports of chemical products (HS 29291000) worth 268,000 USD to the EU have not benefitted from trade preferences. The other exports, particularly to the EU and the US, are mainly from HS Chapters 84 and 87, with no utilization

⁴⁰ <https://ec.europa.eu/trade/policy/countries-and-regions/regions/central-africa/>.

⁴¹ <https://agoa.info/images/documents/15812/2020-28878.pdf>.

Table 11 Democratic Republic of Congo: Exports to QUAD Countries by selected HS Chapters (2018)

First two HS Chapters by QUAD country with GSP UR < 70%, and sorted in descending order of GSP covered exports

QUAD	HS2	Product Description	Exports (USD thousands)				GSP UR (%)	GSP PM (pp)
			Dutiable	GSP Covered	Received under			
					GSP	MFN		
CAN	87	Vehicles other than railway/tramway rolling-stock, parts & accessories thereof	4	4	-	4	-	6.1
	94	Furniture; bedding, cushions etc; lamps & lighting fittings nes; illuminated signes; prefabr. buildings	2	2	-	2	-	7.0
EUN	84	Nuclear reactors, boilers, machinery & mech. appliances; parts thereof	678	678	-	678	-	1.5
	29	Organic chemicals	268	268	-	268	-	4.5
JPN	03	Fish & crustaceans, molluscs & other aquatic invertebrates	179	179	-	179	-	-
USA	84	Nuclear reactors, boilers, machinery & mech. appliances; parts thereof	185	185	-	185	-	1.0
	87	Vehicles other than railway/tramway rolling-stock, parts & accessories thereof	126	126	-	126	-	2.2

Table 12 Democratic Republic of Congo: Exports to QUAD countries by national tariff lines (2018)

National tariff lines with a GSP UR < 70%, GSP Preferential Margin (PM) > 2 percentage points (PP), and GSP covered exports > 10,000 USD, sorted in descending order of GSP covered exports

QUAD	Tarrif Line	Product Description	Exports (USD thousands)				GSP UR (%)	GSP PM (pp)
			Dutiable	GSP Covered	Received under			
					GSP	MFN		
EUN	29291000	Isocyanates:3,3'-Dimethylbiphenyl-4,4'-diyl diisocyanate (CAS RN 91-97-4)	268	268	-	268	-	6.5
EUN	84118220	Gas turbines of a power > 5.000 kW but <= 20.000 kW (excl. turbojets and turbop)	211	211	-	211	-	2.1
EUN	84118100	Gas turbines of a power <= 5.000 kW (excl. turbojets and turbopropellers) : For	177	177	-	177	-	2.1
EUN	71162080	Articles of precious or semi-precious stones (natural, synthetic or reconstruct	159	159	-	159	-	2.5
USA	84082020	Compression-ignition internal-combustion piston engines to be installed in vehi	158	158	-	158	-	2.5
USA	71039950	Precious or semiprecious stones, nesoi, worked, whether or not graded, but n/st	77	77	16	60	21.3	10.5
EUN	62029900	Women's or girls' anoraks, incl. ski jackets, windcheaters, wind-jackets and si	70	70	-	70	-	12.0
EUN	02071290	Frozen fowls of species Gallus domesticus, plucked and drawn, without heads, fe	54	54	-	54	-	17.6
EUN	84834051	Gear boxes for machinery : For use in civil aircraft	44	44	-	44	-	2.5
USA	71162035	Semiprecious stone (except rock crystal) figurines	44	44	-	44	-	4.5
USA	87083050	Pts. & access. of mtr. vehicles of 8701, nesoi, and 8702-8705, brakes and servo	31	31	-	31	-	2.5
USA	87084011	Pts. & access. of mtr. vehic. of 8701.20, 8702, 8703 or 8704, gear boxes	30	30	-	30	-	2.5
EUN	87033290	Motor cars and other motor vehicles principally designed for the transport of <	26	26	-	26	-	10.0
USA	87089968	Pts. & access. of motor vehicles of 8701, nesoi, and 8702-8705, pts. for power	25	25	-	25	-	2.5
USA	87082950	Pts. & access. of bodies for mtr. vehicles of headings 8701 to 8705, nesoi	22	22	-	22	-	2.5
EUN	76169990	Articles of aluminium, uncast, n.e.s. : Hand-made Aluminium radiators and eleme	19	19	-	19	-	6.0
EUN	94069038	Buildings, prefabricated, whether or not complete or already assembled, made en	18	18	-	18	-	2.7
EUN	62171000	Made-up clothing accessories, of all types of textile materials, n.e.s. (excl.	17	17	-	17	-	6.3
EUN	87099000	Parts of self-propelled works trucks, not fitted with lifting or handling equip	17	17	-	17	-	3.5

QUAD	Tarrif Line	Product Description	Exports (USD thousands)				GSP UR (%)	GSP PM (pp)
			Dutiable	GSP Covered	Received under			
					GSP	MFN		
EUN	73259990	Articles of iron or steel, cast, n.e.s. (excl. of malleable or non-malleable ca	15	15	-	15	-	2.7
EUN	44201011	Statuettes and other ornaments, of okoumT, obeche, sapelli, sipo, acajou d'Afri	14	14	-	14	-	3.0
USA	84133010	Fuel-injection pumps for compression-ignition engines, not fitted with a measur	14	14	-	14	-	2.5
EUN	73269098	Articles of iron or steel, n.e.s. : Collars, flanges and other devices for fixi	13	13	-	13	-	2.7
EUN	85065090	Lithium cells and batteries (excl. spent, and in the form of cylindrical or but	11	11	-	11	-	4.7

for both the EU GSP and US GSP. These values confirm what was shown in the previous table, namely that the DRC mainly re-exports vehicles and parts of vehicles to the US and EU. Only precious stones (HS 71039950) exports to the US exhibit a positive utilization rate of the US GSP at 21.3 percent. Since there is a relatively large preferential margin, it is worth investigating at the country level how DRC firms could maximize utilization of the US GSP for this product.

3.4. Djibouti

Djibouti benefits from the GSP schemes of the QUAD countries due to its LDC status. In addition, in the case of other preferential schemes, Djibouti is a beneficiary of the US AGOA but has not taken the necessary steps for entering or progressing the discussion regarding the negotiation of an EPA with the EU.⁴² As part of the Category 2 countries with overlapping preferences in the case of US GSP and US AGOA, further differentiated utilization rates are presented in Table 13 to Table 15. The filtering criterion is adjusted to All Pref. utilization rates instead of only GSP, and the sorting shows the value of dutiable exports in descending order. Lastly, Table 14 and Table 15 show the performance of Djibouti at HS chapter and tariff line level respectively.

Table 13 shows the performance of Djibouti with overall low export volumes and utilization rates, except with the US AGOA, where there is a high utilization rate of 85.3 percent. In addition, most of the exports are MFN free; trade preferences are therefore not effective. The most important market is the EU showing an extremely low utilization rate of 3.1 percent. In contrast to the US AGOA, the utilization rate for the US GSP is extremely low, with less than a five percent utilization rate. In terms of the overall utilization of preferences provided by the US to Djibouti, the table displays a utilization rate of 27.3 percent, suggesting room for improvement.

Table 13 Djibouti: Overall Utilization Rates of QUAD Countries' Preferential Schemes (2018)

QUAD	Scheme	Exports (USD thousands)				Coverage (%)	Utilization Rates (%)
		Total	Dutiable	Covered	Received		
Canada	GSP	1 001	3	3	-	100	-
EU	GSP	17 387	7 412	7 412	229	100	3.1
Japan	GSP	11	5	5	-	100	-
USA	AGOA	48 078	988	293	250	29.6	85.3
	GSP			244	10	24.6	4.2
	All Pref.			293	260	29.6	27.3
TOTAL		66 477	8 408	7 713	489	91.7	6.3

Table 14 shows the first two HS Chapters by QUAD country with All Pref. utilization rates of less than 70 percent and sorted in descending order of dutiable exports. The table illustrates a relatively significant amount of exports of around 5.7 million USD directed to the EU that could be benefiting from preferential trade but is showing a

⁴² For the full text of the EPA, please see <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L:2012:111:FULL&from=EN>.

Table 14 Djibouti: Exports to QUAD countries for selected HS Chapters (2018)

First two HS Chapters by QUAD country with All Pref. (GSP + AGOA) UR < 70%, sorted in descending order of dutiable exports

QUAD	HS2	Product Description	Exports (USD thousands)					Utilization Rates (%)			GSP PM (pp)
			Dutiable	Covered	Received under			GSP	AGOA	All Pref. (GSP + AGOA)	
					GSP	AGOA	MFN				
CAN	34	Soap, organic surface-active agents, washing prep., etc	1	1	-		1	-		-	6.5
	61	Art of apparel & clothing access, knitted or crocheted	1	1	-		1	-		-	18.0
EUN	82	Tools, implements, cutlery, spoons & forks, of base metal etc	5 761	5 761	-		5 761	-		-	3.1
	87	Vehicles other than railway/tramway rolling-stock, parts & accessories thereof	1 161	1 161	-		1 161	-		-	7.5
JPN	03	Fish & crustaceans, molluscs & other aquatic invertebrates	5	5	-		5	-		-	-
USA	90	Optical, photogr., cinematogr., measuring, checking, precision, medical/surgical instruments & apparatus;	46	46	-	-	46	-	-	-	0.6
	83	Metal; miscellaneous products of base metal	13	13	-	-	13	-	-	-	5.7

zero utilization rate. That is, out of 5.7 million dutiable exports of Djibouti under HS Chapter 82, 100 percent were received under the MFN rate, implying that there is a zero-utilization rate for the EU GSP. This pattern holds in the case of products under HS Chapter 87, albeit lower trade volume, which still shows an amount of more than 1.1 million USD, which is received under MFN. Further analysis should be carried out to identify the reasons for this low utilization of the EU GSP. Exports of Djibouti to Canada and Japan have significantly lower trade volumes, especially for Canada.

Table 15 lists the products at the tariff-line level with low All Pref. Utilization rates using the same threshold of 70 percent, GSP preference margin higher than two percentage points, dutiable exports of more than 1,000 USD, and sorted in descending order of dutiable export. As illustrated above, the majority of these products are safety razors (HS 82121010), where the dutiable trade value of 4.8 million USD was all received under MFN. It is

Table 15 Djibouti: Exports to QUAD countries by national tariff lines (2018)

National tariff lines with All Pref. (GSP + AGOA) UR < 70 %, GSP Preferential Margin (PM) > 2 percentage points (pp), and dutiable exports > 1,000 USD, sorted in descending order of dutiable exports

QUAD	Tariff Line	Product Description	Exports (USD thousands)					Utilization Rates (%)			GSP PM (pp)
			Dutiable	GSP/ AGOA Covered	Received under			GSP	AGOA	All Pref. (GSP + AGOA)	
					GSP	AGOA	MFN				
EUN	82121010	Safety razors with non-replaceable blades of base metal	4 837	4 837	-		4 837	-		-	2.7
EUN	87042391	Motor vehicles for the transport of goods, with compression-ignition	1 160	1 160	-		1 160	-		-	22.0
EUN	82121090	Non-electric razors of base metal	733	733	-		733	-		-	2.7
EUN	82122000	Safety razor blades of base metal, incl. razor blade blanks in strips	175	175	-		175	-		-	2.7
EUN	03011900	Live ornamental fish (excl. freshwater)	104	104	43		61	40.9		41.3	7.5
EUN	61071100	Men's or boys' underpants and briefs of cotton, knitted or crocheted	41	41	-		41	-		-	12.0
EUN	94054099	Electric lamps and lighting fittings, n.e.s. (excl. of plastics) : Hand-made	17	17	-		17	-		-	2.7
EUN	94069090	Prefabricated buildings, whether or not complete or already assembled	15	15	-		15	-		-	2.7

QUAD	Tariff Line	Product Description	Exports (USD thousands)					Utilization Rates (%)			GSP PM (pp)
			Dutiable	GSP/ AGOA Covered	Received under			GSP	AGOA	All Pref. (GSP + AGOA)	
					GSP	AGOA	MFN				
USA	83012000	Base metal locks, of a kind used on motor vehicles	13	13	-	-	13	-	-	-	5.7
EUN	85013200	DC motors and DC generators of an output > 750 W but <= 75 kW	8	8	-	-	8	-	-	-	2.4
EUN	85364900	Relays for a voltage > 60 V but <= 1.000 V : For use in certain types	7	7	-	-	7	-	-	-	2.3
EUN	61149000	Special garments for professional, sporting or other purposes	6	6	-	-	6	-	-	-	12.0
EUN	63080000	Sets consisting of woven fabric and yarn, whether or not with accessories	5	5	-	-	5	-	-	-	12.0
JPN	030119000	Live fish: Ornamental fish: Other	5	5	-	-	5	-	-	-	0.0
EUN	82059090	Sets of articles of two or more subheadings of heading 8205	4	4	-	-	4	-	-	-	3.7
EUN	85437090	Electrical machines and apparatus, having individual functions	2	2	-	-	2	-	-	-	3.5
USA	40169350	Gaskets, washers and other seals, of noncellular vulcanized rubber	2	2	-	-	2	-	-	-	2.5

interesting to note that while Djibouti benefits from US AGOA, none of the products shown in Table 15 has utilized the preference. Lastly, notice that the exports of Djibouti to Canada are not shown in the table since no product exceeds the threshold of dutiable exports higher than 1,000 USD.

3.5. Egypt

Egypt has developed a long-standing trade relationship with the EU, culminating in the EU-Egypt Association Agreement (EEAA), which has been in force since 2004.⁴³ Hence, Egypt is not eligible for preferential access to the EU market through the GSP Scheme. For the US, beyond the GSP Scheme, Egypt also benefits from the Qualifying Industrial Zone (QIZ) Program, where certain goods can be exported to the US under preferential duties when containing inputs from Israel.⁴⁴ Due to this unique configuration, Egypt belongs to the Category 4 countries. Therefore, the subsequent three tables will exhibit utilization rates for Canada, Japan, and the US GSP schemes as well as the EEAA and QIZ.

Table 16 shows that the biggest market for Egypt is the EU, with total exports of more than 5 billion USD dutiable trade under the EEAA, with a noteworthy high utilization rate of 94.7 percent. In addition, the exports of Egypt to the US mainly fall under the QIZ arrangement with more than 1.7 billion USD dutiable and a utilization rate of 91.5 percent. Albeit relatively lower trade volume, Canada, Japan, and US GSP have at least a 60 percent utilization rate, showing that while these are promising initial numbers, there is room for improvement.

Table 16 Egypt: Overall Utilization Rates of QUAD Countries' Preferential Schemes (2018)

QUAD	Scheme	Exports (USD thousands)				Coverage (%)	Utilization Rates (%)
		Total	Dutiable	Covered	Received		
Canada	GSP	703 234	56 797	25 616	16 640	45.1	65
EU	EU-Egypt AA	9 962 424	5 221 516	5 146 234	4 870 955	98.6	94.7
Japan	GSP	271 299	48 638	16 583	10 003	34.1	60.3
US	QIZ	2 490 469	1 729 061	1 015 727	929 621	58.7	91.5
	GSP			157 691	96 723	9.1	61.3
	All Pref.			1 173 418	1 026 344	58.7	59.4
TOTAL		13 427 426	7 056 012	6 204 160	5 923 942	87.9	95.5

⁴³ See <https://www.consilium.europa.eu/en/documents-publications/treaties-agreements/agreement/?id=2001033>.

⁴⁴ See <http://web.ita.doc.gov/tacgi/fta.nsf/7a9d3143265673ee85257a0700667a6f/196ed79f4f79ac0085257a070066961d>.

Table 17⁴⁵ shows pockets of underutilization at the HS Chapter level. To understand the values depicted in the table, it is crucial to remember that the ‘All Pref.’ utilization rate is used as the primary filter due to overlapping preferences. The “GSP/Other Pref.” column shows the maximum export covered between the GSP and other preferences. In addition, the HS Chapters are sorted according to dutiable trade instead of the usual GSP covered exports. Lastly, the preference margin is calculated on the basis of the maximum amount of preferential margin of GSP and other trade preferences on the basis of average MFN duties.

Table 17 Egypt: Exports to QUAD countries for selected HS Chapters (2018)

First two HS Chapters by QUAD country with All Pref. (GSP + Other Pref.) UR < 70%, sorted in descending order of dutiable export

QUAD	HS2	Product Description	Exports (USD thousands)					Utilization Rates (%)			GSP/Other Pref, PM (pp)
			Dutiable	GSP/ Other Pref, Covered	Received under			GSP	Other Pref,	All Pref, (GSP + Other Pref,)	
					GSP	Other Pref,	MFN				
CAN	62	Apparel and clothing accessories; not knitted or crocheted	12 111	4	-		12 111	-		-	0.2
	87	Vehicles other than railway/ tramway rolling-stock, parts & accessories thereof	1 351	1 351	-		1 351	-		-	-
EU	84	Nuclear reactors, boilers, machinery and mechanical appliances	88 546	88 440		38 373	50 176		43.4	43.4	1.6
	90	Optical, photographic, cinematographic, measuring, checking,	17 071	17 023		9 477	7 5 91		55.7	55.7	1
JPN	27	Mineral fuels, mineral oils and products of their distillation; bituminous subst	5 932	80	-		5 932	-		0	2
	57	Carpets and other textile floor coverings	5 679	5 679	-		5 296	6.7		6.7	1.6
USA	27	Mineral fuels, mineral oils and products of their distillation; bituminous subst	587 361	67	-	-	587 361	-		-	1.4
	76	Aluminium and articles thereof	40 318	40 318	1 253	-	39 064	3.1		3.1	3

Notably, the largest exports of Egypt are to the US in the case of fuels and oils (Chapter 27) with 587 million USD and a utilization rate of zero percent. The second highest export value is to the EU for machineries (Chapter 84) with 88.5 million USD and more than 43 percent utilization rates. Both of these values show large room for improvement. Notice that in Table 17, in the case of US, referring to QIZ, the “Other Pref.” column is left empty. The raw data shows that products under these (Chapters 27 and 76) are not covered by the QIZ.

Table 18 shows pockets of underutilization, i.e., where the All Pref. utilization rates are less than 70 percent, the maximum preferential margins between GSP and other preferences are higher than 2 percentage points at tariff lines level and sorted in descending order according to dutiable exports. For the sake of brevity, the table only shows the most exported products (i.e., products with higher than 1 million USD dutiable trade). The column “Other Pref.” refers to EEAA in the case of the EU and QIZ Program in the case of the US.

The two most important exports of Egypt at the tariff line level shown in Table 18 are aluminium alloys (HS 76061230) to the US and light oils and preparation of petroleum (HS 27101290) to the EU with trade volumes of more than 37 million USD and more than 18 million USD, respectively. On top of the fact that these relatively heavily traded products have a low level of utilization with a maximum of 16.7 percent, both of these products also have a preference margin of at least three percentage points. Hence, there is extensive room for improvement with such relatively large trade volume, low utilization rate, and high preference margin.

⁴⁵ Columns with “other preferences” in Table 17 refer to the EU-Egypt Association Agreement for the case of the EU and the QIZ Program for the case of the USA. As depicted, Egypt is not eligible for EU GSP, and hence, values under the GSP utilization rate column are empty.

Table 18 Egypt: Exports to QUAD countries by national tariff lines (2018)

National tariff lines with All Pref. (GSP + Other Pref.) UR < 70 %, GSP/Other Pref. Preferential Margin (PM) > 2 percentage points (pp), dutiable exports > 1 million USD, sorted in descending order of dutiable exports

QUAD	Tariff Line	Product Description	Exports (USD thousands)					Utilization Rates (%)			GSP/ Other Pref. PM (pp)
			Dutiable	GSP/ Other Pref. Covered	Received under			GSP	Other Pref.	All Pref. (GSP + Other Pref.)	
					GSP	Other Pref.	MFN				
USA	76061230	Aluminum alloy plates/sheets/strip w/thick. o/0.2mm rectangular (incl. sq)	37 501	37 501	747	-	36 754	2.0		2.0	3.0
EUN	27101290	Light oils and preparations of petroleum or bituminous minerals	18 188	18 188		3 029	15 159		16.7	16.7	4.7
EUN	62033390	Men's or boys' jackets and blazers of synthetic fibres (excl. kni)	7 857	7 857		5 207	2 650		66.3	66.3	12.0
EUN	84118220	Gas turbines of a power > 5.000 kW but <= 20.000 kW (excl. turboj)	6 192	6 192		-	6 192		-	-	2.1
EUN	87083091	Parts for disc brakes for tractors motor vehicles for the trans	5 998	5 541		3 840	2 158		69.3	69.3	4.5
EUN	85299092	Parts suitable for use solely or principally with television came	5 101	7		-	5 101		-	-	3.5
EUN	85042300	Liquid dielectric transformers having a power handling capacity	4 301	4 301		-	4 301		-	-	3.7
EUN	61071200	Men's or boys' underpants and briefs of man-made fibres knitted	3 668	3 668		905	2 763		24.7	24.7	12.0
EUN	84118100	Gas turbines of a power <= 5.000 kW (excl. turbojets and turbopro	3 435	3 435		-	3 435		-	-	2.1
EUN	87033319	Motor cars and other motor vehicles principally designed for the	2 902	2 902		1 182	1 718		40.7	40.7	10.0
EUN	15091010	Virgin lampante olive oil obtained from the fruit of the olive tr	2 621	2 621		1 414	1 207		53.9	53.9	30.1
EUN	62046918	Women's or girls' trousers and breeches of artificial fibres (no	2 389	2 389		1 483	906		62.1	62.1	12.0
EUN	84069090	Parts of steam turbines and other vapour turbines n.e.s. (excl.	2 075	2 075		-	2 075		-	-	2.7
EUN	84119900	Parts of gas turbines n.e.s. : Of gas turbines for use in civil	1 932	1 932		-	1 932		-	-	3.3
USA	39239000	Articles nesoi for the conveyance or packing of goods of plastics	1 829	1 829	932	96	802	50.9	5.2	56.2	3.0
EUN	90328900	Regulating or controlling instruments and apparatus (excl. hydrau	1 803	1 803		288	1 515		16.0	16.0	2.3
EUN	90051000	Binoculars	1 702	1 702		-	1 702		-	-	4.2
EUN	52084200	Plain woven fabrics of cotton containing >= 85% cotton by weight	1 512	1 512		742	770		49.1	49.1	8.0
EUN	39234090	Spools cops bobbins and similar supports of plastics (excl. th	1 507	1 507		-	1 507		-	-	6.5
USA	87083050	Pts. & access. of mtr. vehicles of 8701 nesoi and 8702-8705 brakes and servo	1 461	1 461	-	-	1 461	-		-	2.5
JPN	121190999	Plants and parts of plants (including seeds and fruits) of a kind used primari	1 248	1 248	564	-	684	45.2		45.2	2.5

QUAD	Tariff Line	Product Description	Exports (USD thousands)					Utilization Rates (%)			GSP/ Other Pref. PM (pp)
			Dutiable	GSP/ Other Pref. Covered	Received under			GSP	Other Pref.	All Pref. (GSP + Other Pref.)	
					GSP	Other Pref.	MFN				
USA	76082000	Aluminum alloy tubes and pipes	1 227	1 227	347	-	880	28.3		28.3	5.7
USA	85443000	Insulated ignition wiring sets and other wiring sets of a kind used in vehicles	1 093	1 093	163	22	908	14.9	2.0	16.9	5.0

3.6. Eritrea

Thanks to LDC status, Eritrea benefits from preferential access to QUAD Countries' GSP schemes. In terms of other preferential schemes, Eritrea has not taken steps for entering or progressing discussion regarding the negotiations of an EPA with the EU, and as of 2003, Eritrea has been removed as AGOA beneficiary because of not establishing or not making continual progress towards establishing the rule of law and political pluralism as required for AGOA eligibility. As Eritrea is one of the countries with no overlapping preferences, it thus belongs to Category 1, and therefore, Table 19 to Table 21 employ the basic analytic structure.

Exports of Eritrea are limited in terms of volume of trade and direction, as shown in Table 19 with total exports of 3.2 million USD. The main exports destination is the EU market with 2.5 million USD dutiable trade and a high utilization rate of almost 93 percent. The rest of the QUAD countries (i.e., Canada, Japan, and the US) have low amounts of dutiable trade and, at the same time, have zero utilization.

Table 20 summarises the trade preferences of QUAD countries at the HS Chapter level according to basic structure criteria (i.e., 70 percent GSP utilization rate and sorted in descending order according to GSP covered exports listing the first two HS chapters). Table 20 shows a large concentration of exports to the EU with HS Chapter 84 (machineries) amounting to 105,000 USD with a zero utilization rate, which could be due to the possibility that these products might be re-exports. The remaining important HS Chapter seems to be HS Chapter 87, albeit exhibiting a low trade volume of 25,000 USD, which is exported to three of the QUAD countries (i.e., Canada, the EU, and the US). Note that Table 20 only shows one chapter in terms of the exports to Japan because the other exports are MFN duty-free.

Table 21 shows exports at the tariff line level using the established methodology of lower than 70 percent GSP utilization rate, higher than two percentage points GSP preference margin that passes the cut off of GSP covered exports higher than 1,000 USD. The table outlines the main products that are not fully benefitting from trade preferences; the small amount of trade indicates that these may be sporadic transactions. Eritrea's exports of cotton shirts for men or boys (HS 620520000) to Japan shows the largest trade volume with 19,000 USD and a corresponding zero utilization rate of Japan GSP. The rest of the tariff lines have a trade volume of below 10,000 USD; for example, dress exports (HS 62044200) to the EU only amounts to 9,000 USD or jewellery exports (HS 71171990) to the US only summing up to 8,000 USD, both of which also have zero utilization rates.

Table 19 Eritrea: Overall utilization rates of QUAD Countries' Preferential Schemes (2018)

QUAD	Scheme	Exports (USD thousands)				Coverage (%)	Utilization Rates (%)
		Total	Dutiable	Covered	Received		
Canada	GSP	190	1	1	-	100.0	-
EU	GSP	2 775	2 501	2 501	2 324	100.0	92.9
Japan	GSP	26	23	23	-	100.0	-
US	GSP	290	59	42	-	70.7	-
TOTAL		3 281	2 584	2 567	2 324	99.3	90.5

Table 20 Eritrea: Exports to QUAD countries for selected HS Chapters (2018)

First two HS Chapters by QUAD country with GSP UR < 70%, and sorted in descending order of GSP covered exports

QUAD	HS2	Product Description	Exports (USD thousands)				GSP UR (%)	GSP PM (pp)
			Dutiable	GSP Covered	Received under			
					GSP	MFN		
CAN	87	Vehicles other than railway/tramway rolling-stock, parts & accessories thereof	1	1	-	1	-	6.0
EUN	84	Nuclear reactors, boilers, machinery & mech. appliances; parts thereof	105	105	-	105	-	1.6
	87	Vehicles other than railway/tramway rolling-stock, parts & accessories thereof	12	12	-	12	-	10.0
JPN	62	Art of apparel & clothing access, not knitted/crocheted	23	23	-	23	-	8.2
USA	71	Natural/cultured pearls, precious/semiprecious stones, prec. metals; imitation jewelry; coins	12	12	-	12	-	8.7
	87	Vehicles other than railway/tramway rolling-stock, parts & accessories thereof	12	12	-	12	-	1.7

Table 21 Eritrea: Exports to QUAD countries by national tariff lines (2018)

National tariff lines with a GSP UR < 70%, GSP Preferential Margin (PM) > 2 percentage points (PP), and GSP covered exports > 1,000 USD, sorted in descending order of GSP covered exports

QUAD	Tariff Line	Product Description	Exports (USD thousands)				GSP UR (%)	GSP PM (pp)
			Dutiable	GSP Covered	Received under			
					GSP	MFN		
JPN	620520000	Men's or boys' shirts.: Of cotton	19	19	-	19	-	7.4
EUN	62044200	Women's or girls' dresses of cotton (excl. knitted or crocheted and petticoats)	9	9	-	9	-	12.0
USA	71171990	Imitation jewelry (o/than toy jewelry & rope, curb, cable, chain, etc.), of bas	8	8	-	8	-	11.0
USA	87084011	Pts. & access. of mtr. vehic. of 8701.20, 8702, 8703 or 8704, gear boxes	8	8	-	8	-	2.5
EUN	87032190	Motor cars and other motor vehicles principally designed for the transport of <	6	6	-	6	-	10.0
EUN	87032290	Motor cars and other motor vehicles principally designed for the transport of <	6	6	-	6	-	10.0
USA	84082090	Compression-ignition internal-combustion piston engines used for propulsion of	5	5	-	5	-	2.5
JPN	620590090	Men's or boys' shirts.: Of other textile materials: Other	4	4	-	4	-	9.0
USA	43031000	Articles of apparel and clothing accessories, of furskins	4	4	-	4	-	4.0
USA	71049050	Synth.or reconstruct. precious or semiprecious stones, wkd, whether or not grad	3	3	-	3	-	6.4
USA	85043140	Electrical transformers other than liquid dielectric, having a power handling c	3	3	-	3	-	6.6
USA	85366980	Plugs and sockets for making connections to or in electrical circuits, for a vo	3	3	-	3	-	2.7
USA	87089981	Pts. & access., nesoi, of motor vehicles of 8701, nesoi, and 8702-8705	3	3	-	3	-	2.5
EUN	41044990	Hides and skins of equine animals, in the dry state crust, without hair on, whe	2	2	-	2	-	5.5
EUN	42021190	Trunks, suitcases, vanity cases and similar containers, with outer surface of l	2	2	-	2	-	3.0
USA	39173900	Flexible plastic tubes, pipes and hoses, nesoi	2	2	-	2	-	3.1
USA	40169350	Gaskets, washers and other seals, of noncellular vulcanized rubber other than	2	2	-	2	-	2.5

Note: Note that for the exports of Eritrea to Canada are omitted since these products fall below the cut-off of higher than 1,000 USD GSP covered exports.

3.7. Eswatini

Eswatini enjoys GSP schemes from the QUAD countries and overlapping preferences with the EU and the US. Eswatini ratified the SADC-EU EPA in October 2016 and continued to benefit from the GSP scheme until January 2019,⁴⁶ and further benefits from the US AGOA scheme, thus putting Eswatini in Category 3. Due to these overlapping preferences, the following three tables distinguish between the GSP schemes', other preferential schemes, and the All Pref. utilization rates.

Table 22 shows that the total dutiable exports of Eswatini to QUAD countries under GSP and other preferential schemes are almost 83 million USD showing a relatively modest trade value. Eswatini's main export is to the EU market, where most of the exports are received under the SADC-EU EPA,⁴⁷ within the QUAD countries. Specifically, almost 60 million USD of exports are received under SADC-EU EPA. In terms of utilization rates, the table shows that the SADC-EU EPA has the highest utilization of 82.3 percent.

Table 22 Eswatini: Overall Utilization Rates of QUAD Countries' Preferential Schemes (2018)

QUAD	Scheme	Exports (USD thousands)				Coverage (%)	Utilization Rates (%)
		Total	Dutiable	Covered	Received		
Canada	GSP	2 034	175	171	2	97.7	1.2
EU	GSP	75 731	71 963	23 695	33	32.9	0.1
	SADC-EU EPA			71 855	59 103	99.9	82.3
	All Pref.			71 855	59 136	99.9	82.2
Japan	GSP	1 337	1 083	16	-	1.5	-
US	AGOA	13 696	9 683	8 927	4 803	92.2	53.8
	GSP			7 738	2 968	79.9	38.4
	All Pref.			8 927	7 771	92.2	80.3
TOTAL		92 798	82 904	80 969	66 909	97.7	82.6

Table 23 shows a pattern of the highest utilization rates under the SADC-EU EPA. For example, HS Chapters 84 and 29 show relatively high utilization rates of SADC-EU EPA, valued at 61.9 percent and 94.8 percent, respectively. However when comparing the amount of all preferences received against the dutiable imports HS Chapter 84 has a utilization rate of 51.7 percent, and HS Chapter 29 has a utilization rate of 44.5 percent. Thus there is room for improvement of URs. A further investigation should be conducted to better identify and explain these pockets of underutilization.

Further, Table 23 shows that Eswatini is exporting a relatively high volume to the US market in terms of HS Chapters 84 (machineries) and 20 (vegetables, fruits, and nuts) with 281,000 USD and 268,000 USD of dutiable exports, respectively. The zero utilization of preferences for the machinery products could be because these are likely to be re-exports. It is important to remember that the value shown under the "GSP/Other Pref. Covered" column represents the maximum coverage value between US GSP and AGOA. For example, in the case of HS Chapter 20 exports to the US, since US AGOA has a more generous coverage of 231,000 USD, this value is shown in the table. However, in calculating the US GSP utilization rate, the analysis uses the correct US GSP coverage value of 9,000 USD, and thus resulting in a 41.9-percent utilization rate.

Table 24 shows the export at tariff lines level with All Pref. utilization rates of less than 70 percent and with preference margin cut off of 2 percentage points based on the maximum preference margin value between GSP and other preferences, which in this case refers to SADC-EU EPA for exports to the EU and US AGOA for exports to the US.⁴⁸ Table 24 depicts that the most exported products that are underutilized are directed to the EU market. These are pineapple juice with 1 million USD and grapefruit juice with 987,000 USD dutiable export value. It is interesting to note that fruit juice exporters are using the SADC-EU EPA with 59.2 percent and 44.7 percent

⁴⁶ <https://eur-lex.europa.eu/legal-content/EN/LSU/?uri=CELEX%3A32016D1623>.

⁴⁷ For the full text of the SADC-EU EPA, see https://trade.ec.europa.eu/doclib/docs/2015/october/tradoc_153915.pdf.

⁴⁸ Exports to Canada of HS 82119200 amount to 5,000 per tariff line with a utilization rate of zero and a preference margin of 7.0. Exports to EU of Chapters 8 and 20 have a zero preference margin and thus are not shown.

Table 23 Eswatini: Exports to QUAD countries for selected HS Chapters (2018)

First two HS Chapters by QUAD country with All Pref. (GSP + Other Pref.) UR < 70%, and sorted in descending order of dutiable exports

QUAD	HS2	Product Description	Exports (USD thousands)					Utilization Rates (%)			GSP/Other Pref. PM (pp)
			Dutiable	GSP/Other Pref. Covered	Received under			GSP	Other Pref.	All Pref. (GSP + Other Pref.)	
					GSP	Other Pref.	MFN				
CAN	82	Tools, implements, cutlery, of base metal	71	71	-		71	-		-	1.5
	91	Clocks and watches and parts thereof	38	38	-		38	-		-	1.3
EU	84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	178	149	-	92	86	-	61.9	51.7	1.3
	29	Organic chemicals	146	146	-	65	81	-	94.8	44.5	6.1
JPN	46	Manufactures of straw, esparto or other plaiting materials; basketware & wickerwork	11	11	-		11	-		-	3.2
	27	Mineral fuels, mineral oils and products of their distillation; bituminous substances;	3	3	-		3	-		-	3.3
USA	84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	281	281	-	-	281	-	-	-	1.4
	20	Preparations of vegetables, fruit, nuts or other parts of plants	268	231	4	39	226	41.9	16.7	16	1.4

Note: Other preferences in this table refers to the SADC-EU EPA and the US AGOA.

Table 24 Eswatini: Exports to QUAD countries by national tariff lines (2018)

National tariff lines with an All Pref. (GSP + Other Pref.) UR < 70%, GSP/Other Pref. Preferential Margin > 2 percentage points (pp), dutiable exports >20,000 USD, sorted in descending order of dutiable exports

QUAD	Tariff Line	Product Description	Exports (USD thousands)					Utilization Rates (%)			GSP/Other Pref. PM (pp)
			Dutiable	GSP/Other Pref. Covered	Received under			GSP	Other Pref.	All Pref. (GSP + Other Pref.)	
					GSP	Other Pref.	MFN				
EUN	20094930	Pineapple juice, unfermented, Brix value > 20 but <= 67 at 20°C, value of > 30	1 001	1 001	-	593	410	-	59.2	59.2	15.2
EUN	20092999	Grapefruit juice, unfermented, Brix value > 20 but <= 67 at 20°C	987	987	-	442	546	-	44.7	44.7	12.0
JPN	200830190	Fruit, nuts and other edible parts of plants, otherwise prepared or	762	-	-	-	762	-		-	23.8
JPN	080540000	Citrus fruit, fresh or dried: Grapefruit, including pomelos: If imported during	190	-	-	-	190	-		-	10.0
USA	84239090	Other parts of weighing machinery, including weights	167	167	-	-	167	-		-	2.8
USA	64035990	Footwear w/outer soles and uppers of leather, not cov. ankle, n/welt	108	108	-	-	108	-	-	-	10.0
EUN	90229080	X-ray generators other than X-ray tubes, high tension generators, control panel	96	96	-	-	96	-	-	-	2.1
USA	85437099	Other machinery in this subheading	83	83	-	-	83	-	-	-	2.6

utilization rates, respectively. Further investigation would be needed to understand why these juices using the SADC-EU EPA show such relatively low URs. The subsequent product, fruits and nuts (HS 200830190), which also has a relatively high dutiable export value of 762,000 USD, is directed to the Japanese market with zero utilization of Japan GSP. Given the high level of preferential margins, there could be large gains in understanding the reason for this low utilization of preferences.

QUAD	Tariff Line	Product Description	Exports (USD thousands)					Utilization Rates (%)			GSP/ Other Pref. PM (pp)
			Dutiable	GSP/ Other Pref. Covered	Received under			GSP	Other Pref.	All Pref. (GSP + Other Pref.)	
					GSP	Other Pref.	MFN				
EUN	29242970	Cyclic amides, incl. cyclic carbamates, and their derivatives; salts thereof	78	78	-	-	78	-	-	-	6.3
USA	39052900	Vinyl acetate copolymers, other than in aqueous dispersion, in primary forms	61	61	-	-	61	-	-	-	4.0
USA	64035960	Footwear w/outer soles and uppers of leather, not cov. ankle, n/welt, for men,	55	55	-	-	55	-	-	-	8.5
USA	85389081	Other parts nesi, suitable for use solely or principally with the apparatus of	49	49	-	-	49	-	-	-	3.5
USA	71131950	Precious metal (o/than silver) articles of jewelry and parts thereof, whether or	46	46	3	-	43	67.0	-	6.5	5.5
USA	42023160	Articles of a kind normally carried in the pocket or handbag, with outer surfac	38	38	2	1	35	47.0	3.3	7.9	8.0
EUN	84652000	Machining centres for working wood, cork, bone, hard rubber, hard plastics or s	37	37	-	-	37	-	-	-	2.7
USA	20089790	Mixtures of fruit or other edible parts of plants, otherwise prepared or preser	37	0	-	-	37	-	-	-	14.9
EUN	87033290	Motor cars and other motor vehicles principally designed for the transport of <	31	31	-	-	31	-	-	-	10.0
USA	84629980	Machine tools (including nonhydraulic presses) for working metal or metal carbi	31	31	-	-	31	-	-	-	4.4
USA	82077060	Interchangeable tools for milling, nesoi, and base metal parts thereof	27	27	-	-	27	-	-	-	2.9
USA	46021929	Luggage, handbags and flat goods, whether or not lined, made from plaiting mate	26	26	-	-	26	-	-	-	5.3
USA	84389090	Parts of machinery for the industrial preparation or manufacture of food or dri	23	23	-	-	23	-	-	-	2.8
USA	85371091	Other boards, panels, consoles, desks, cabinets, etc., equipped with apparatus	23	23	-	-	23	-	-	-	2.7
EUN	39081000	Polyamides-6, -11, -12, -6,6, -6,9, -6,10 or -6,12, in primary forms	22	22	-	-	22	-	-	-	6.5
EUN	39094000	Phenolic resins, in primary forms : Polycondensation product of phenol	22	22	-	-	22	-	-	-	6.5

Note: Other preferences in this table refers to the SADC-EU EPA and the US AGOA.

3.8. Ethiopia

Ethiopia benefits from preferential access to the QUAD countries' GSP schemes thanks to its LDC status and from US AGOA trade preferences till its suspension in 2022. Ethiopia has not participated to discussion about entering EPAs with the EU.⁴⁹ TThe overlapping preference in terms of the US GSP and US AGOA puts Ethiopia in the list of Category 2 COMESA countries for the scope of the present analysis.

Table 25 shows the performance of Ethiopia with a significant volume of preferential trade and high utilization rates. The most important market is the EU, with almost 294 million USD of dutiable trade, with a rate of 94.7 percent. The US is the second most important market with more than 215 million USD of dutiable trade. The All Pref. utilization of Ethiopia for both US GSP and AGOA additionally shows a positive picture with a high rate of 96.1 percent. The export composition of Ethiopia limits the scope for preferential treatment in Canada and Japan since only a fraction of the total exports of Ethiopia are dutiable. Utilization rates in these two preference-giving countries are more modest at 86.1 percent in the case of Canada and 63.7 percent for Japan.

⁴⁹ See <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L:2012:111:FULL&from=EN>.

Table 25 Ethiopia: Overall Utilization Rates of QUAD Countries' Preferential Schemes (2018)

QUAD	Scheme	Exports (USD thousands)				Coverage (%)	Utilization Rates (%)
		Total	Dutiable	Covered	Received		
Canada	GSP	30 734	9 399	9 399	8 092	100	86.1
EU	GSP	769 129	294 648	294 646	278 911	100	94.7
Japan	GSP	105 679	5 072	4 814	3 066	94.9	63.7
US	AGOA	458 798	215 866	212 423	201 965	98.4	95.1
	GSP			54 206	5 516	25.1	10.2
	All Pref.			212 423	207 481	98.4	96.1
TOTAL		1 364 340	524 985	521 282	497 550	99.3	95.4

As previously mentioned, since Ethiopia has overlapping preferences in the case of the US, Table 26 illustrates the highest two chapters in terms of dutiable exports by QUAD country, which have utilization rates of less than 70 percent in terms of All Pref. (i.e., GSP + AGOA).

Table 26 Ethiopia: Exports to QUAD countries for selected HS Chapters (2018)

First two HS Chapters by QUAD country with All Pref. (GSP + AGOA) UR < 70%, and sorted in descending order of dutiable exports

QUAD	HS2	Product Description	Exports (USD thousands)					Utilization Rates (%)			GSP PM (pp)
			Dutiable	GSP/AGOA Covered	Received under			GSP	AGOA	All Pref. (GSP + AGOA)	
					GSP	AGOA	MFN				
CAN	06	Live trees & other plants; bulbs, roots and the like; cut flowers & ornamental foliage	481	481	315		166	65.5		65.5	6.1
	42	Articles of leather, saddlery/harness; travel goods, etc.	76	76	33		43	43.4		43.4	10.2
EUN	88	Aircraft, spacecraft and parts thereof	2 042	2,042	-		2 042	-		-	0.8
	90	Optical, photogr., cinematogr., measuring, checking, precision, medical/surgical instruments & apparatus; parts & accessories	2 022	2 022	-		2 022	-		-	0.8
JPN	09	Coffee, tea, mate and spices	1 597	1 597	-		1 595	0.1		0.1	4.0
	61	Art of apparel & clothing access, KoC	44	36	-		44	-		-	9.1
USA	63	Textiles, made up articles; sets; worn clothing and worn textile articles; rags	598	89	-	21	577	-	23.9	23.9	0.4
	04	Dairy produce; birds' eggs; natural honey; edible products of animal origin, not	8	8	-	-	8	-	-	-	0.6

Note: KoC: Knitted or Crocheted.

Table 26 provides an overall picture of the products and destination markets where the utilization rate of Ethiopia could improve. The biggest export values are from HS Chapters 88 and 90, which are directed to the EU market and that are most likely re-exports. More interestingly, exports under HS Chapter 63 to the US show a relatively high dutiable trade value of 598,000 USD, 577,000 USD of which are received under MFN. Lastly, it is interesting to note that coffee exported to Japan for almost 1.6 million USD has a utilization rate of almost zero. The raw data reveals that Ethiopian coffee exports to Japan mainly consist of these three products:

- Coffee not roasted nor decaffeinated (HS 090111000);
- Decaffeinated coffee, not roasted (HS 090112000); and
- Roasted not decaffeinated coffee (HS 090121000).

The first two coffee products are duty-free, while the roasted not decaffeinated coffee faces an MFN rate of 12 percent. Further analysis should be conducted to answer why there is a systematic underutilization of Japan GSP for roasted not decaffeinated coffee exports from Ethiopia since there is a significant preference margin.

Table 27 reports the pockets of underutilization by Ethiopia in QUAD markets, i.e., where the All Pref. utilization rates are less than 70 percent, and the GSP preferential margins are higher than two percentage points at tariff

Table 27 Ethiopia: Exports to QUAD countries by national tariff lines (2018)

National tariff lines with All Pref. (GSP + AGOA) UR < 70 %, GSP Preferential Margin (PM) > 2 percentage points (pp), and GSP covered exports > 110,000 USD, sorted in descending order of dutiable exports

QUAD	Tariff Line	Product Description	Exports (USD thousands)					Utilization Rates (%)			GSP PM (pp)
			Dutiable	GSP/AGOA Covered	Received under			GSP	AGOA	All Pref, (GSP + AGOA)	
					GSP	AGOA	MFN				
EUN	90328900	Regulating or controlling instruments and apparatus	1 887	1 887	-	-	1 887	-	-	-	2.3
EUN	61071100	Men's or boys' underpants and briefs of cotton, KoC	1 881	1 881	1 000	-	881	53.2	-	53.2	12.0
JPN	090121000	Coffee, whether or not roasted or decaffeinated; coffee husks and skins; coffee	1 597	1 597	2	-	1 595	0.1	-	0.1	12.0
USA	85389081	Other parts nesi, suitable for use solely	1 279	1 279	-	-	1 279	-	-	-	3.5
EUN	61082100	Women's or girls' briefs and panties of cotton, KoC	867	867	293	-	575	33.8	-	33.8	12.0
USA	85371091	Other boards, panels, consoles, desks, cabinets, etc.,	619	619	-	-	619	-	-	-	2.7
EUN	20098973	Juice of guavas, mangoes, mangosteens, papaws papayas,	423	423	136	-	287	32.1	-	32.2	10.5
EUN	52081219	Plain woven fabrics of cotton, containing >= 85% cotton by weight and weighing	398	398	-	-	398	-	-	-	8.0
EUN	40122000	Used pneumatic tyres of rubber : For use on civil aircraft	374	374	-	-	374	-	-	-	2.3
EUN	12099180	Vegetable seeds for sowing (excl, salad beet or beetroot Beta vulgaris var, con	313	313	-	-	313	-	-	-	3.0
EUN	40121300	Retreaded pneumatic tyres, of rubber, of a kind used on aircraft	227	227	-	-	227	-	-	-	2.3
EUN	04090000	Natural honey	224	224	72	-	152	32.1	-	32.1	17.3
EUN	62044200	Women's or girls' dresses of cotton	221	221	13	-	208	5.9	-	5.9	12.0
EUN	64039998	Footwear with outer soles of rubber, plastics or composition leather	202	202	83	-	119	40.9	-	41.1	7.0
CAN	06031100	Cut flowers and flower buds of a kind suitable for bouquets or for ornamental p	196	196	127	-	69	64.8	-	64.8	10.5
EUN	64041990	Footwear with outer soles of rubber or plastics and uppers of textile	194	194	131	-	63	67.7	-	67.5	16.9
EUN	62034231	Men's or boys' trousers and breeches of cotton denim (excl, knitted or crochete	187	187	97	-	91	51.9	-	51.9	12.0
USA	85366980	Plugs and sockets for making connections to or in electrical circuits	183	183	-	-	183	-	-	-	2.7
EUN	42029180	Insulated food or beverage bags, shopping bags, map-cases,	163	163	-	-	163	-	-	-	3.0
CAN	06042090	Foliage, branches and other parts of plants	162	162	113	-	49	69.8	-	69.8	6.0
EUN	85013100	DC motors of an output > 37,5 W but <= 750 W	128	128	-	-	128	-	-	-	2.5
EUN	52081299	Plain woven fabrics of cotton, containing >= 85% cotton by weight and weighing	124	124	-	-	124	-	-	-	8.0
EUN	84629980	Presses, not hydraulic, not numerically controlled, for working metals (excl, f	124	124	-	-	124	-	-	-	2.7
CAN	06031900	Cut flowers and flower buds of a kind suitable for bouquets or for ornamental p	122	122	75	-	47	61.5	-	61.5	6.0

QUAD	Tariff Line	Product Description	Exports (USD thousands)					Utilization Rates (%)			GSP PM (pp)
			Dutiable	GSP/AGOA Covered	Received under			GSP	AGOA	All Pref, (GSP + AGOA)	
					GSP	AGOA	MFN				
CAN	62034300	Men's or boys' suits, ensembles, jackets, blazers, trousers, bib and brace over	113	113	-	-	113	-		-	18.0
CAN	61091000	Tshirts, singlets and other vests, knitted or crocheted : Of cotton	111	111	37	-	74	33.3		33.3	18.0

lines level. For the sake of brevity, only tariff lines where dutiable trade values are at least 110,000 USD are shown. The first two highest dutiable products at the tariff line level are exports to the EU amounting to 1.8 million USD. It is particularly interesting to highlight that men's or boys' underpants (HS 61071100), while having a positive utilization rate of 53.2 percent, could still have a large improvement especially given that the preference margin is substantially high (12 percentage points). Aside from the exports to the EU, the table reiterates the underutilization of coffee exports to Japan with a dutiable trade value of more than 1.5 million USD. Similar to the textile and garment products, coffee also has a high preference margin of 12 percentage points, but the utilization level is much lower. This suggests that high potential savings could be enjoyed should Ethiopian coffee exporters use the Japan GSP.

3.9. Kenya

Kenya benefits from the Market Access Regulation (MAR).⁵⁰ and from preferential access to EU markets through the GSP scheme under the Standard GSP.⁵¹ Kenya and Rwanda signed the EAC-EU EPA in September 2016. However, only Kenya ratified it. For the EAC-EU EPA to enter into force, the remaining members of the EAC (Burundi, Tanzania, and Uganda) should sign and ratify the agreement. The postponement of the entering into force of the EAC-EU EPA has more impact on Kenya than the other EAC states since Burundi, Rwanda, Tanzania, and Uganda are LDCs. Accordingly, these countries continue to benefit from duty-free quota-free market (DFQF) access to the EU. Kenya, which is not classified as an LDC, would have seen its preferential market access drastically diminished. However, as Kenya has negotiated and signed the EPA, it still benefits from the Market Access Regulation (MAR).

Due to the overlapping preferences in the EU and the US, Kenya is part of Category 3 countries, which implies that the analyses involve more complexities to draw a more accurate picture. That is, a more refined distinction of utilization rates are shown in the tables.

Table 28 shows a relatively high dutiable export volume for all QUAD countries with a total of more than 1.6 billion USD. Also, there are high utilization rates for Kenya, especially for the EU and the US preferences. Looking at the 'All Pref.' utilization rates row in Table 28, it can be seen that it is 93.9 percent for the case of the EU, while for the

Table 28 Kenya: Overall Utilization Rates of QUAD Countries' Preferential Schemes (2018)

QUAD	Scheme	Exports (USD thousands)				Coverage (%)	Utilization Rates (%)
		Total	Dutiable	Covered	Received		
Canada	GSP	25 650	8 264	891	82	10.8	9.2
EU	GSP	1 548 570	1 116 153	540 253	4 388	48.4	0.8
	MAR			1 116 103	1 043 919	100	93.5
	All Pref.			1 116 103	1 048 307	100	93.9
Japan	GSP	68 784	38 751	21 849	20 742	56.4	94.9
US	AGOA	661 640	497 038	494 419	480 924	99.5	97.3
	GSP			12 511	4 423	2.5	35.3
	All Pref.			494 419	485 347	99.5	97.6
TOTAL		2 304 644	1 660 206	1 633 262	1 554 478	98.4	95.2

⁵⁰ MAR allows ACP countries to benefit from duty-free, quota-free access to the EU market, given that sufficient steps have been taken toward the ratification of an EPA with the EU. For more information on the MAR scheme, please see the official text at <https://eur-lex.europa.eu/eli/reg/2016/1076/oj>.

⁵¹ See https://trade.ec.europa.eu/doclib/docs/2019/may/tradoc_157889.pdf.

case of the US, the utilization rate is even higher at 97.6 percent. Exports to Japan also shows a high utilization rate of 94.9 percent while the utilization of the Canadian GSP shows a low rate of 9.2 percent.

Table 29 the filtering and cut off points illustrated in Category 3, whereby All Pref. utilization rates are used as the primary mechanism with sorting done by terms of dutiable export instead of coverage of preferences. Table 29 depicts that Kenya has a high volume of dutiable exports of machinery products (HS Chapter 84) amounting to 34.7 million USD to the EU market, which are likely to be re-exports. This could explain the low level of utilization at 0.3 percent. The next largest dutiable export value is still directed to the EU market comprising of textile products (HS Chapter 61), which amounts to more than 2.8 million USD of dutiable exports. It is encouraging to see that the All Pref. utilization rate for products under Chapter 61 has positive utilization of 56.2 percent. While this is a step forward in the right direction, there is still relatively large room for improvement, especially since the preference margin is well above two percentage points, signifying high potential savings for textile exporters.

Table 29 Kenya : Exports to QUAD countries for selected HS Chapters (2018)

First two HS Chapters by QUAD country with All Pref. (GSP + Other Pref.) UR < 70%, and sorted in descending order of dutiable exports

QUAD	HS2	Product Description	Exports (USD thousands)					Utilization Rates (%)			GSP/Other Pref. PM (pp)
			Dutiable	GSP/Other Pref. Covered	Received under			GSP	Other Pref.	All Pref. (GSP + Other Pref.)	
					GSP	Other Pref.	MFN				
CAN	62	Apparel and clothing accessories; not knitted or crocheted	2 529	1	-		2 529	-		-	0.3
	06	Trees and other plants, live; bulbs, roots and the like; cut flowers and ornamental	687	6	-		687	-		-	0.2
EUN	84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	34 766	34 765	-	109	34 657	-	0.3	0.3	1.6
	61	Apparel and clothing accessories; knitted or crocheted	2 841	2 841	97	1 500	1 238	3.4	52.8	56.2	2.3
JPN	03	Fish and crustaceans, molluscs and other aquatic invertebrates	2 471	54	18		2 453	33.3		0.7	0.6
	71	Natural, cultured pearls; precious, semi-precious stones; precious metals, metal	195	6	3		192	50		1.5	1
USA	15	Animal/vegetable fats & oils & their cleavage products; prepared edible fats; animal/vegetable waxes	2 062	2 045	765	237	1 060	37.4	11.5	48.6	0.9
	71	Natural/cultured pearls, precious/semiprecious stones, prec. metals; imitation jewelry; coins etc	1 800	1 800	785	466	548	43.6	25.9	69.5	5.1

Note: "Other Preferences" in this table refers to the EU's MAR and the US AGOA.

Table 30 shows products at the tariff line level, where the All Pref. utilization rates are less than 70 percent, the maximum preferential margins between GSP and other preferences are higher than two percentage points. In addition, products are sorted in terms of the dutiable exports and only include products with a dutiable export value exceeding 100,000 USD.

Among the products listed Table 30 only four products at the tariff line level with dutiable exports above one million USD of dutiable exports, three of which are agricultural products while the last one refers to machinery exports. In terms of the agricultural products, the highest dutiable exports are pineapple juice (HS 20094930) to the EU market with more than 12 million USD in value. As shown in the All Pref. utilization rate column, pineapple juice's utilization rate for EU preferences reaches up to 25.2 percent. Flower seeds (HS 12093000) follow, with a relatively lower but still significant dutiable export value of 2.8 million USD, which is exported to the EU market. A similar pattern of a positive All Pref. utilization rate, amounting to 45.3 percent, can be observed. The last agricultural product referring to vegetable oils (HS 15159080) are exported to the US with more than 2 million USD dutiable exports and an overall utilization rate of 48.2 percent. In sum, Table 30 depicts a similar picture to the previous table wherein Kenya has a big room for improvement, especially for the agricultural products with relatively high trade volume and high preference margin. A further investigation should be conducted to understand the causal underpinnings for the under-utilization of preferences in these tariff lines.

Table 30 Kenya: Exports to QUAD countries by national tariff lines (2018)

National tariff lines with All Pref. (GSP + Other Pref.) UR < 70 %, GSP/Other Pref. Preferential Margin (PM) > 2 percentage points (pp), dutiable exports > 100,000 USD, sorted in descending order of dutiable exports

QUAD	Tariff Line	Product Description	Exports (USD thousands)					Utilization Rates (%)			GSP/Other Pref. PM (pp)
			Dutiable	GSP/Other Pref. Covered	Received under			GSP	Other. Pref.	All Pref. (GSP + Other Pref.)	
					GSP/LDC	Other Pref.	MFN				
EUN	20094930	Pineapple juice, unfermented, Brix value > 20 but <= 67 at 20°C, value of > 30	12 197	12 197	-	3 072	9 125	-	25.2	25.2	3.5
EUN	12093000	Seeds of herbaceous plants cultivated mainly for flowers, for sowing	2 846	2 846	61	1 227	1 558	2.2	43.1	45.3	3.0
EUN	84118260	Gas turbines of a power > 2000 kW but <= 5000 kW (excl. turbojets and turbo	2 828	2 828	-	-	2 828	-	-	-	2.1
USA	15159080	Fixed vegetable fats and oils and their fractions nesoi, whether or not refined	2 043	2 043	765	220	1 057	37.5	10.8	48.2	3.2
EUN	84109000	Parts of hydraulic turbines and water wheels incl. regulators	749	749	-	-	749	-	-	-	4.5
EUN	09021000	Green tea in immediate packings of <= 3 kg	593	593	-	7	587	-	1.2	1.2	3.2
USA	71179090	Imitation jewelry not of base metal or plastics, nesoi, over 20 cents/dozen pcs	521	521	207	102	212	39.8	19.6	59.3	11.0
EUN	84014000	Parts of nuclear reactors, n.e.s. [Euratom] : Stainless steel absorber control	477	477	-	-	477	-	-	-	3.7
EUN	61149000	Special garments for professional, sporting or other purposes, n.e.s., of texti	416	416	-	-	416	-	-	-	2.4
CAN	20081990	Fruit, nuts and other edible parts of plants, otherwise prepared or preserved,	414	414	-	-	414	-	-	-	6.0
EUN	71179000	Imitation jewellery (excl. jewellery, of base metal, whether or not clad with s	407	407	1	167	240	0.3	40.9	41.3	4.0
USA	84119990	Parts of gas turbines nesi, other than those of subheading 8411.99.10	392	392	-	-	392	-	-	-	2.4
USA	39239000	Articles nesoi, for the conveyance or packing of goods, of plastics	388	388	74	62	252	19.1	16.0	35.1	3.0
EUN	39269097	Articles of plastics and articles of other materials of heading 3901 to 3914, n	283	283	-	5	279	-	1.7	1.8	5.6
USA	90049000	Spectacles, goggles and the like, corrective, protective or other, other than s	279	279	-	-	279	-	-	-	2.5
EUN	84834090	Gears and gearing, for machinery (excl. ball or roller screws and gears	246	246	-	-	246	-	-	-	3.0
EUN	71171900	Imitation jewellery, of base metal, whether or not plated with precious metal (233	233	-	111	122	-	47.7	47.6	4.0
CAN	71171990	Imitation jewellery : Of base metal, whether or not plated with precious metal	223	223	23	-	200	10.3	-	10.3	3.5
EUN	67041900	False beards, eyebrows and eyelashes, switches and the like, of synthetic texti	211	211	110	-	100	52.0	-	52.1	2.2
EUN	85016400	AC generators alternators, of an output > 750 kVA : Solar chargers that consist	191	191	-	-	191	-	-	-	2.7
EUN	39123100	Carboxymethylcellulose and its salts, in primary forms	178	178	-	-	178	-	-	-	6.5
EUN	62064000	Women's or girls' blouses, shirts and shirt-blouses of man-made fibres (excl. k	165	165	-	67	98	-	40.7	40.6	2.4
EUN	84118100	Gas turbines of a power <= 5.000 kW (excl. turbojets and turbopropellers) : For	162	162	-	-	162	-	-	-	2.1
EUN	84818059	Process control valves (excl. temperature regulators, pressure-reducing valves,	151	151	-	-	151	-	-	-	2.2
USA	39262090	Articles of apparel & clothing accessories, of plastic, nesoi	148	148	-	-	148	-	-	-	5.0
EUN	08043000	Fresh or dried pineapples : Dried	143	143	-	98	45	-	68.6	68.5	3.5

QUAD	Tariff Line	Product Description	Exports (USD thousands)					Utilization Rates (%)			GSP/ Other Pref. PM (pp)
			Dutiable	GSP/Other Pref. Covered	Received under			GSP	Other. Pref.	All Pref. (GSP + Other Pref.)	
					GSP/LDC	Other Pref.	MFN				
EUN	61103091	Men's or boys' jerseys, pullovers, cardigans, waistcoats and similar articles,	142	142	-	1	141	-	0.8	0.7	2.4
EUN	85371098	Boards, cabinets and similar combinations of apparatus for electric control or	136	136	-	-	136	-	-	-	2.1
EUN	31052010	Mineral or chemical fertilisers containing phosphorus and potassium, with a nit	119	119	-	-	119	-	-	-	3.5
JPN	330129990	Essential oils (terpeneless or not), including concretes and absolutes; resinoid	119	119	-	-	119	-	-	-	3.2
EUN	84818099	Appliances for pipes, boiler shells, tanks, vats or the like (excl. pressure-re	115	115	-	-	115	-	-	-	2.2
EUN	95030035	Construction sets and constructional toys, of plastics (excl. scale model assem	115	115	-	-	115	-	-	-	3.5
EUN	40121300	Retreaded pneumatic tyres, of rubber, of a kind used on aircraft : For use on c	113	113	-	-	113	-	-	-	2.3
EUN	08041000	Fresh or dried dates : Dates, fresh or dried, for use in the manufacture (exclu	109	109	-	27	81	-	25.0	24.8	3.5
EUN	39012090	Polyethylene with a specific gravity of >= 0,94, in primary forms (excl. polyet	107	107	-	-	107	-	-	-	3.5

Note: "Other Preferences" in this table refers to the EU's MAR and the US AGOA.

3.10. Libya

Table 31 Libya only benefits from the Japan GSP. It does not benefit from preferential access to the Canada, the EU,⁵² or the US. There could be several possible reasons why it does not have any eligibility, one of which could be due to its political and security situation.⁵³ Libya is also ineligible to be an AGOA beneficiary and is not beneficiary under the US GSP Scheme.⁵⁴ Libya belongs to Category 1 COMESA countries.

Table 31 Libya : Overall Utilization Rates of Japan GSP (2018)

QUAD	Scheme	Exports (USD thousands)				Coverage (%)	Utilization Rates (%)
		Total	Dutiable	Covered	Received		
Japan	GSP	13 667	13 615	-	-	-	
TOTAL		13 667	13 615	-	-	-	

Table 31 shows that Libya's total exports to Japan are more than 13 million USD and that most of the exports are dutiable. However, the above table leaves the utilization rates column empty due to zero coverage of exports from Libya to Japan.

Table 32 shows that Libya's exports to Japan are concentrated on products belonging to HS Chapter 03. Since products belonging to HS Chapter 03 are not covered, the table cannot reveal any information on the utilization rates. Further research shows that certain fish product of HS 0304 with 13.2 million USD and HS 0303 with 438,000 USD are not covered under the Japan GSP. Hence the table showing disaggregated data at the tariff line level is omitted at the tariff line level is omitted.

⁵² For more information on the trade deals between Libya and the EU, please see <https://trade.ec.europa.eu/access-to-markets/en/non-eu-markets/LY>.

⁵³ See <https://ec.europa.eu/trade/policy/countries-and-regions/countries/libya/> for further details in the case of EU and https://www.canadainternational.gc.ca/libya-libye/bilateral_relations_bilaterales/canada-libya-libye_bu.aspx?lang=eng for Canada.

⁵⁴ For the full criteria of eligibility for AGOA see <https://ustr.gov/issue-areas/trade-development/preference-programs/african-growth-and-opportunity-act-agoa>.

Table 32 Libya: Exports to Japan by selected HS Chapters (2018)

First two HS Chapters with GSP UR < 70%, and sorted in descending order of GSP covered exports

QUAD	HS2	Product Description	Exports (USD thousands)				GSP UR (%)	GSP PM (pp)
			Dutiable	GSP Covered	Received under			
					GSP	MFN		
JPN	03	Fish and crustaceans, molluscs and other aquatic invertebrates	13 599	-	-	13 599		-
	00	Other	16	-		16		

3.11. Madagascar

Madagascar belongs to COMESA Category 3, benefitting from preferential access to the EU market under the EBA scheme thanks to its LDC status. The country has also benefitted from the ESA-EU EPA since May 2012.⁵⁵ Madagascar enjoys the GSP schemes of the other QUAD countries as well as US AGOA.

As shown in Table 33, Madagascar has high utilization rates of US AGOA with 92 percent and in the EU, the utilization rates of ESA-EU EPA of Madagascar are at 89.6 percent. It is worthwhile to add that the overall utilization of EU preferences (i.e., GSP and ESA-EU EPA) amounts to 91.7 percent. In the case of Japan GSP, the utilization rate is also high at 97.1 percent, while Madagascar's exports to Canada show a relatively lower utilization rate of 58.7 percent.

Table 33 Madagascar : Overall Utilization Rates of QUAD Countries' Preferential Schemes (2018)

QUAD	Scheme	Exports (USD thousands)				Coverage (%)	Utilization Rates (%)
		Total	Dutiable	Covered	Received		
Canada	GSP	101 553	9 427	9 427	5 530	100	58.7
EU	GSP	1 465 425	1 147 388	1 147 388	24 073	100	2.1
	ESA-EU EPA				1 028 448	100	89.6
	All Pref.				1 052 521	100	91.7
Japan	GSP	243 439	177 164	177 021	171 912	99.9	97.1
US	AGOA	907 027	216 438	213 714	196 542	98.7	92
	GSP			7 695	4 399	3.6	57.2
	All Pref.			213 714	200 941	98.7	92.8
TOTAL		2 717 444	1 550 417	1 547 550	1 430 904	99.8	92.5

Table 34 summarises the top two HS Chapters in terms of dutiable exports within each QUAD market where the utilization of All Preferences (i.e., GSP + Other Preferences) are less than 70 percent. Since Madagascar has overlapping preferences in the case of EU (i.e., GSP and ESA-EU EPA) and the US (i.e., GSP and AGOA), the above table shows the maximum coverage within QUAD country and product pair to draw a more accurate picture. To understand how the values are calculated, take HS Chapter 46 exports to the US as an example. The table shows that the maximum coverage between the US GSP and US AGOA amounts to 975,000 USD. However, in calculating the utilization rate of the US GSP, the calculation goes back to the respective coverage value for US GSP, which is 441,000 USD. Hence, the US GSP utilization rate of HS Chapter 46 (US GSP received divided by US GSP covered) yields 36 percent.

It is interesting to notice in Table 34 that while most of Madagascar's exports under HS Chapter 62 to the EU are received under the ESA-EU EPA with a utilization rate of 67.2 percent, relatively significant amounts are still received under MFN. That is, for the case of clothing exports, more than 72.3 million USD are received under MFN; further research is warranted to understand this pattern.

Table 35 identifies at tariff lines level the products showing low utilization rates, high preferential margin, and at least 200,000 USD in value of dutiable exports. Corroborating the above tables, the EU shows the most consistent high utilization rates across tariff lines compared with the other QUAD countries. To illustrate, the four highest dutiable export products are from HS Chapter 62 with a maximum value of more than 40 million USD (shawls and scarves;

⁵⁵ See <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L:2012:111:FULL&from=EN>.

Table 34 Madagascar : Exports to QUAD countries for selected HS Chapters (2018)

First two HS Chapters by QUAD country with All Pref. (GSP + Other Pref.) UR < 70%, and sorted in descending order of dutiable exports

QUAD	HS2	Product Description	Exports (USD thousands)					Utilization Rates (%)			GSP/Other Pref, PM (pp)
			Dutiable	GSP/Other Pref, Covered	Received under			GSP	Other Pref.	All Pref, (GSP + Other Pref.)	
					GSP	Other Pref.	MFN				
CAN	62	Art of apparel & clothing access, not knitted/crocheted	1 969	1 969	131		1 838	6.7		6.7	15.9
	22	Beverages, spirits and vinegar	53	53	-		53	-		-	1.1
EUN	62	Apparel and clothing accessories; not knitted or crocheted	238 868	238 868	6 038	160 467	72 361	2.5	67.2	69.7	11.5
	76	Aluminium and articles thereof	307	307	-	208	98	-	67.7	67.8	5.7
JPN	62	Art of apparel & clothing access, not knitted/crocheted	2 687	2 687	5		2 682	0.2		0.2	8.4
	46	Manufactures of straw, esparto/ other plaiting mat.; basketware & wickerwork	1 660	1 660	612		1 048	36.9		36.9	5.3
USA	46	Manufactures of straw, esparto or other plaiting materials; basketware and wicke	975	975	159	265	551	36.0	27.2	43.5	2.9
	39	Plastics and articles thereof	408	408	41	0	367	10.1	0.0	10.0	3.7

Note: "Other preferences" in this table refers to the ESA-EU EPA and the US AGOA.

Table 35 Madagascar : Exports to QUAD countries by national tariff lines (2018)

National tariff lines with All Pref. (GSP + Other Pref.) UR < 70 %, GSP/Other Pref. Preferential Margin (PM) > 2 percentage points (pp), dutiable exports > 200,000 USD, sorted in descending order of dutiable exports

QUAD	Tariff Line	Product Description	Exports (USD thousands)					Utilization Rates (%)			GSP/ Other Pref, PM (pp)
			Dutiable	GSP/ Other Pref, Covered	Received under			GSP	Other Pref,	All Pref, (GSP + Other Pref.)	
					GSP	Other Pref,	MFN				
EUN	62141000	Shawls, scarves, mufflers, mantillas, veils and similar articles of silk or sil	40 757	40 757	-	9 487	31 270	-	23.3	23.3	8.0
EUN	62149000	Shawls, scarves, mufflers, mantillas, veils and similar articles of textile mat	31 715	31 715	-	1 050	30 665	-	3.3	3.3	8.0
EUN	62061000	Women's or girls' blouses, shirts and shirt-blouses of silk or silk waste (excl	4 131	4 131	-	1 544	2 587	-	37.4	37.4	12.0
EUN	62139000	Handkerchiefs of textile materials, of which no side exceeds 60 cm (excl, of co	3 766	3 766	-	1 448	2 318	-	38.4	38.4	10.0
EUN	91021100	Wrist-watches, whether or not incorporating a stop-watch facility, electrically	2 153	2 153	-	-	2 153	-	-	-	4.5
JPN	460219999	Basketwork, wickerwork and other articles, made directly to shape from plaiting	1 571	1 571	597	-	974	38.0		38.0	7.9
EUN	62044910	Women's or girls' dresses of textile materials, of silk or silk waste (excl, kn	1 526	1 526	-	543	983	-	35.6	35.6	12.0
EUN	62044400	Women's or girls' dresses of artificial fibres (excl, knitted or crocheted and	966	966	-	601	366	-	62.2	62.2	12.0
JPN	620630210	Women's or girls' blouses, shirts and shirt-blouses,: Of cotton: Other: Blouses	845	845	5	-	840	-		0.6	9.1
EUN	20094199	Pineapple juice, unfermented, Brix value <= 20 at 20°C (excl, containing added	811	811	-	413	398	-	50.9	50.9	16.0
JPN	620442200	Women's or girls' suits, ensembles, jackets, blazers, dresses, skirts, divided	512	512	-	-	512	-		-	9.1
CAN	61103000	Jerseys, pullovers, cardigans, waistcoats and similar articles, knitted or croc	444	444	32	-	412	7.2		7.2	18.0
EUN	62021310	Women's or girls' overcoats, raincoats, car coats, capes, cloaks and similar ar	428	428	-	269	158	-	63.0	62.9	12.0
EUN	62151000	Ties, bow ties and cravats of silk or silk waste (excl, knitted or crocheted) :	409	409	-	198	211	-	48.6	48.4	6.3

QUAD	Tariff Line	Product Description	Exports (USD thousands)					Utilization Rates (%)			GSP/ Other Pref, PM (pp)
			Dutiable	GSP/ Other Pref, Covered	Received under			GSP	Other Pref,	All Pref, (GSP + Other Pref,)	
					GSP	Other Pref,	MFN				
USA	62044910	Women's or girls' dresses, not knitted or crocheted, containing 70% or more by	356	356	-	10	346	-	2.8	2.8	6.9
EUN	62045910	Women's or girls' skirts and divided skirts of artificial fibres (excl, knitted	352	352	-	47	305	-	13.4	13.4	12.0
CAN	62052000	Men's or boys' shirts : Of cotton	331	331	60	-	271	18.1		18.1	17.0
CAN	62121000	Brassieres, girdles, corsets, braces, suspenders, garters and similar articles	290	290	-	-	290	-		-	18.0
EUN	29291000	Isocyanates : 3,3'-Dimethylbiphenyl-4,4'-diyl diisocyanate (CAS RN 91-97-4)	276	276	-	-	276	-	-	-	6.5
CAN	61102000	Jerseys, pullovers, cardigans, waistcoats and similar articles, knitted or croc	264	264	159	-	105	60.2		60.2	18.0
USA	39239000	Articles nesoi, for the conveyance or packing of goods, of plastics	263	263	-	-	263	-	-	-	3.0
CAN	62063000	Women's or girls' blouses, shirts and shirtblouses : Of cotton	259	259	30	-	229	11.6		11.6	17.0
CAN	62044200	Women's or girls' suits, ensembles, jackets, blazers, dresses, skirts, divided	223	223	-	-	223	-		-	17.0
JPN	620610210	Women's or girls' blouses, shirts and shirt-blouses,: Of silk or silk waste: Ot	215	215	-	-	215	-		-	10.0
JPN	611521000	Panty hose, tights, stockings, socks and other hosiery, including graduated com	205	205	112	-	93	54.6		54.6	7.4
JPN	620920222	Babies' garments and clothing accessories,: Of cotton: Other: Other: Other	205	205	-	-	205	-		-	9.1

Note: Other Preferences refer to ESA-EU EPA in the case of EU and US AGOA in the case of US.

HS 62141000). Despite this positive utilization of the EU GSP, ranging from 3.3 percent to 38.4 percent, there is still a large room for improvement. Taking shawls and scarves as an example, the table depicts an overall utilization rate of 23.3 percent. In addition, the preferential margin for shawls and scarves is eight percentage points. This pattern could also be observed in the second-highest dutiable product (HS 62149000) where the total dutiable trade amounts to more than 31 million USD and a utilization rate of 3.3 percent. Taking these points together, this evidence calls for a further investigation to understand how Madagascar textile exporters could seize this untapped opportunity.

3.12. Malawi

As an LDC, Malawi benefits from the GSP scheme of the QUAD countries. In terms of other preferential schemes, on the one hand, Malawi has not taken steps for entering or progressing discussion regarding the negotiations of the ESA-EU EPA,⁵⁶ on the other hand, Malawi is eligible for the US AGOA. Due to this fact, Malawi belongs to Category 2 COMESA countries. Therefore, the following three tables will show differentiated utilization rates between the US GSP and AGOA.

Malawi's total export shown in Table 36 exhibits a relatively high total trade of more than 440 million USD and an overall utilization rate of 97.4 percent for the different preferences coming from the QUAD country. A closer look at each QUAD country reveals that Malawi's exports are focused in the EU market with more than 319 million USD dutiable export in terms of volume of trade. Regarding utilization of preferences, there is a high utilization rate of 97.3 percent in the case of the EU GSP, 98.3 percent for the overall utilization for both the US GSP and AGOA, and 99.4 percent for Japan; only Canada exhibits extremely low utilization of zero.

⁵⁶ Discussions for the ESA-EU EPA concluded in 2007; Madagascar, Mauritius, Seychelles, and Zimbabwe have been applying it since May 2012, and Comoros since 2019. Malawi has not taken sufficient steps toward ratification of the ESA-EU EPA. For a general overview of the ESA-EU EPA see <https://ec.europa.eu/trade/policy/countries-and-regions/regions/esa/> and for the official text of the ESA-EU EPA: <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=OJ%3AL%3A2012%3A111%3ATOC>.

Table 36 Malawi : Overall Utilization Rates of QUAD Countries' Preferential Schemes (2018)

QUAD	Scheme	Exports (USD thousands)				Coverage (%)	Utilization Rates (%)
		Total	Dutiable	Covered	Received		
Canada	GSP	672	144	144	0	100	-
EU	GSP	363 684	319 056	319 056	310 426	100	97.3
Japan	GSP	17 492	7 990	7 990	7 945	100	99.4
US	AGOA	58 442	42 091	42 038	31 845	99.9	75.8
	GSP			41 142	9 546	97.7	23.2
	All Pref.			42 038	41 391	99.9	98.3
TOTAL		440 290	369 281	369 228	359 762	100	97.4

As briefly stated at the beginning of this section, Table 37 shows differentiated utilization rates for the US GSP and AGOA thanks to its overlapping preferences in the case of the US. This implies that the All Pref. utilization rate is the main filtering mechanism in Malawi's HS two-digit level (HS Chapter) analysis. Additionally, these HS Chapters are ranked in descending order according to dutiable exports. Note that exports of Malawi to Japan either have a high level of utilization (at least as high as 95.8 percent), referring to products under HS Chapters 08, 09, and 17, or duty-free products belonging to HS chapters 24, 78, and 84. For these reasons, the above table omits Malawi's exports to Japan.

Table 37 conveys that the highest dutiable exports are directed to the EU market with 149,000 USD in the case of HS Chapter 85, and 144,000 USD in the case of HS Chapter 94. HS Chapter 85 have zero utilization while HS Chapter 94 has 32.8 percent utilization rate of EU GSP. Looking at the trade data between Malawi and US, albeit having a low dutiable export value of a maximum of 30,000 USD, it is interesting to notice that none of the preferences is utilized by the firms. There should be further investigation to understand better why this is the case.

Table 37 Malawi : Exports to Canada, the EU, and the US for selected HS Chapters (2018)

First two HS Chapters by QUAD country with All Pref. (GSP + AGOA) UR < 70%, and sorted in descending order of dutiable exports

QUAD	HS2	Product Description	Exports (USD thousands)					Utilization Rates (%)			GSP PM (pp)
			Dutiable	GSP/AGOA Covered	Received under			GSP	AGOA	All Pref. (GSP + AGOA)	
					GSP	AGOA	MFN				
CAN	17	Sugars and sugar confectionery	88	88	-	-	88	-	-	-	1.4
	87	Vehicles other than railway/tramway rolling-stock, parts & accessories thereof	32	32	-	-	32	-	-	-	6
EUN	85	Electrical machinery & equipm.& parts thereof; sound recorders & reproducers, TV record.& reprod., parts & accessories	149	149	-	-	149	-	-	-	1
	94	Furniture; bedding, cushions etc; lamps & lighting fittings nes; illuminated signes; prefabr. buildings	144	144	47	-	97	32.8	-	32.8	2.4
USA	33	Essential oils and resinoids; perfumery, cosmetic or toilet preparations	30	30	-	-	30	-	-	-	1.8
	44	Wood and articles of wood; wood charcoal	6	6	-	-	6	-	-	-	4.8

Table 38 shows only the products at the tariff lines level where the GSP preference margin is higher than two percentage points and higher than 5,000 USD GSP covered exports. The table echos the product that is underutilizing EU GSP. Namely, these are electronic boards and cabinets (HS 85371098) exports to the EU with dutiable export value of 98,000 USD and All Pref. utilization rate of zero; and cane seats (HS 94015900) exports to the EU with dutiable export valze of 92,000 USD and an All Pref. utilization rate of 6.5 percent. Albeit the lower trade volume, furniture exporters could benefit from utilizing the EU GSP, especially since there is a relatively large preferential margin of 5.6 percentage points, implying relatively high potential savings.

Table 38 Malawi: Exports to QUAD countries by national tariff lines (2018)

National tariff lines with All Pref. (GSP + AGOA) UR < 70 %, GSP Preferential Margin (PM) > 2 percentage points (pp), and dutiable exports > 5,000 USD, sorted in descending order of dutiable exports

QUAD	Tariff Line	Product Description	Exports (USD thousands)					Utilization Rates (%)			GSP PM (pp)
			Dutiable	GSP/AGOA Covered	Received under			GSP	AGOA	All Pref. (GSP + AGOA)	
					GSP	AGOA	MFN				
EUN	85371098	Boards, cabinets and similar combinations of apparatus for electric control or	98	98	-	-	98	-	-	-	2.1
EUN	94015900	Seats of cane, osier or similar materials (excl. of bamboo or rattan)	92	92	6	-	86	6.4	-	6.5	5.6
EUN	24011070	Dark air-cured tobacco, unstemmed or unstripped : whether or not cut in regular	64	64	32	-	32	50.0	-	50	10.1
CAN	17026000	Other sugars, including chemically pure lactose, maltose, glucose and fructose,	42	42	-	-	42	-	-	-	3.5
CAN	17019990	Cane or beet sugar and chemically pure sucrose, in solid form : Other	36	36	-	-	36	-	-	-	3.5
EUN	82052000	Hammers and sledge hammers with working parts of base metal	26	26	-	-	26	-	-	-	3.7
EUN	96082000	Felt-tipped and other porous-tipped pens and markers	26	26	-	-	26	-	-	-	3.7
EUN	73269098	Articles of iron or steel, n.e.s. : Collars, flanges and other devices for fixi	25	25	-	-	25	-	-	-	2.7
EUN	03044990	Fresh or chilled fillets of fish, n.e.s. : Herrings	22	22	-	-	22	-	-	-	18.0
JPN	090121000	Coffee, whether or not roasted or decaffeinated; coffee husks and skins; coffee	17	17	-	-	17	-	-	-	12.0
CAN	20081990	Fruit, nuts and other edible parts of plants, otherwise prepared or preserved,	16	16	-	-	16	-	-	-	6.0
CAN	87082999	Parts and accessories of the motor vehicles of headings 8701 to 8705 : Other pa	16	16	-	-	16	-	-	-	6.0
EUN	63090000	Worn clothing and clothing accessories, blankets and travelling rugs, household	13	13	-	-	13	-	-	-	5.3
EUN	82090020	Inserts, indexable, for tools, unmounted, of sintered metal carbide or cermets	13	13	-	-	13	-	-	-	2.7
EUN	85299092	Parts suitable for use solely or principally with television cameras, reception	13	13	-	-	13	-	-	-	3.5
EUN	10063096	Wholly milled long grain rice, length-width > 2 but < 3, whether or not polishes	11	11	-	-	11	-	-	-	24.8
EUN	42032100	Specially designed gloves for use in sport, of leather or composition leather	11	11	-	-	11	-	-	-	9.0
EUN	84128080	Engines and motors, non-electrical (excl. steam turbines, internal combustion p	11	11	-	-	11	-	-	-	2.1
EUN	62171000	Made-up clothing accessories, of all types of textile materials, n.e.s. (excl.	8	8	-	-	8	-	-	-	6.3
CAN	87083019	Parts and accessories of the motor vehicles of headings 8701 to 8705 : Brakes a	6	6	-	-	6	-	-	-	6.0
CAN	87089915	Parts and accessories of the motor vehicles of headings 8701 to 8705 : Other pa	6	6	-	-	6	-	-	-	6.0
EUN	46029000	Basketwork, wickerwork and other articles, made directly to shape from non-vege	6	6	-	-	6	-	-	-	4.7
EUN	54026100	Multiple folded or cabled filament yarn of nylon or other polyamides, incl. mon	6	6	-	-	6	-	-	-	4.0
EUN	94019080	Parts of seats, not of wood, n.e.s. : Ratchet disk of a kind used in the manufa	6	6	-	-	6	-	-	-	2.7
USA	44219185	Clothespins other than spring-type, of bamboo	6	6	-	-	6	-	-	-	4.8

3.13. Mauritius

The unique case of Mauritius places it in Category 4. Canada withdrew Mauritius from entitlement to the General Preferential Tariff (GPT) effective January 2015 due to its status as a higher-income country;⁵⁷ currently goods are subject to the MFN tariff treatment.⁵⁸ Mauritius signed the Interim ESA-EU EPA in August 2009 and has been applying it since May 2012. Due to this agreement, Mauritius currently does not benefit from the EU GSP scheme.⁵⁹ Thus, Mauritius only benefits from the GSP schemes of Japan and the US, as well as being a beneficiary of the US AGOA scheme. Lastly, since Mauritius does not benefit from Canada GSP, exports to Canada are not shown.

Table 39 shows that substantially high trade volume of around 1.2 billion USD with a high concentration in the EU market. In terms of utilization rate, we see that there is a wide difference across QUAD countries, i.e., with a maximum value of 94.6 percent for the case of EU under ESA-EU EPA and with a minimum of 12.9 percent in the case of Japan GSP. Mauritius overall utilizes preferences offered by the US with a rate of 72.5 percent.

Table 39 Mauritius: Overall Utilization Rates of the EU, Japan, and the US Preferential Schemes (2018)

QUAD	Scheme	Exports (USD thousands)				Coverage (%)	Utilization Rates (%)
		Total	Dutiable	Covered	Received		
EU	ESA-EU EPA	893 138	797 941	798 317	755 416	99.9	94.6
Japan	GSP	9 052	8 265	1 110	143	13.4	12.9
US	AGOA	329.777	226 822	224 932	148 848	99.2	66.2
	GSP			22 079	14 256	9.7	64.6
	All Pref.			224 932	163 1404	99.2	72.5
TOTAL		1 231 967	1 034 028	1 024 359	918 663	99.1	89.7

Table 40 indicate that there are pockets of underutilization, i.e., where All Pref. utilization rates are less than 70 percent. Table 40 shows that Mauritius is not utilizing the US AGOA with a large amount of exports being received under MFN, for example, 986,000 USD from Chapter 42, resulting in a 20 percent utilization rate of

Table 40 Mauritius : Exports to the EU, Japan, and the US for selected HS Chapters (2018)

First two HS Chapters by QUAD country with All Pref. (GSP + Other Pref.) UR < 70%, and sorted in descending order of dutiable exports

QUAD	HS2	Product Description	Exports (USD thousands)					Utilization Rates (%)			GSP/Other Pref. PM (pp)
			Dutiable	GSP/Other Pref. Covered	Received under			GSP	Other Pref.	All Pref. (GSP + Other Pref.)	
					GSP	Other Pref.	MFN				
EUN	76	Aluminium and articles thereof	3 844	3 844		2 211	1 632		57.5	57.5	6.4
	90	Optical, photographic, cinematographic, measuring, checking, medical or surgical	3 147	3 147		1 640	1 507		52.1	52.1	1.0
JPN	96	Aluminium and articles thereof	717	717	-	-	717	-	-	-	1.7
	71	Natural, cultured pearls; precious, semi-precious stones; precious metals, metals clad with precious metal	262	248	138	0	124	55.6		52.7	3
USA	42	Articles of leather; saddlery and harness; travel goods, handbags and similar containers; articles of animal	1 412	1 195	154	272	986	12.9	20	30.2	7
	85	Electrical machinery and equipment and parts thereof; sound recorders	212	212	13	-	199	6	-	6.1	1.1

Note: "Other Preferences" in this table refers to the ESA-EU EPA and the US AGOA.

⁵⁷ For more information on the withdrawal from the GPT, please see: <https://www.cbsa-asfc.gc.ca/trade-commerce/tariff-tarif/2015/01-99/countries-pays-eng.pdf>. For the official notice, please see Customs Notice 14-109 at <https://laws-lois.justice.gc.ca/eng/regulations/SOR-2013-161/FullText.html>.

⁵⁸ For the most current list of applicable tariff treatments regarding Canada, please see <https://www.cbsa-asfc.gc.ca/trade-commerce/tariff-tarif/2021/01-99/countries-pays-eng.pdf>.

⁵⁹ Although Mauritius will remain "eligible", it does not receive preferences (they will not be "beneficiaries")—this nuance is important as they could come back into the "beneficiary" list if the preferential market arrangement was terminated. See https://trade.ec.europa.eu/doclib/docs/2012/december/tradoc_150164.pdf for further details for further details.

US AGOA. In the case of the EU, exports under HS Chapters 76 and 90 each show more than 3 million USD of dutiable exports and a level of utilization of ESA-EU EPA, of 57.5 percent and 52.1 percent, respectively.

Table 41 shows exports at the tariff line with All Pref. (i.e., GSP + Other Pref.) utilization rate of less than 70 percent, maximum preference margin between GSP and other preferences of greater than 2 percentage points, and dutiable exports of higher than 100,000 USD. Table 41 shows that the largest dutiable export is products under HS Chapter 85 to the EU, specifically electric board and cabinets (HS 85371098), amounting to more than 1.5 million USD while the utilization of the ESA-EU EPA is zero. Similarly, gas turbines exports to the EU (HS 84118100) also have relatively high trade volume and no utilization of the ESA-EU EPA. This could be due to the fact that these products might be re-exports and therefore could not utilize the preferences. Aside from these products, a positive but relatively low utilization for the case of US AGOA can be observed. For example, under cases and bags exports to the US (HS 42029190) with 631,000 USD of dutiable trade, the overall utilization rate of US preferences is 64 percent.

Table 41 Mauritius : Exports to the EU, Japan, and the US by national tariff lines (2018)

National tariff lines with All Pref. (GSP + Other Pref.) UR < 70 %, GSP/Other Pref. Preferential Margin (PM) > 2 percentage points (pp), dutiable exports > 100,000 USD, sorted in descending order of dutiable exports

QUAD	Tariff Line	Product Description	Exports (USD thousands)					Utilization Rates (%)			GSP/ Other Pref. PM (pp)
			Dutiable	GSP/ Other Pref. Covered	Received under			GSP	Other Pref.	All Pref. (GSP + Other Pref.)	
					GSP	Other Pref.	MFN				
EUN	85371098	Boards, cabinets and similar combinations of apparatus for electr	1 580	1 579	-	-	1 580		-	-	2.1
EUN	84118100	Gas turbines of a power <= 5.000 kW (excl. turbojets and turbopro	867	867	-	-	867		-	-	2.1
EUN	76042990	Solid profiles, of aluminium alloys, n.e.s. : Bearing a specific	739	739	-	-	739		-	-	7.5
USA	42029190	Cases, bags and containers nesl, other than golf bags, with outer surface of le	631	631	146	258	227	23.1	40.9	64.0	4.5
EUN	89079000	Rafts, tanks, coffer-dams, landing stages, buoys, beacons and oth	589	589	-	-	589		-	-	2.7
EUN	39269097	Articles of plastics and articles of other materials of heading 3	581	568	-	267	314		47	45.9	5.6
EUN	76109090	Structures and parts of structures, of aluminium, n.e.s., and pla	524	524	-	222	302		42	42.3	6.0
EUN	85258099	Video camera recorders able to record television programmes and s	464	464	-	-	464		-	-	7.0
EUN	91143000	Dials for clocks or watches : Intended for certain types of aircr	393	393	-	1	392		-	0.3	2.7
USA	42022190	Handbags, with or without shoulder strap or without handle, with outer surface	359	359	-	-	359	-	-	-	9.0
EUN	82055980	Hand tools, incl. glaziers' diamonds, of base metal, n.e.s.	175	175	-	81	93		47	46.6	2.7
EUN	95072090	Fish-hooks, whether or not snelled, mounted	172	172	-	78	94		45	45.2	3.7
EUN	85443000	Ignition wiring sets and other wiring sets for vehicles, aircraft	165	165	-	-	165		-	-	3.2
EUN	85311030	Burglar or fire alarms and similar apparatus, for use in building	149	149	-	-	149		-	-	2.2
EUN	39181010	Floor coverings, whether or not self-adhesive, in rolls or in the	146	146	-	-	146		-	-	6.5
EUN	55144900	Woven fabrics containing predominantly, but < 85% synthetic stapl	146	146	-	-	146		-	-	8.0
EUN	40122000	Used pneumatic tyres of rubber : For use on civil aircraft	141	141	-	-	141		-	-	2.3
EUN	91021100	Wrist-watches, whether or not incorporating a stop-watch facility	131	131	-	-	131		-	-	4.5
USA	35069900	Prepared glues and other prepared adhesives, excluding adhesives based on rubbe	129	129	20	-	104	15.3	3.7	19.4	2.1

QUAD	Tariff Line	Product Description	Exports (USD thousands)					Utilization Rates (%)			GSP/ Other Pref. PM (pp)
			Dutiable	GSP/ Other Pref. Covered	Received under			GSP	Other Pref.	All Pref. (GSP + Other Pref.)	
					GSP	Other Pref.	MFN				
EUN	02044390	Frozen meat of sheep, boneless (excl. lamb) : Of domestic sheep	115	115	-	-	115		-	-	49.6
EUN	52122590	Woven fabrics of cotton, containing predominantly, but < 85% cott	113	113	-	-	113		-	-	8.0
EUN	84818099	Appliances for pipes, boiler shells, tanks, vats or the like (exc	113	113	-	-	113		-	-	2.2
EUN	33073000	Perfumed bath salts and other bath and shower preparations	106	106	-	-	99		-	-	6.5
EUN	84099900	Parts suitable for use solely or principally with compression-ign	104	104	-	-	104		-	-	2.7
USA	71131120	Silver articles of jewelry and parts thereof, nesoi, valued not over \$18 per do	101	101	55	-	46	54.4	-	54.5	13.5

3.14. Rwanda

Due to its status as an LDC, Rwanda benefits from the QUAD countries GSP schemes. Rwanda has not taken steps for entering or progressing discussion regarding the ratification of an EPA with the EU since the signature of the relevant EAC-EU EPA in 2016.⁶⁰ RRwanda was removed as an AGOA beneficiary specifically for apparel items on 31 July 2018, but continued to benefit for other products.⁶¹ Hence, Rwanda is included in Category 2 COMESA countries. Accordingly, the following analysis shows a distinction of utilization across several preferences.

Table 42 shows that there is a relatively lower volume of dutiable exports with respect to total exports signaling that the large majority of Rwanda exports are exported to QUAD countries under MFN duty free regime. The performance of Rwanda in terms of utilization rates is varied. On the one hand, utilization of EU GSP reaches as high as 91 percent, while utilization for Canada and Japan is as low as 10.8 and 5.3 percent, respectively. In terms of US GSP and AGOA, Rwanda utilizes the US GSP with 40.8 percent rate, US AGOA with 58.2 percent, and the overall utilization of aggregated US preferences is as high as almost 80 percent. The data shows that firms from Rwanda are strategically using both the US GSP and AGOA to maximize preferences afforded to them.

Table 42 Rwanda : Overall Utilization Rates of QUAD Countries' Preferential Schemes (2018)

QUAD	Scheme	Exports (USD thousands)				Coverage (%)	Utilization Rates (%)
		Total	Dutiable	Covered	Received		
Canada	GSP	1 950	158	158	17	100	10.8
EU	GSP	80 721	13 053	13 053	11 879	100	91
Japan	GSP	3 751	2 148	302	16	14.1	5.3
US	AGOA	69 254	7 144	7 021	4 089	98.3	58.2
	GSP			3 953	1 612	55.3	40.8
	All Pref.			7 021	5 701	98.3	79.8
TOTAL		155 676	22 503	20 534	17 613	91.3	85.8

Table 43 follows the filtering and sorting for Category 2 countries which are restated in the subtitle of the table. Table 43 indicates a high concentration of exports to the US with a dutiable trade value of more than 3 million USD. The utilization rate of US AGOA for apparel products (HS Chapter 61) is 67.1 percent, which could be due to the suspension of US AGOA eligibility in 2018. The other exports that stand out in trade volume are machineries (HS Chapter 85) to the EU that amount to 516,000 USD with zero utilization of EU GSP. These products might be re-exports, hence not benefitting from the preferences.

⁶⁰ For more information please visit <https://ec.europa.eu/trade/policy/countries-and-regions/regions/eac/> and for the full text of the EPA see https://trade.ec.europa.eu/doclib/docs/2015/october/tradoc_153845.pdf.

⁶¹ See https://ustr.gov/about-us/policy-offices/press-office/press-releases/2018/july/president-donald-j-trump-upholds-agoa_for_further_details.

Table 43 Rwanda : Exports to QUAD countries for selected HS Chapters (2018)

First two HS Chapters by QUAD country with All Pref. (GSP + AGOA) UR < 70%, and sorted in descending order of dutiable exports

QUAD	HS2	Product Description	Exports (USD thousands)					Utilization Rates (%)			GSP PM (pp)
			Dutiable	GSP/ AGOA Covered	Received under			GSP	AGOA	All Pref. (GSP + AGOA)	
					GSP	AGOA	MFN				
CAN	42	Articles of leather; saddlery/harness; travel goods etc	132	132	-		132	-		-	9
	85	Electrical machinery & equipm.& parts thereof; sound recorders & reproducers, TV record.& reprodu., parts & accessories	5	5	-		5	-		-	2.2
EUN	85	Electrical machinery & equipm.& parts thereof; sound recorders & reproducers, TV record.& reprodu., parts & accessories	516	516	-		516	-		-	1.5
	84	Nuclear reactors, boilers, machinery & mech. appliances; parts	218	218	-		218	-		-	1.4
JPN	9	Coffee, tea, mate and spices	175	175	-		175	-		-	6
	42	Articles of leather; saddlery/harness; travel goods	94	94	-		94	-		-	9
USA	61	Apparel and clothing accessories; knitted or crocheted	3 062	3 062	-	2 055	1 007	-	67.1	67.1	-
	85	Electrical machinery and equipment and parts thereof; sound recorders and reprodu	33	33	-	3	30	-	9.3	9.1	0.7

Table 44 shows exports at the tariff line level with less than 70 percent utilization rate of All Pref. (GSP + Other Pref.), GSP preference margin of more than 2 percentage points, and sorted in descending order of dutiable export. For the sake of brevity, only products with substantial trade volume, i.e., dutiable export higher than 10,000 USD, are shown. Aside from television cameras (HS 85258019), which would be more likely re-exports, it is interesting to see that coffee (HS 090121000) exports to Japan do not utilize Japan GSP at all. It should be noted that this pattern could also be observed in the case of Ethiopia. Therefore, this supports the call earlier for a more in-depth investigation to understand why coffee exports from COMESA countries are not utilizing Japan GSP.

Table 44 Rwanda: Exports to QUAD countries by national tariff lines (2018)

National tariff lines with All Pref. (GSP + Other Pref.) UR < 70 %, GSP/Other Pref. Preferential Margin (PM) > 2 percentage points (pp), dutiable exports > 10,000 USD, sorted in descending order of dutiable exports

QUAD	Tariff Line	Product Description	Exports (USD thousands)					Utilization Rates (%)			GSP PM (pp)
			Dutiable	GSP/ AGOA Covered	Received under			GSP	AGOA	All Pref. (GSP + AGOA)	
					GSP	AGOA	MFN				
EUN	85258019	Television cameras (excl. those with 3 or more camera tubes and video recorders	1 365	422	-	-	422	-		-	3.3
JPN	090121000	Coffee, whether or not roasted or decaffeinated; coffee husks and skins; coffee	313	175	-	-	175	-		-	12.0
JPN	420291000	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels	88	70	-	-	70	-		-	10.0
EUN	84501190	Fully-automatic household or laundry-type washing machines, of a dry linen capa	70	66	-	-	66	-		-	2.6
CAN	42029190	Trunks, suitcases, vanity cases, executivecases, briefcases, school satchels, s	66	57	-	-	57	-		-	7.0
EUN	90328900	Regulating or controlling instruments and apparatus (excl. hydraulic or pneumat	57	54	-	-	54	-		-	2.3

QUAD	Tariff Line	Product Description	Exports (USD thousands)					Utilization Rates (%)			GSP PM (pp)
			Dutiable	GSP/ AGOA Covered	Received under			GSP	AGOA	All Pref. (GSP + AGOA)	
					GSP	AGOA	MFN				
CAN	42029290	Trunks, suitcases, vanity cases, executivecases, briefcases, school satchels, s	54	52	-	-	52	-	-	-	7.0
EUN	62171000	Made-up clothing accessories, of all types of textile materials, n.e.s. (excl.	52	47	-	-	47	-	-	-	6.3
EUN	85153100	Fully or partly automatic machines for arc welding of metals, incl. plasma arc	47	47	-	-	47	-	-	-	2.7
EUN	84812090	Valves for the control of pneumatic power transmission : for use in certain typ	46	25	-	-	25	-	-	-	2.2
EUN	84099900	Parts suitable for use solely or principally with compression-ignition internal	25	24	-	-	24	-	-	-	2.7
JPN	420292000	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels	24	24	-	-	24	-	-	-	8.0
USA	11029060	Cereal flours, other than of wheat or meslin, rye, corn, rice or buckwheat	20	19	-	3	16	-	15.8	15.8	9.0
CAN	42022100	Trunks, suitcases, vanity cases, executivecases, briefcases, school satchels, s	17	15	-	-	15	-	-	-	10.0
JPN	460219999	Basketwork, wickerwork and other articles, made directly to shape from plaiting	15	15	-	-	15	0	-	0	7.9
EUN	69120089	Household articles and toilet articles, of ceramics other than porcelain, china	14	11	-	-	11	0	-	0	7.0
EUN	90229080	X-ray generators other than X-ray tubes, high tension generators, control panel	11	11	-	-	11	0	-	0	2.1
USA	84133010	Fuel-injection pumps for compression-ignition engines, not fitted with a measur	11	10	-	-	10	-	-	-	2.5

3.15. Seychelles

Seychelles signed the interim ESA-EU EPA in August 2009 and has been applying it since May 2012,⁶² hence, Seychelles currently does not enjoy preferential access to the EU market under the GSP Scheme.⁶³ Canada withdrew GPT entitlement to Seychelles due to income status in January 2015,⁶⁴ and also did not qualify for the GSP scheme of Japan in 2018.⁶⁵ Seychelles graduated from the US GSP scheme due to income status,⁶⁶ effective since January 2017. It follows that the country is also not an AGOA beneficiary as GSP eligibility is a requirement to benefit from AGOA preferences.⁶⁷ Seychelles belongs to Category 4 and the analysis below only focus on the applicable preference, which is the ESA-EU EPA.

Table 45 shows that Seychelles exports to the EU under the ESA-EPA totals 353 million USD with 96.5 percent utilization rate. Table 46 documents the first two HS Chapters with ESA-EU EPA utilization rate of less than

⁶² See <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L:2012:111:FULL&from=EN>.

⁶³ Although Seychelles will remain “eligible”, it does not receive preferences (they will not be “beneficiaries”) — this nuance is important as it could come back into the “beneficiary” list if the preferential market arrangement was terminated. See https://trade.ec.europa.eu/doclib/docs/2012/december/tradoc_150164.pdf for further details.

⁶⁴ For more information on the withdrawal from the GPT see: <https://www.cbsa-asfc.gc.ca/trade-commerce/tariff-tarif/2015/01-99/countries-pays-eng.pdf>. For the official notice see Customs Notice 14-109 at <https://laws-lois.justice.gc.ca/eng/regulations/SOR-2013-161/FullText.html>.

⁶⁵ For a detailed outline of graduations requirements from Japan’s GSP scheme see https://www.customs.go.jp/english/c-answer_e/imitsukan/1506_e.htm and for the most recent list of beneficiaries see <https://www.mofa.go.jp/policy/economy/gsp/benef.pdf>.

⁶⁶ Please refer to Proclamation 9333 of September 30, 2015, “To Modify Duty-Free Treatment Under the Generalized System of Preferences and for Other Purposes, 80 Federal Register 60249, October 5, 2015.

⁶⁷ For the most recent version of AGOA eligibility requirements see <https://agoa.info/downloads/legal.html>. For more information on the US GSP scheme see <https://fas.org/sgp/crs/misc/RL33663.pdf>.

70 percent, sorted in descending order of ESA-EU EPA covered export. The table reveals a high concentration of exports to the EU in the case of petroleum oil products (HS Chapter 27), amounting to more than 8 million USD with zero utilization rate of the EPA. The table also includes HS Chapter 73, showing a dutiable trade amounting to 552,000 USD where the utilization rate is almost zero.

Table 47 shows exports to the EU at tariff line level with ESA-EU EPA utilization rate of less than 70 percent, ESA-EU EPA preference margin of more than two percentage points and sorted in descending order of ESA-EU EPA covered export. Lastly, the table only shows exports received under the ESA-EU EPA greater than 20,000 USD for the sake of brevity. A closer look at the tariff line shows that, consistent with the table above, the exports showing under-utilization are concentrated to a single product (HS 27101245) with zero utilization rate. One interesting product that is likely to originate from Seychelles is frozen tuna (HS 03048700) where the dutiable trade value is at 228,000 USD. Two considerations may be made:

Table 45 Seychelles: Overall Utilization Rates of the ESA-EU EPA (2018)

QUAD	Scheme	Exports (USD thousands)				Coverage (%)	Utilization Rates (%)
		Total	Dutiable	Covered	Received		
EU	ESA-EU EPA	353 370	334 101	334 099	322 369	100.0	96.5
TOTAL		353 370	334 101	334 099	322 369	100.0	96.5

Table 46 Seychelles: Exports to EU for selected HS Chapters (2018)

First two HS Chapters with ESA-EU EPA UR < 70%, and sorted in descending order of ESA-EU EPA covered exports

QUAD	HS2	Product Description	Exports (USD thousands)				ESA-EU EPA UR (%)	ESA-EU EPA PM (pp)
			Dutiable	GSP Covered	Received under			
					ESA-EU EPA	MFN		
EUN	27	Mineral fuels, mineral oils and products of their distillation	8 870	8 870	-	8 870	-	4.7
	73	Iron or steel articles	552	552	2	550	0.4	2.4

Note: Seychelles does not have eligibility for any of the GSP schemes from the QUAD countries as well as US AGOA.

- Albeit a relatively lower trade volume, the utilization rate is positive and very close to the threshold of 70 percent.
- The preference margin is quite substantial, with 18 percentage points.

Hence, it could be concluded that tuna exporters from Seychelles could improve the utilization of the ESA-EU EPA to realize these relatively high potential savings fully.

Table 47 Seychelles: Exports to the EU by national tariff lines (2018)

National tariff lines with ESA-EU EPA UR < 70%, ESA-EU EPA Preferential Margin (PM) > 2 percentage points (pp), ESA-EU EPA covered exports > 20,000 USD, sorted in descending order of ESA-EU EPA covered exports

QUAD	Tariff Line	Product Description	Exports (USD thousands)				ESA-EU EPA UR (%)	ESA-EU EPA PM (pp)
			Dutiable	ESA-EU EPA Covered	Received under			
					ESA-EU EPA	MFN		
EUN	27101245	Motor spirit, with a lead content <= 0,013 g/l, with a research o	8 870	8 870	-	8 870	0.0	4.7
EUN	73221900	Radiators for central heating, non-electrically heated, and parts	522	522	-	522	-	3.2
EUN	03048700	Frozen fillets of tuna of the genus Thunnus, skipjack or stripe-b	228	228	152	76	66.8	18.0
EUN	96032100	Tooth brushes, incl. dental-plate brushes	85	85	-	85	-	3.7
EUN	62034319	Men's or boys' trousers and breeches of synthetic fibres (excl. k	68	68	-	68	-	12.0
EUN	56081180	Made-up knotted fishing nets of yarn, of man-made textile materia	63	63	-	63	-	8.0

QUAD	Tariff Line	Product Description	Exports (USD thousands)				ESA-EU EPA UR (%)	ESA- EU EPA PM (pp)
			Dutiable	ESA-EU EPA Covered	Received under			
					ESA-EU EPA	MFN		
EUN	84118100	Gas turbines of a power <= 5.000 kW (excl. turbojets and turbopro	60	60	-	60	-	2.1
EUN	84099900	Parts suitable for use solely or principally with compression-ign	53	53	-	53	-	2.7
EUN	82100000	Hand-operated mechanical devices, of base metal, weighing <= 10 k	50	50	-	50	-	2.7
EUN	62046390	Women's or girls' shorts of synthetic fibres (excl. knitted or cr	48	48	-	48	-	12.0
EUN	59031090	Textile fabrics coated, covered or laminated with polyvinyl chlor	34	34	-	34	-	8.0
EUN	71131900	Articles of jewellery and parts thereof, of precious metal other	27	27	-	27	-	2.5
EUN	39233010	Carboys, bottles, flasks and similar articles for the conveyance	21	21	-	21	-	6.5

3.16. Sudan⁶⁸

Due to LDC status, Sudan benefits from preferential access to the EU market under the EBA scheme. The necessary steps for entering or progressing discussion regarding the negotiations of an EPA with the EU have not been taken.⁶⁹ Sudan is not eligible for the GSP Scheme of the US and is not eligible for AGOA preferences.⁷⁰ Sudan is included in Category 1, hence, the analyses will show the filtering and sorting method elaborated at the beginning of this chapter.

Table 48 shows that the main market of Sudan is the EU with a total of 181 million USD in exports. However, as illustrated in the table, the primary commodities exported to the EU are not attracting positive MFN rates. Such export composition diminishes the scope for preferential trade that is reduced to a total of more than 13 million USD. Nevertheless, the utilization of the EU GSP is high with a rate of 90.7 percent. Similarly, Canada and Japan have high utilization rates, with 90.9 percent and 96.6 percent.

Table 48 Sudan: Overall Utilization Rates of Canada, the EU, and Japan Countries' Preferential Schemes (2018)

QUAD	Scheme	Exports (USD thousands)				Coverage (%)	Utilization Rates (%)
		Total	Dutiable	Covered	Received		
Canada	GSP	375	33	33	30	100.0	90.9
EU	GSP	181 521	13 936	13 925	12 623	99.9	90.7
Japan	GSP	6 231	1 392	1 335	1 290	95.9	96.6
TOTAL		188 127	15 361	15 293	13 943	99.6	91.1

Table 49 shows the first two highest-ranked HS Chapters in terms of GSP covered exports with a GSP utilization rate of less than 70 percent. Table 49 shows a concentration of exports to the EU market with a utilization rate of as high as 63.7 percent for the case of cereals (HS Chapter 10) and as low as zero for the case of machineries (HS Chapter 84). Again, products under HS Chapter 84 might be re-exports, explaining the zero utilization. Notice that the information pertaining to exports to Japan is omitted. Only HS Chapters 12 and 15 have positive MFN rates, but both chapters have high utilization rates of 96.5 percent and 100 percent, respectively. Raw data reveals that

⁶⁸ Sudan is a COMESA Member State; however, while South Sudan has been a part of the EAC since September 2016 and has access to the GSP schemes of the QUAD countries, South Sudan is not a COMESA member and thus is not included in this report.

⁶⁹ Sudan has not been involved in discussions on the ESA-EU EPA, for the full text please see: <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=OJ%3A%3A2012%3A111%3ATOC>.

⁷⁰ Sudan is not included in the official lists for US GSP beneficiaries in 2018, please see: <https://ustr.gov/sites/default/files/gsp/Beneficiary%20countries%20March%202018.pdf>. For a more detailed list of AGOA beneficiary exclusions see <https://crsreports.congress.gov/product/pdf/IF/IF10149>.

there are only two products under HS Chapter 12 that satisfy these criteria: seeds and fruits (HS 121190999) and locust beans, seaweeds, and other algae (HS 121299990).⁷¹ In terms of Chapter 15, the products with positive MFN rates with high utilization rates are vegetable waxes, beeswax, and other insect waxes (HS 152190010). Exports to Canada are low, with dutiable trade valued at 2,000 USD for HS Chapter 33.

Table 49 Sudan: Exports to Canada and the EU for selected HS Chapters (2018)

First two HS Chapters by QUAD country with UR < 70%, and sorted in descending order of GSP covered exports

QUAD	HS2	Product Description	Exports (USD thousands)				GSP UR (%)	GSP PM (pp)
			Dutiable	GSP Covered	Received under			
					GSP	MFN		
CAN	33	Essential oils and resinoids; perfumery, cosmetic or toilet preparations	2	2	-	2	-	6.5
	85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers; television image and so	1	1	-	1	-	1.8
EUN	10	Cereals	410	410	261	149	63.7	6.7
	84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	292	289	-	292	-	1.1

Table 50 shows the pockets of underutilization, i.e., where utilization rates are below 70 percent and GSP preference margin is higher than 2 percentage points. Further, only products at the tariff lines level with GSP covered export value greater than 1,000 USD are shown. Although showing a lower trade volume of 93,000 USD dutiable trade, the table illustrates no utilization for glass frits (HS 32074085) exported to the EU. In terms of Sudan's exports to Japan, locust beans and seaweeds (HS 121299990) have a dutiable trade value of 45,000 USD, a utilization rate of zero and a preferential margin of 3.0 percentage points. Lastly, the table shows the specific exports to Canada, which falls under HS Chapter 33. The table reveals that hair preparation products (HS 33059000) have dutiable trade of 2,000 USD with zero utilization of Canada GSP.

Table 50 Sudan: Exports to Canada, the EU, and Japan by national tariff lines (2018)

National tariff lines with GSP UR < 70 %, GSP Preferential Margin (PM) > 2 percentage points (pp), dutiable exports > 1,000 USD, sorted in descending order of GSP covered exports

QUAD	Tariff Line	Product Description	Exports (USD thousands)				GSP UR (%)	GSP PM (pp)
			Dutiable	GSP Covered	Received under			
					GSP	MFN		
EUN	32074085	Glass frit and other glass in the form of powder, granules or flakes (excl. gla	93	93	-	93	-	3.7
EUN	84185090	Refrigerating furniture with a refrigerating unit or evaporator (excl. combined	78	78	-	78	-	2.2
JPN	121299990	Locust beans, seaweeds and other algae, sugar beet and sugar cane, fresh, chill	45	45	-	45	-	3.0
EUN	32071000	Prepared pigments, prepared opacifiers, prepared colours and similar preparatio	43	43	-	43	-	6.5
EUN	38249996	Chemical products and preparations of the chemical	37	37	-	37	-	6.5
EUN	38249993	Chemical, products, preparations	30	30	-	30	-	6.5
EUN	12099999	Seeds, fruit and spores, for sowing (excl. leguminous vegetables and sweetcorn,	27	27	-	27	-	4.0
EUN	85372091	Boards, cabinets and similar combinations of apparatus for electric control or	26	26	-	26	-	2.1
EUN	08041000	Fresh or dried dates : Dates, fresh or dried, for use in the manufacture (exclu	25	25	-	25	-	7.7
EUN	28182000	Aluminium oxide (excl. artificial corundum) : Activated alumina with a specific	22	22	-	22	-	4.0

⁷¹ Seeds and fruits have dutiable trade of 1.2 million USD while the locust beans, seaweeds, and other algae has 45,000 USD. Given that seeds and fruits are all received under Japan GSP, the average utilization rate for HS Chapter 12 is higher than 70 percent (i.e., 96.5). However, as can be seen in the table by national tariff lines level, the products pertaining to locust beans, seaweeds, and other algae where all received under MFN; hence, have zero utilization rates.

QUAD	Tariff Line	Product Description	Exports (USD thousands)				GSP UR (%)	GSP PM (pp)
			Dutiable	GSP Covered	Received under			
					GSP	MFN		
EUN	11029090	Cereal flours (excl. wheat, meslin, rye, maize, rice, barley and oat	15	15	-	15	-	15.3
EUN	39151000	Waste, parings and scrap, of polymers of ethylene	15	15	-	15	-	6.5
EUN	62171000	Made-up clothing accessories, of all types of textile materials, n.e.s. (excl.	15	15	-	15	-	6.3
EUN	40113000	New pneumatic tyres, of rubber, of a kind used for aircraft : For use on civil	8	8	-	8	-	2.3
EUN	24039910	Chewing tobacco and snuff	6	6	-	6	-	41.6
EUN	07099990	Fresh or chilled vegetables n.e.s. : Okra	5	5	-	5	-	12.8
EUN	10082900	Millet (excl. grain sorghum, and seed for sowing)	5	5	-	5	-	13.4
EUN	15155019	Crude sesame oil (excl. for technical or industrial)	5	5	-	5	-	6.4
EUN	28263000	Sodium hexafluoroaluminate synthetic cryolite	5	5	-	5	-	5.5
EUN	61149000	Special garments for professional, sporting or other	4	4	-	4	-	12.0
EUN	63090000	Worn clothing and clothing accessories, blankets and travelling rugs, household	4	4	-	4	-	5.3
EUN	73239900	Table, kitchen or other household articles,	4	4	-	4	-	3.2
CAN	33059000	Preparations for use on the hair : Other	2	2	-	2	-	6.5

3.17. Uganda

Being an LDC, Uganda benefits from preferential access to the QUAD countries' markets under the respective GSP schemes. Uganda has not undertaken the necessary steps to enter or progress discussion regarding the ratification of the EAC-EU EPA⁷² but it benefits from the US AGOA. Therefore, Uganda is grouped together with Category 2 COMESA countries. Thus, the following tables will show utilization of US AGOA among others preferential schemes.

Table 51 shows utilization rates as high as 97.7 percent for the EU GSP (i.e., EBA) preferences granted by the EU with a trade volume of 556 USD million. Uganda exports almost 77 million USD to the US market with only 25.5 percent utilization rates for AGOA and 66.8 percent for the US GSP. However, the aggregated utilization of Uganda for US preferences is actually higher, reaching 80.4 percent. The utilization of Canada and Japan preferential schemes is significantly lower with 3.2 percent and 76.1 percent, respectively, alongside significantly lower volume of trade.

Table 51 Uganda: Overall utilization rates of QUAD Countries' Preferential Schemes (2018)

QUAD	Scheme	Exports (USD thousands)				Coverage (%)	Utilization Rates (%)
		Total	Dutiable	Covered	Received		
Canada	GSP	8 890	408	408	13	100	3.2
EU	GSP	558 350	158 925	158 891	155 307	100	97.7
Japan	GSP	8 291	2 402	2 222	1 690	92.5	76.1
US	AGOA	76 994	6 288	5 705	1 455	90.7	25.5
	GSP			5 393	3 603	85.8	66.8
	All Pref.			5 705	5 058	90.7	80.4
TOTAL		652 525	168 023	167 226	162 068	99.5	96.9

Table 52 illustrates the highest two HS Chapters in dutiable exports with All Pref. (GSP + AGOA) utilization rates of less than 70 percent. Fish products (HS Chapter 03) export to Japan has a high export volume of almost 1.2 million USD with a utilization rate of 64.8 percent. Electrical machineries (HS Chapter 85) to the US shows a dutiable trade value of 332,000 USD and a low All Pref. utilization rate of 4.7 percent. Lastly, exports to the EU from HS Chapters 39 and 88 have modest trade volumes with 276,000 USD and 210,000 USD, respectively. Both of these chapters have zero utilization to EU GSP.

⁷² For more information on the EAC-EU EPA please see <https://ec.europa.eu/trade/policy/countries-and-regions/regions/eac/> and for the full text of the agreement please see https://trade.ec.europa.eu/doclib/docs/2015/october/tradoc_153845.pdf.

Table 52 Uganda: Exports to QUAD countries for selected HS Chapters (2018)

First two HS Chapters by QUAD country with All Pref. (GSP + AGOA) UR < 70%, and sorted in descending order of dutiable exports

QUAD	HS2	Product Description	Exports (USD thousands)					Utilization Rates (%)			GSP PM (pp)
			Dutiable	GSP/ AGOA Covered	Received under			GSP	AGOA	All Pref. (GSP + AGOA)	
					GSP	AGOA	MFN				
CAN	62	Art of apparel & clothing access, not knitted/crocheted	264	264	-		264	-		-	17.4
	57	Carpets and other textile floor coverings	27	27	-		27	-		-	12.3
EUN	39	Plastics and articles thereof	276	276	-		276	-		-	5.9
	88	Aircraft, spacecraft and parts thereof	210	210	-		210	-		-	1.1
JPN	03	Fish & crustaceans, molluscs & other aquatic invertebrates	1 186	1 186	769		417	64.8		64.8	3.5
	09	Coffee, tea, mate and spices	61	61	-		61	-	-	-	4
USA	85	Electrical machinery and equipment and parts thereof; sound recorders and reprod	332	332	-	4	328	-	1.2	4.7	0.7
	62	Apparel and clothing accessories; not knitted or crocheted	25	25	-	6	19	-	25.0	9.7	1.0

Table 53 lists exports at the tariff level with All Pref. (GSP + AGOA) utilization rates of less than 70 percent and GSP preferential margin of higher than two percentage points, sorted in descending order of dutiable exports. For the sake of brevity, only exports with dutiable trade greater than 20,000 USD are included. As shown in the table, only 2 products have dutiable exports higher than 1 million USD. The first product is tobacco (HS 24012035) exported to the EU with 1.2 million USD dutiable trade and a utilization rate of 52.8 percent. The second product is fish fillet (HS 030463000) exported to Japan with more than 1.1 million USD and a utilization rate of 64.8 percent. Both of these products, especially tobacco, have a high preferential margin. Further research at national level may identify the reason for such low utilization.

Table 53 Uganda: Exports to QUAD countries by national tariff lines (2018)

National tariff lines with All Pref. (GSP + AGOA) UR < 70 %, GSP Preferential Margin (PM) > 2 percentage points (pp), and dutiable exports > 20,000 USD, sorted in descending order of GSP covered exports

QUAD	Tariff Line	Product Description	Exports (USD thousands)					Utilization Rates (%)			GSP PM (pp)
			Dutiable	GSP/AGOA Covered	Received under			GSP	AGOA	All Pref. (GSP + AGOA)	
					GSP	AGOA	MFN				
EUN	24012035	Partly or wholly stemmed or stripped light air-cured tobacco, otherwise unmanufactured	1 212	1 212	640	-	572	52.8		52.8	7.2
JPN	030463000	Fish fillets and other fish meat (whether or not minced), fresh, chilled	1 186	1 186	769	-	417	64.8		64.8	3.5
CAN	62029300	Women's or girls' overcoats, car coats, capes, cloaks, anoraks (including ski j	158	158	-	-	158	-		-	18.0
EUN	39232100	Sacks and bags, incl. cones, of polymers of ethylene	156	156	-	-	156	-		-	6.5
USA	46021918	Baskets and bags of vegetable material, neosi	133	133	15	68	50	11.0	514.0	62.4	4.5
EUN	09052000	Vanilla, crushed or ground	123	123	65	-	58	52.9		52.8	6.0
EUN	71179000	Imitation jewellery (excl. jewellery, of base metal, whether or not clad with s	110	110	1	-	109	1.1		0.9	4.0
USA	85444290	Insulated electric conductors nesi, for a voltage not exceeding 1,000 V, fitted	85	85	-	-	85	-	-	-	2.6
EUN	76169990	Articles of aluminium, uncast, n.e.s. : Hand-made Aluminium radiators and eleme	68	68	-	-	68	-		-	6.0
EUN	39159080	Waste, parings and scrap, of plastics (excl. that of polymers of ethylene, sty	66	66	-	-	66	-		-	6.5

QUAD	Tariff Line	Product Description	Exports (USD thousands)					Utilization Rates (%)			GSP PM (pp)
			Dutiable	GSP/AGOA Covered	Received under			GSP	AGOA	All Pref. (GSP + AGOA)	
					GSP	AGOA	MFN				
JPN	090121000	Coffee, whether or not roasted or decaffeinated; coffee husks and skins; coffee	61	61	-	-	61	-	-	-	12.0
JPN	080430090	Dates, figs, pineapples, avocados, guavas, mangoes and mangosteens, fresh or dr	60	60	36	-	24	60.0	-	60	7.2
JPN	420292000	Trunks, suit-cases, vanity-cases, executive-cases, brief-cases, school satchels	59	59	29	-	30	49.2	-	49.2	8.0
USA	42022245	Handbags with or without shoulder strap or without handle, with outer surface	49	49	23	10	16	46.6	20.0	67.3	6.3
EUN	94039010	Parts of furniture, of metal, n.e.s. (excl. of seats and medical, surgical, den	46	46	-	-	46	-	-	-	2.7
CAN	62021300	Women's or girls' overcoats, car coats, capes, cloaks, anoraks	38	38	-	-	38	-	-	-	18.0
EUN	89071000	Inflatable rafts	35	35	-	-	35	-	-	-	2.7
EUN	39239000	Articles for the conveyance or packaging of goods, of plastics	33	33	-	-	33	-	-	-	6.5
EUN	62171000	Made-up clothing accessories, of all types of textile materials, n.e.s.	33	33	-	-	33	-	-	-	6.3
CAN	62019290	Men's or boys' overcoats, car coats, capes, cloaks, anoraks (incl. ski jack	31	31	-	-	31	-	-	-	17.0
USA	42021240	Trunks, suitcases, vanity & attache cases, occupational luggage & like containe	29	29	-	13	16	-	441.0	44.8	6.3
EUN	63090000	Worn clothing and clothing accessories, blankets and travelling rugs, household	27	27	-	-	27	-	-	-	5.3
CAN	57032010	Carpets and other textile floor coverings, tufted	24	24	-	-	24	-	-	-	12.5
CAN	62019300	Men's or boys' overcoats, car coats, capes, cloaks, anoraks	23	23	-	-	23	-	-	-	17.0

3.18. Zambia

Zambia benefits from preferential access to the EU market under the EBA scheme due to LDC status. There have not been the necessary steps to enter or progress discussions regarding the ratification of an EPA with the EU.⁷³ In contrast, Zambia benefits from US AGOA making Zambia a Category 2 COMESA country.

Table 54 shows that most of the exports of Zambia to QUAD countries are MFN duty free since out of around 858 million USD only around one fourth are dutiable. Zambia reports high utilization rates for the EU at 82.5 percent and 96.5 percent for Japan. Further, the utilization of US GSP is comparatively lower with 68.8 percent, while the utilization of AGOA is almost zero. The overall preference utilization of US preferences by Zambia is at 69.3 percent. It would be interesting to explore the reasons for the underutilization of US AGOA. Lastly, Canada shows a zero utilization rate.

Table 55 shows the critical products at the HS Chapter level where overall utilization rates are lower than 70 percent and sorted according to dutiable export values. Exports of copper (HS Chapter 74) to the US shows the highest dutiable exports of more than 126 million USD and recording a utilization rate of 69 percent. The rest of the table shows significantly lower trade volume. The second highest products are the animal or vegetable fats exports (HS Chapter 15) to the EU market with 661,000 USD in dutiable export value and a low utilization rate at 45 percent.

⁷³ For more information, visit <https://ec.europa.eu/trade/policy/countries-and-regions/regions/esa/>.

Table 54 Zambia: Overall Utilization Rates of QUAD Countries' Preferential Schemes (2018)

QUAD	Scheme	Exports (USD thousands)				Coverage (%)	Utilization Rates (%)
		Total	Dutiable	Covered	Received		
Canada	GSP	1 021	18	18	-	100	-
EU	GSP	485 250	67 523	67 249	55 511	100	82.5
Japan	GSP	167 664	1 528	1 518	1 465	99.3	96.5
US	AGOA	204 780	129 258	129 097	812	99.9	0.6
	GSP			129 089	88 794	99.9	68.8
	All Pref.			129 097	89 606	99.9	69.3
TOTAL		858 715	198 057	197 882	146 582	99.9	74.1

Table 55 Zambia: Exports to QUAD countries for selected HS Chapters (2018)

First two HS Chapters by QUAD country with All Pref. (GSP + AGOA) UR < 70%, and sorted in descending order of dutiable exports

QUAD	HS2	Product Description	Exports (USD thousands)					Utilization Rates (%)			GSP PM (pp)
			Dutiable	GSP/ AGOA Covered	Received under			GSP	AGOA	All Pref. (GSP + AGOA)	
					GSP	AGOA	MFN				
CAN	73	Articles of iron or steel	7	7	0		7	0		0	7
	46	Manufactures of straw, esparto/other plaiting mat.; basketware & wickerwork	6	6	0		6	0		0	6.5
EUN	15	Animal/vegetable fats & oils & their cleavage products; prepared edible fats; animal/vegetable waxes	661	661	298		364	45		45	6.4
	41	Raw hides and skins (other than furskins) and leather	594	594	0		594	0		0	0.5
JPN	17	Sugars and sugar confectionery	51	51	0		51	0		0	50
	52	Cotton, incl. yarns and woven fabrics thereof	2	2	0		2	0		0	0
USA	74	Copper and articles thereof	126 723	126 723	87 395	0	39 328	69.0	0.0	69.0	1.0
	04	Dairy produce; birds' eggs; natural honey; edible products of animal origin, not	110	110	45	0	65	40.8	0.0	40.9	0.6

Table 56 highlights the same filtering and sorting mechanism with an additional criterion of GSP preference margin higher than 2 percentage points and results are provided at tariff line level. Table 56 shows that the highest dutiable product is fresh cut roses (HS 06031100) to the EU, amounting to more than 11 million USD and a positive utilization rate of 69.1 percent, almost reaching the cut-off. What is interesting for fresh cut roses is that not only the trade volume is relatively large, the preferential margin is also high (8.5 percentage points), implying that there could be significant potential savings from improving utilization of EU GSP. The next two most traded products are tobacco (HS 24012035 and 24011035) exports to the EU with 6.8 million USD in total and low utilization rates of 5.2 percent and 16.1 percent, respectively.

Table 56 Zambia: Exports to QUAD countries by national tariff lines (2018)

National tariff lines with All Pref. (GSP + AGOA) UR < 70 %, GSP Preferential Margin (PM) > 2 percentage points (pp), and dutiable exports > 10,000 USD, sorted in descending order of dutiable exports

QUAD	Tariff Line	Product Description	Exports (USD thousands)					Utilization Rate (%)			GSP PM (pp)
			Dutiable	GSP/ AGOA Covered	Received under			GSP	AGOA	All Pref. (GSP + AGOA)	
					GSP	AGOA	MFN				
EUN	06031100	Fresh cut roses and buds, of a kind suitable for bouquets or for ornamental	11 707	11 707	8 087	-	3 620	69.1		69.1	8.5
EUN	24012035	Partly or wholly stemmed or stripped light air-cured tobacco, otherwise	5 405	5 405	280	-	5 125	5.2		5.2	7.2
EUN	24011035	Light air-cured tobacco, unstemmed or unstripped : Light air-cured Burley type	1 405	1 405	226	-	1 180	16.1		16.1	7.2

QUAD	Tariff Line	Product Description	Exports (USD thousands)					Utilization Rate (%)			GSP PM (pp)
			Dutiable	GSP/ AGOA Covered	Received under			GSP	AGOA	All Pref. (GSP + AGOA)	
					GSP	AGOA	MFN				
EUN	15219099	Beeswax and other insect waxes, whether or not refined or coloured (excl. crude)	595	595	231	-	364	38.9		38.8	2.5
EUN	72029200	Ferro-vanadium	125	125	-	-	125	-		-	2.7
EUN	12099180	Vegetable seeds for sowing (excl. salad beet or beetroot Beta vulgaris var. con)	54	54	7	-	47	13.0		13.-	3.0
JPN	170290290	Other sugars, including chemically pure lactose, maltose, glucose and fructose,	51	51	-	-	51	-		-	50.0
USA	71039950	Precious or semiprecious stones, nesoi, worked, whether or not graded, but n/st	32	32	-	-	32	-	-	-	10.5
EUN	85372099	Boards, cabinets and similar combinations of apparatus for electric control or	20	20	-	-	20	-		-	2.1
EUN	87083099	Brakes and servo-brakes and their parts, for tractors, motor vehicles for the t	19	19	-	-	19	-		-	4.5
USA	71179090	Imitation jewelry not of base metal or plastics, nesoi, over 20 cents/dozen pcs	17	17	-	-	17	-	-	-	11.0
USA	41012070	Whole equine hides and skins (n/o 8 kg when dried, 10 kg when dry salted or 16	15	15	-	-	15	-	-	-	3.3
EUN	39269097	Articles of plastics and articles of other materials of heading 3901 to 3914, n	14	14	-	-	14	-		-	5.6
EUN	87089997	Parts and accessories for tractors, motor vehicles for the transport of ten or	14	14	-	-	14	-		-	3.5
USA	71171990	Imitation jewelry (o/than toy jewelry & rope, curb, cable, chain, etc.), of bas	12	12	-	-	12	-	-	-	11.0

3.19. Zimbabwe

Zimbabwe signed the interim ESA-EU EPA in August 2009, and has been applying it since May 2012.⁷⁴ Zimbabwe is not eligible for EU GSP since August 2015⁷⁵ and for AGOA due to not establishing or not making continual progress toward establishing the rule of law and political pluralism as required for AGOA beneficiaries.⁷⁶ With these reasons, Zimbabwe belongs to Category 4. Therefore, the analyses are tailored to show the specific context of Zimbabwe. Namely, the utilization rate would now be based on GSP or ESA-EU EPA, whichever is applicable. Similarly, this strategy is also applied to coverage as well as the preferential margin. Given that there are no overlapping preferences within a QUAD country, the tables do not show All Pref. utilization rates.

Table 57 shows that Zimbabwe's main market is the EU with dutiable exports of more than 248 million USD under ESA-EU EPA and a utilization rate of 89.9 percent. Although a lower relative volume of trade, Zimbabwe's utilization rate for the case of Japan and the US GSP is quite high, with 100 percent and 99.2 percent, respectively. However, a stark contrast can be seen for the case in Canada where the utilization rate is as low as 4 percent.

⁷⁴ See <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L:2012:111:FULL&from=EN>.

⁷⁵ See https://trade.ec.europa.eu/doclib/docs/2015/august/tradoc_153732.pdf.

⁷⁶ See <https://ustr.gov/countries-regions/africa/southern-africa/zimbabwe#:~:text=AGOA%20Status>.

Table 57 Zimbabwe: Overall Utilization Rates of QUAD Countries' Preferential Schemes (2018)

QUAD	Scheme	Exports (USD thousands)				Coverage (%)	Utilization Rates (%)
		Total	Dutiable	Covered	Received		
Canada	GSP	3 954	159	126	5	79.2	4.0
EU	ESA-EU EPA	535 971	248 896	248 892	223 686	100.0	89.9
Japan	GSP	14 867	117	87	87	74.4	100.0
US	GSP	69 656	60 281	56 182	55 733	93.2	99.2
TOTAL		624 448	309 453	305 287	279 511	98.7	91.6

Table 58 shows the top two chapters according to dutiable exports with GSP or ESA-EU EPA utilization rates of less than 70 percent. Additionally, the table combines the GSP and ESA-EU EPA in one column covered trade and preference margin. The table highlights that while Zimbabwe is eligible to receive preferential trade under ESA-EU EPA, most of its exports to the EU for the case of HS Chapters 41 and 42 are still received under MFN, implying that utilization rates are almost zero. Further, Table 58 shows that for the case of exports to the US, products under HS Chapter 25 with a dutiable trade of 255,000 USD, for example, are all received under MFN. Notice that there are no trade data shown for the case of exports to Japan. This is because only HS Chapter 41 has a positive MFN rate, and products under this chapter have a 100 percent utilization rate. This implies that the next table does not show any exports to Japan at the tariff line level.

Table 58 Zimbabwe : Exports to Canada, the EU, and the US for selected HS Chapters (2018)

First two HS Chapters by QUAD country with GSP/ESA-EU EPA UR < 70%, and sorted in descending order of dutiable exports

QUAD	HS2	Product Description	Exports (USD thousands)					GSP/ESA-EU EPA Utilization Rates (%)	GSP/ESA-EU EPA PM (pp)
			Dutiable	GSP/ESA-EU EPA Covered	Received under				
					GSP	ESA-EU EPA	MFN		
CAN	24	Tobacco and manufactured tobacco substitutes	98	98	-		98	-	8
	68	Stone, plaster, cement, asbestos, mica or similar materials; articles thereof	11	11	1		10	9.1	5
EUN	41	Raw hides and skins (other than furskins) and leather	9 600	9 600		2	9 598	-	0.8
	42	Articles of leather; saddlery and harness; travel goods	1 235	1 235		7	1 228	0.6	3.2
USA	25	Salt; sulphur; earths, stone; plastering materials, lime and cement	255	255	-		255	-	3
	12	Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit, industrial or medicinal plants; straw	88	88	-		88	-	-

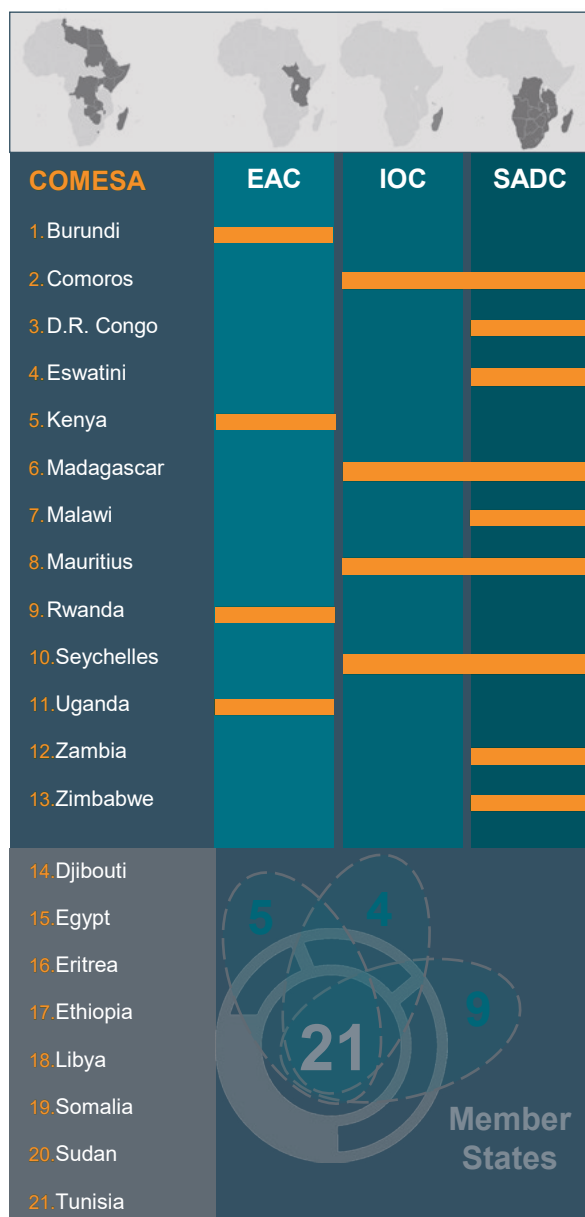
Table 59 shows exports at tariff lines level with either GSP or ESA-EU EPA utilization rate of less than 70 percent, greater than 2 percentage points of either GSP or ESA-EU preference margin, and higher than 10,000 USD dutiable exports. The biggest dutiable export of Zimbabwe is briefcases (HS 42021110) exports to the EU valued at more than 1 million USD and zero utilization of ESA-EU EPA. Other products belonging to HS Chapter 42 (HS 42023100, HS 42022100) are also exported to the EU with low utilization rates. As these products are relatively recurring in the context of Zimbabwe's exports to the EU, it would be interesting to shed more light on the reason for the non-utilization of ESA-EU EPA, especially given that the preferential margin is also quite substantial.

Table 59 Zimbabwe: Exports to Canada and the US by national tariff lines (2018)

National tariff lines with GSP/ESA-EU EPA UR < 70%, GSP/ESA-EU EPA Preferential Margin > 2 percentage points (pp), dutiable exports > 10,000 USD, sorted in descending value of dutiable exports

QUAD	Tariff Line	Product Description	Exports (USD thousands)					GSP/ESA-EU EPA UR (%)	GSP/ESA-EU EPA PM (pp)
			Dutiable	GSP/ESA-EU EPA Covered	Received under				
					GSP	ESA-EU EPA	MFN		
EUN	42021110	Executive-cases, briefcases, portfolios, school satchels and simi	1 013	1 013		-	1 013	-	3
USA	25169000	Porphyry, basalt and other monument. or build. stone (except granite/sandstone), crude or roughly trim	255	255	-		255	-	3
EUN	42023100	Wallets, purses, key-pouches, cigarette-cases, tobacco-pouches an	138	138		-	138	-	3
CAN	24012090	Unmanufactured tobacco; tobacco refuse : Tobacco, partly or wholly stemmed/stripped : Other	98	98	-		98	-	8
EUN	21021031	Dried bakers' yeast	92	92		-	92	-	12
EUN	42022100	Handbags, whether or not with shoulder straps, incl. those withou	60	60		1	59	2	3
EUN	95061121	Monoskis and snowboards	37	37		-	37	-	3.7
USA	6029090	Other live plants nesoi, other than those with soil	26	26	11		15	41.4	4.8
USA	15159080	Fixed vegetable fats and oils and their fractions nesoi, whether or not refined, not chemically	22	22	-		22	-	3.2
EUN	8134095	Dried fruit, edible (excl. nuts, bananas, dates, figs, pineapples	22	22		5	15	26.3	2.4
EUN	64041910	Slippers and other indoor footwear, with outer soles of rubber or	22	22		-	22	-	16.9
EUN	84818099	Appliances for pipes, boiler shells, tanks, vats or the like (exc	15	15		-	15	-	2.2
EUN	69139098	Statuettes and other ornamental ceramic articles, n.e.s. (excl. o	14	14		2	11	16.7	6
USA	71141170	Silversmiths' wares (other than for household/ table/kitchen use	13	13	-		13	-	3
EUN	91021100	Wrist-watches, whether or not incorporating a stop-watch facility	12	12		-	12	-	4.5
CAN	68159990	Articles of stone or of other mineral substances (including carbon fibres, articles of carbon fibres a	11	11	1		10	9.1	5
USA	41012070	Whole equine hides and skins (n/o 8 kg when dried, 10 kg when dry salted or 16 kg when fresh/otherwise	11	11	-		11	-	3.3
EUN	85123090	Electrical sound signalling equipment for cycles or motor vehicle	11	11		-	11	-	2.7

Chapter 4. Utilization of Trade Preferences of Intra-Africa Trade



4.1. Overlapping Membership of COMESA Member States

As detailed in the figure below, Member States of COMESA belong to different RECs with different rules of origin and tariff schedules. The analysis of this study covers to the extent possible such overlapping trade preferences in intraregional trade and provides evidence that some trade preferences available under RECs are showing better URs than others.

COMESA successfully established a Free Trade Area (FTA) on 31st October 2000, with the key aim being to facilitate regional integration through zero customs tariffs on goods traded among its Member States. It also launched its customs union in June 2009, which is yet to be operational.

COMESA Members States are also part of other RECs. These are as far as trade arrangements are concerned⁷⁷: the East African Community (EAC), the Indian Ocean Commission (IOC) and the Southern African Development Community (SADC).

Out the 21 COMESA Member States, four (Burundi, Kenya, Rwanda, and Uganda) also belong to the EAC while nine others (Comoros, Democratic Republic of Congo, Eswatini, Madagascar, Malawi, Mauritius, Seychelles, Zambia and Zimbabwe) to SADC. Lastly, four COMESA Member States (Comoros, Madagascar, Mauritius and Seychelles) are party to the IOC.

COMESA and SADC have also set up a joint task force to harmonize their programs; and under the Tripartite Arrangement, COMESA, EAC and SADC have signed the Tripartite Free Trade Area Agreement. The main objective of the COMESA-EAC-SADC Tripartite is strengthening and deepening economic integration of the Southern and Eastern Africa regions.

Table 60 shows a comparison table among the URs of the main trade preferences available under the COMESA FTA, the SADC protocol on trade and the EAC for COMESA intraregional trade members states trade flows . It is quite evident that the average total UR of EAC is by far higher than other RECs with 77.9 percent, COMESA at 39.8 percent and SADC at 25.3 percent.

This finding of low utilization of trade preferences in SADC and COMESA matches existing literature and studies pointing out that SADC rules of origin and related administrative procedures are overly stringent.⁷⁸ Similarly,

⁷⁷ The Inter-Governmental Authority on Development (IGAD)

⁷⁸ Stefano Inama, "Rules of Origin in International Trade", 2009, 2021. See also "Can Rules of Origin in Sub-Saharan Africa be Harmonized? A Political Economy Exploration", Peter Draper, Cynthia Chikura and Heinrich Krogman, German Development institute, 2016, available at https://www.die-gdi.de/uploads/media/DP_1.2016.pdf and "Rules of Origin as Tools of Development? Some Lessons from SADC", Frank Flatters and Robert Kirk, 2003, available at <https://edc.gov.bz/wp-content/uploads/2016/11/rules-of-origin-as-tools-of-developments-some-lessons-from-SADC.pdf>.

Table 60 Comparing COMESA, SADC, and EAC Utilization Rates in Intra-COMESA Trade⁸⁰

Reporter	Dutiable	Imports (USD thousand)						Utilization Rates (%)		
		Covered			Received			COMESA	SADC	EAC
		COMESA	SADC	EAC	COMESA	SADC	EAC			
Burundi	147 135	145 391		67 909	25 187		52 663	17.3		77.5
Egypt	542 972	497 482			421 622			84.8		
Madagascar	74 382	73 555	60 706		13 587	300		18.5	0.5	
Malawi	140 305	138 690	101 909		121 871	7 519		87.9	7.4	
Mauritius	19 525	19 522	27		13 810	0		70.7	0.0	
Rwanda	378 761	374 816		320 022	36 370		260 715	9.7		81.5
Seychelles	7 188	6 353			4 362			68.7		
Sudan	588 061	584 454			210 630			36.0		
Uganda	471 053	470 096		344 589	80 565		257 472	17.1		74.7
Zambia	1 578 044	308 580	112 229		98 475	21 172		31.9	18.9	
Zimbabwe	355 753	352 342	173 688		123 609	84 404		35.1	48.6	
TOTAL	4 562 991	3 229 861	448 559	732 520	1 286 839	113 395	570 850	39.8	25.3	77.9

the COMESA rules of origin have been under renegotiation for a number of years causing uncertainties among economic operators and firms about the predictability of the applicable rules of origin.

While the initial EAC rules of origin were similar to COMESA rules of origin, EAC introduced a drastic reform in 2015 aligning the EAC rules of origin with those contained in the EU-EAC EPA negotiated around that period. Such far-reaching reform introduced more lenient rules of origin and similar administrative procedure to those used by EAC firms when exporting to the EU under GSP or EBA. Hence this reform conducted by EAC contained a number of best practices and substantial convergence towards the adoption of a single set of rules of origin both for intra-regional trade and for trade towards one the main export market, namely the EU.

In short, the EAC intra-regional rules of origin and related administrative procedures became similar to those used when exporting goods to the EU, the main EAC trading partner and with whom EAC firms and exporters were familiar given the long-standing tradition and the volume of trade. This would explain the reason for the EAC higher URs.

COMESA ultimately finalized its internal negotiations on product-specific rules of origin that were incorporated in the 2015 COMESA Manual on rules of origin that filled a gap of legal uncertainty of more than a decade. Hence it may be too early to see a response from the learning curve of UR of COMESA in 2018 data.

The SADC rules of origin have been notoriously more stringent than those under the EBA, the current SADC-EU EPA and those under the former Trade Development and Cooperation Agreement⁸⁰ between the EU and South Africa and have not been substantially liberalized during the middle-term review of SADC rules of origin in spite of various arguments brought forward.⁸¹

The protracted inability to introduce the necessary reforms in SADC rules origin and related administrative procedures tally with the lowest URs recorded amongst the three RECs.

As further discussed and analyzed in the following sections, there are also wide disparities in URs of COMESA countries among country averages and individual country performances. Such widespread difference in URs calls for further considerations and remedial action as there might be differences of interpretation among COMESA Customs administrations in applying and administering rules of origin and related administrative requirements.

Table 61 provides a detailed breakdown of trade flows and utilization rates among the major RECs where the values include the trade flows of *all* intraregional partners i.e.including trade flows of all partners shown in table 61

⁷⁹ The table has been compiled using the available data. Utilization rates of Comoros, D.R. Congo, Djibouti, Eritrea, Eswatini, Kenya, and Libya were unfortunately not available at the time of the writing. Note that while Ethiopia is part of COMESA, it is not part of the COMESA FTA. Tables 61 to 64 show the URs of Ethiopia for other PTAs.

⁸⁰ Trade Development and Co-operation Agreement (TDCA) establishing a free trade area between the EU and South Africa, see L 311, 04 December 1999. Note that Ethiopia is not included as they only trade under COMESA Non-FTA.

⁸¹ See "Rules of Origin and SADC: The Case for Change in the Mid Term Review of the Trade Protocol", Paul Brenton, Frank Flatters and Paul Kalenga, Africa Region Working Paper Series No. 83, June 2005, available at http://qed.econ.queensu.ca/pub/faculty/flatters/writings/ff_pb_pk_sadc_roo_wbarwp83.pdf

under the different RECs . The overall trend of utilization rates utilization remains confirmed as EAC records the highest utilization rates with the exception of Uganda with a lower utilization rate of 53.8 percent. Zambia records the highest utilization of SADC with 64 percent while Malawi and Mauritius are reporting the highest utilization rate for COMESA with 87.9 and 70.7 percent, respectively.

Table 61 Comparing COMESA, COMESA Non-FTA, SADC ALL, and EAC Utilization Rates

Reporter	Value of Imports (USD thousand)										Utilization Rates (%)			
	Dutiable	Covered				Received					COMESA	COMESA Non-FTA	SADC ALL	EAC
		COMESA	COMESA Non-FTA	SADC ALL	EAC	COMESA	COMESA Non-FTA	SADC ALL	EAC	MFN				
Burundi	182 800	140 853	988	0	107 196	22 226	64	0	88 875	71 636	15.8	6.5		82.9
Egypt	542 972	493 021	4 460	0	0	420 936	686	0	0	102 937	85.4	15.4		
Ethiopia	259 812		258 580	0	0		137 226	0	0	98 764		53.1		
Madagascar	197 888	71 795	378	183 325	0	12 034	0	8 362	0	174 575	16.8	0.0	4.6	
Malawi	517 526	137 970	720	477 719	0	121 303	25	263 547	0	126 938	87.9	3.5	55.2	
Mauritius	54 011	19 520	2	31 468	0	13 810	0	18 193	0	21 733	70.7	0.0	57.8	
Rwanda	445 312	348 089	2 573	0	410 757	25 328	302	0	343 784	75 899	7.3	11.7		83.7
Seychelles	18 348	6 276	77	10 224	0	4 362	0	2 874	0	11 113	69.5	0.0	28.1	
Sudan	588 061	551 747	32 720	0	0	191 553	19 076	0	0	377 431	34.7	58.3		
Uganda	601 101	353 313	44 868	0	545 980	5 089	10 358	0	293 787	290 758	1.4	23.1		53.8
Zambia	1 578 044	285 196	80	877 808	0	98 452	22	1 204 561	0	2 176 859	34.5	28.0	64.1	
Zimbabwe	2 393 569	352 342	0	2 222 295	0	123 134	0	993 985	0	1 263 608	34.9		44.7	
Total	7 379 444	2 760 122	345 446	4 802 839	1 063 933	1 038 227	167 759	2 491 522	726 446	4 792 251	37.6	48.6	51.9	68.3

Table 62 provides additional information over the utilization rates of GAFTA and IOC. The Greater Arab Free Trade Area (GAFTA) is a trade agreement in Western Asia and in North Africa, which includes Egypt and Sudan,⁸² and Indian Ocean Commission (IOC) is an inter-governmental organization that groups Madagascar, Mauritius, and Seychelles, among others, to promote and strengthen diplomatic, economic, and commercial ties between the Indian Ocean Islands.⁸³ Trade flows and utilization rates of GAFTA for Egypt are relatively low recording 44 millions USD of trade flows with an utilization rate of 41.4 percent.

Table 62 Utilization Rates of selected subgroups in SADC, IOC, and GAFTA PTAs.*

Reporter	Value of Imports (USD thousand)											Utilization Rates (%)				
	Dutiable	Covered					Received					SADC	SADC RSA	SADC ALL	IOC	GAFTA
		SADC	SADC RSA	SADC ALL	IOC	GAFTA	SADC	SADC RSA	SADC ALL	IOC	GAFTA					
Egypt	542 972	0	0	0	0	44 436	0	0	0	0	18 413				41.4	
Madagascar	197 888	183 325	0	183 325	58 626	0	8 362	0	8 362	1 364	0	4.6		4.6	2.3	
Malawi	517 526	185 770	291 948	477 719	0	0	66 073	197 473	263 546	0	0	35.6	67.6	55.2		
Mauritius	54 011	31 468	0	31 468	1 806	0	18 193	0	18 193	274	0	57.8		57.8	15.2	
Seychelles	18 348	10 223	0	10 223	1 261	0	2 873	0	2 873	0	0	28.1		28.1	0.0	
Sudan	588 061	0	0	0	0	409 640	0	0	0	0	0				0.0	
Zambia	1 578 044	279 433	1 598 373	1 877 807	0	0	164 168	1 040 392	1 204 560	0	0	58.8	65.1	64.1		
Zimbabwe	2 393 569	394 008	1 828 286	2 222 294	0	0	103 142	890 842	993 984	0	0	26.2	48.7	44.7		
TOTAL	5 890 419	1 084 227	3 718 607	4 802 836	61 693	454 075	362 811	2 128 707	2 491 518	1 638	18 412	33.5	57.2	51.9	2.7	

*Note: The other COMESA countries (Burundi, Ethiopia, Rwanda, and Uganda) were omitted as they do not have any trade under SADC, IOC, and GAFTA PTAs.

The SADC utilization rates in Table 62 provides for additional details showing the utilization rates of SADC except South Africa and SADC utilization rates and trade with South Africa. It is interesting to note that utilization rates

⁸² See <https://www.bilaterals.org/?-gafta->.

⁸³ See <https://www.mcci.org/en/global-marketplace/trade-agreements/ioc/> for further details.

of two main partners Zambia and Zimbabwe are showing higher utilization rates in their trade with South Africa than those with other SADC Partners (Zambia: SADC 58.8%, SADC RSA 65%; Zimbabwe: SADC 26%, SADC RSA 48.7%). This finding is even higher in the case of Malawi (SADC 35.6% and SADC RSA 67.6%). These higher utilization rates seem to suggest that South Africa exporters are managing to comply with SADC rules of origin better than other SADC partners.

Table 63 shows trade flows and utilization rates of some bilateral PTAs that are overlapping with COMESA and other PTAs as of 2018. The overall finding emerging from the table is the limited coverage of these bilateral trade agreements with respect to the major PTAs under the RECs except for the Zimbabwe-South Africa bilateral that ceased to exist on 20 November 2018.

Table 63 Trade flows and utilization rates of bilateral trade agreements

Reporter ISO3	Value of Imports (USD thousand)			Utilization Rates (%) Bilat. Pref.	Bilateral Partners
	Dutiable	Bilateral			
		Covered	Received		
Egypt	542 971	641	0	0.0	UGA
Ethiopia	259 812	24 916	23 822	95.6	SDN
Madagascar	197 888	1 909	1 552	81.3	SWZ
Malawi	517 526	16 297	5 713	35.1	MOZ
Sudan	588 060	22 915	0	0.0	ETH
Zimbabwe	2 393 569	606 007	12 842	2.1	BWA, MOZ, NAM, TZA, RSA*
TOTAL	4 499 826	672 684	43 928	6.5	

* The bilateral trade agreement between Zimbabwe and South Africa dates from 1964, providing preferential access to certain agricultural products, manufactured goods as textiles and clothing that conform to the agreed rules of origin requirements. According to a study, traders from Zimbabwe preferred the Bilateral Trade Agreement to the SADC FTA because of its simpler rules of origin. For example, rules of origin for clothing requires double transformation i.e weaving of yarn into fabric and making up of the finished garment whereas the Bilateral Trade Agreement required an ad valorem percentage criterion to be met.

While the amount of covered trade under the bilateral is low, the utilizations rates of some bilateral like Ethiopia and Sudan are as high as 95.6 even if the trade flows are minimal 23 million USD. Overall, these figures show that the existing trade preferences under the RECs have been successful in replacing prior bilateral PTAs.

Table 64 shows the overall utilization rates combining all received exports from all available preferential schemes available to each country. Apart from the notable exception of Egypt, Rwanda and Zambia showing URs as high as 81.0 percent, 83.0 percent and 82.6 percent, the remaining COMESA countries are showing low URs, especially for Madagascar and Sudan with utilization rates of 11.8 percent and 35.8 percent. It should be clear that this data shows the URs of the importing countries, not their exports to other COMESA countries.

Table 64 Overall Utilization Rates of all intraregional PTAs available to COMESA countries

Reporter ISO3	Imports (in million USD)			Utilization Rates (%)
	Dutiable	Received		
		Total Pref.	MFN	
Burundi	183	11	72	60.8
Egypt	543	440	103	81.0
Ethiopia	260	161	99	62.0
Madagascar	198	23	175	11.8
Malawi	518	391	127	75.5
Mauritius	54	32	22	59.8
Rwanda	445	369	76	83.0
Seychelles	18	7	11	39.4
Sudan	588	211	377	35.8
Uganda	601	310	291	51.6
Zambia	1 578	1 303	275	82.6
Zimbabwe	2 394	1 130	1 264	47.2
TOTAL	7 379	4 489	2 890	60.8

The table reveals that while overlapping preferences are available to the COMESA countries, their utilization of these various arrangements is modest. Hence, it would be an opportunity to rationalize the existing overlapping trade preference leading to better URs as discussed in Chapter 5 below.

Chapter 5. Performance of COMESA Member States under COMESA FTA, EAC, IOC and SADC PTAs

This chapter examines the utilization rates of imports from partners of each COMESA Member State under different trade arrangements that may sometimes overlap.

It is important to point out that the analysis is carried out from the importing country point of view reporting the trade volume and the trade preferences that have been granted at the time of customs clearance in the country.

Such analysis does not represent how the country reporting utilization rates have been performing in exports but rather how the country reporting utilization rates have been performing as an importer from the COMESA trading partners under the different PTAs.

In any case, the performance as an exporter in a particular country can be retrieved in the “suppliers” columns of a given reporter with the individual utilization rates.

It should be noted that given the overlapping preferences under the different RECs, in some cases, the reporter utilization rates lists the utilization rates separately under the respective RECs.

To better understand the tables shown for each country, it is important to keep in mind that imports are sorted in descending order of dutiable imports by HS two-digit level (HS chapters) and within these HS chapters, the tables report products at the HS four-digit level (HS headings), again following the ordering of highest to least dutiable trade values. Lastly, for sake of brevity, the tables only include the top products which jointly represent at least 85 percent of the total dutiable trade (except Egypt, for which they represent 96% of the dutiable imports).

Lastly, note that the study includes both the utilization rates for COMESA FTA and COMESA non-FTA. This derives from the fact that not all COMESA Member States are part of COMESA FTA, which is providing duty free treatment among its members. Currently, 16 (Burundi, Comoros, Djibouti, Egypt, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Tunisia, Sudan, Uganda, Zambia and Zimbabwe) out of 21 COMESA Member States are participating. Other COMESA Member States (i.e., Democratic Republic of Congo, Eritrea, Eswatini, Ethiopia and Somalia) are at various levels of joining the COMESA FTA. In the following analysis, only the data of Ethiopia is available. Ethiopia, for example, provides for 80 percent of reduction from normal rates of duties.

5.1. Burundi

Table 65 shows both COMESA and EAC utilization rates for Burundi as an importer. The table specifically highlights the covered, received, and utilization rates for COMESA and EAC. Further, for the sake of brevity, the total utilization rate is shown under the column ‘Total UR’,⁸⁴ with the name of the first supplier and its utilization rate. Lastly, the table only includes the HS Chapters and their respective products at the HS headings (HS four-digit) level which comprise 85 percent of the total dutiable import and are ranked in descending order of dutiable trade.

Table 65 provides an overview of the utilization rates of Burundi, showing high utilization for EAC trade preferences of 82.9 percent and significantly lower utilization rate for COMESA trade preferences of 15.8 percent.

It is important to note that a significant amount of imports covered, totaling over 71 million USD are not receiving any preference as shown in the column ‘MFN received’. Table 65 also shows a significant concentration of imports in Portland cement (HS 2523), which is equivalent to roughly one third of the total imports from COMESA partners. The utilization rate of this HS heading is as low as 9.2 percent for COMESA while EAC preferences from Kenya shows a utilization rate of 50.2 percent for the same product. The reasons for this disparity of utilization rates under COMESA and EAC for the same product should be further examined to understand the current situation to achieve higher utilization rates.

⁸⁴ The column ‘Total UR’ shows the total utilization of all partners exporting a certain product under the specific trade arrangement.

Table 65 Burundi: Intra-COMESA Trade (2018)

85% of the dutiable imports from COMESA partners, sorted in descending order of dutiable imports by chapters, and by HS headings within the chapter

HS	Product Description	Values of Imports (in USD thousands)										Utilization Rates (%)					
		Covered					Received					COMESA			EAC		
		Dutiable	COMESA	EAC	MFN	Total UR	COMESA	EAC	MFN	Total UR	1st Supplier	IS03	UR	1st Supplier	IS03	UR	
TOTALS FOR BURUNDI																	
25	Salt; sulphur; earths, stone; plastering materials, lime and cement	182 800	140 863	107 196	22 226	88 875	71 636	15.8	82.9								
2523	Portland cement, aluminous cement,slag cement, supersulphate and similar	56 073	56 073	203	5 134	119	50 821	9.2	58.5	ZMB	ZMB	9.1	KEN	KEN	50.2		
72	Iron and steel	15 669	15 669	15 339	369	14 283	1 017	2.4	93.1	EGY	EGY	1.5	UGA	UGA	54.6		
7210	Iron or non-alloy steel; flat-rolled products, width 600mm or more	9 720	9 720	9 720	43	9 572	105	0.4	98.5	KEN	KEN	0.4	UGA	UGA	64.3		
7214	Iron or non-alloy steel; bars and rods, not further, than forged, hot-rolled, drawn or extruded	3 440	3 440	3 361	75	3 125	240	2.2	93.0	ZMB	ZMB	2.2	UGA	UGA	47.2		
17	Sugars and sugar confectionery	13 467	13 467	2 235	11 218	2 196	54	83.3	98.3	ZMB	ZMB	83.2	KEN	KEN	88.0		
1701	Cane or beet sugar and chemically pure sucrose, in solid form	11 488	11 488	280	11 199	271	18	97.5	96.5	ZMB	ZMB	97.5	UGA	UGA	75.9		
1704	Sugar confectionery (including white chocolate), not containing cocoa	1 979	1 979	1 954	19	1 925	36	0.9	98.5	ZAR	ZAR	0.5	KEN	KEN	97.7		
39	Plastics and articles thereof	7 645	7 645	7 489	151	6 801	693	2.0	90.8	EGY	EGY	1.1	UGA	UGA	52.3		
3923	Plastic articles for the conveyance or packing; stoppers,lids,caps,other	4 620	4 620	4 483	133	4 378	109	2.9	97.7	ZMB	ZMB	1.5	UGA	UGA	76.2		
3917	Tubes, pipes and hoses and fittings thereof (for ex., joints, elbows, flanges), of plastics	1 075	1 075	1 074	0	1 008	67	0.0	93.8				KEN	KEN	45.7		
3924	Tableware, kitchenware, other household articles and hygienic or toilet articles	1 018	1 018	1 018	0	663	355	0.0	65.2				KEN	KEN	55.7		
10	Cereals	6 754	6 754	4 199	2 549	914	3 291	37.7	21.8	ZMB	ZMB	37.7	UGA	UGA	19.9		
1005	Maize (corn)	4 001	4 001	1 463	2 532	914	555	63.3	62.5	ZMB	ZMB	63.3	UGA	UGA	57.1		
1008	Buckwheat, millet and canary seeds; other cereals	2 754	2 754	2 736	17	0	2 736	0.6	0.0	ZMB	ZMB	0.6					
73	Iron or steel articles	5 454	5 454	5 451	0	5 190	265	0.0	95.2				KEN	KEN	64.5		
7306	Iron or steel (excl.cast iron); tubes, pipes and hollow profiles., n.e.c. in chapter 73	4 336	4 336	4 336	0	4 232	104	0.0	97.6				KEN	KEN	71.0		
33	Essential oils and resinsoids; perfumery, cosmetic or toilet preparations	5 112	5 112	1 610	2 949	1 524	639	57.7	94.7	EGY	EGY	57.5	UGA	UGA	70.3		
3302	Odoriferous substances and mixtures (including alcoholic solutions) ,	2 941	2 941	4	2 937	4	0	99.8	90.3	EGY	EGY	99.8	KEN	KEN	90.3		
3304	Cosmetic and toilet preparations;make-up and skin care,manicure or pedicure	1 694	1 694	1 133	8	1 059	628	0.5	93.4	ZAR	ZAR	0.5	UGA	UGA	68.4		
48	Paper and paperboard; articles of paper pulp, of paper or paperboard	3 456	3 456	3 330	125	3 242	89	3.6	97.4	EGY	EGY	2.1	KEN	KEN	47.2		
4819	Cartons,boxes,cases bags and the like,of paper,paperboard,cellulose or fibres;	1 638	1 638	1 638	0	1 582	56	0.0	96.6				UGA	UGA	57.6		
4820	Registers, account books, diaries and similar; albums., of paper or paperboard	921	921	921	0	912	9	0.0	99.0				KEN	KEN	67.2		
24	Tobacco and manufactured tobacco substitutes	3 239	3 239	3 239	0	3 239	0	0.0	100.0				UGA	UGA	100.0		
2401	Tobacco, unmanufactured; tobacco refuse	3 239	3 239	3 239	0	3 239	0	0.0	100.0				UGA	UGA	100.0		
21	Miscellaneous edible preparations	2 387	2 387	2 364	19	966	1 402	0.8	40.8	EGY	EGY	0.5	KEN	KEN	35.9		
2106	Food preparations not elsewhere specified or included	1 769	1 769	1 768	7	412	1 350	0.4	23.3	KEN	KEN	0.3	KEN	KEN	19.6		
11	Products of the milling industry; malt, starches, inulin, wheat gluten	2 367	2 367	1 816	0	1 575	792	0.0	86.7				UGA	UGA	85.3		
1102	Cereal flours; other than of wheat or meslin	1 789	1 789	1 789	0	1 556	233	0.0	87.0				UGA	UGA	86.6		
32	Tanning or dyeing extracts;their derivatives; paints, varnish	2 330	2 330	2 301	27	2 256	47	1.2	98.0	EGY	EGY	1.2	KEN	KEN	76.0		
3209	Paints and varnishes (incl. enamels and lacquers) , dissolved in aq.medium	1 878	1 878	1 874	4	1 866	8	0.2	99.6	EGY	EGY	0.2	KEN	KEN	79.7		
15	Animal or vegetable fats and oils and their cleavage products	2 026	2 026	2 021	2	286	1 738	0.1	14.2	ZAR	ZAR	0.1	KEN	KEN	13.9		

5.2. Egypt

The analysis of Egypt focuses on COMESA utilization rates with the table only including the goods that make up 97 percent of the total dutiable imports of Egypt. Table 66 provides an overview of Egypt's utilization rates from COMESA partners' imports, registering a relatively high utilization rate of 85.4 percent. Here, trade volume is quite concentrated; two products from two COMESA countries represent most of imports using COMESA trade preferences. That is, the highest dutiable imports are tea, mate, and spices (HS Chapter 09) valued at more than 265 million USD, almost half of the total dutiable imports of Egypt from COMESA partners. There is a 94.9 utilization rate of COMESA preferences for tea products in the case of Kenya. The second most traded good in terms of dutiable imports is copper products (HS Chapter 74) with more than 221 million USD, where majority of the utilization of COMESA preferences comes from Zambia, with a high utilization rate of 94.2 percent. It has to be noted that Egypt is also member of GAFTA with a total utilization of 41.4 percent.. The total utilization of COMESA non-FTA amounts to 15.4 percent, mostly from Eritrean tea imports.

Table 66 Egypt: Intra-COMESA Trade (2018)

97% of the dutiable imports from partners, sorted in descending order of dutiable imports by chapters, and by HS headings within the chapter

Product		Values of Imports (in USD thousands)						Utilization Rates (%)					
HS	Description	Dutiable	Covered		Received			COMESA			GAFTA		
			COMESA	GAFTA	COMESA	GAFTA	MFN	Total UR	1st Supplier		Total UR	1st Supplier	
									IS03	UR		IS03	UR
TOTALS FOR EGYPT		542 972	493 021	44 436	420 936	18 413	102 937	85.4			41.4		
09	Coffee, tea, mate and spices	265 495	265 495	0	249 719	0	15 777	94.1	KEN	94.9			
0902	Tea	263 591	263 591	0	249 051	0	14 540	94.5	KEN	94.9			
74	Copper and articles thereof	221 877	177 070	0	166 748	0	55 129	94.2	ZMB	94.2			
7403	Copper; refined and copper alloys, unwrought	221 413	176 607	0	166 285	0	55 129	94.2	ZMB	94.2			
72	Iron and steel	15 528	15 528	15 528	0	15 527	1	0.0			100.0	LBY	100.0
7208	Iron or non-alloy steel; flat-rolled products of a width of 600mm or more, hot-rolled, not clad, plated or coated	10 293	10 293	10 293	0	10 292	1	0.0			100.0	LBY	100.0
7216	Iron or non-alloy steel, angles, shapes and sections	5 235	5 235	5 235	0	5 235	0	0.0			100.0	LBY	100.0
25	Salt; sulphur; earths, stone; plastering materials, lime and cement	13 769	13 767	13 739	107	120	13 542	0.8	SDN	47.1	0.9	SDN	52.7
2503	Sulphur of all kinds; other than sublimed, precipitated and colloidal sulphur	13 511	13 511	13 511	0	0	13 511	0.0			0.0		
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes	9 843	9 843	9 843	0	0	9 843	0.0			0.0		
2711	Petroleum gases and other gaseous hydrocarbons	9 843	9 843	9 843	0	0	9 843	0.0			0.0		

5.3. Ethiopia

Ethiopia's analysis focuses on COMESA non-FTA utilization rates where the table only illustrates the goods that make up 85 percent of the total dutiable imports, sorted in descending order. The utilization rates of COMESA non-FTA preferences in Ethiopia are at 53.1 percent, slightly above the COMESA non-FTA average at 48.6 percent. The top product in terms of dutiable trade is miscellaneous manufactured articles (HS Chapter 96) amounting to 33 million USD. The UR for this product is 26.1 percent with a significant amount of trade that has not received preferences, totaling 24 million. At a more granular level of which products exhibit these patterns at the HS four-digit level, Table 67 reveals that these products are mainly buttons and fasteners (HS 9606), amounting to

over 21 million of dutiable trade, which are almost entirely received under the MFN rate, indicating there is an opportunity for improvement. Imports of wheat under HS Chapter 11 are primarily supplied from Egypt showing a low utilization rate of 0.3 percent. The analysis reveals a similar low utilization rate for vegetable products (HS Chapter 07), currently at 0.4 percent. It is interesting to note that the main suppliers of goods to Ethiopia among COMESA Member States are Egypt and Kenya. It has to be noted that Ethiopia also has a bilateral FTA with Sudan amounting to a high overall utilization rate of 95.6 percent with a trade flows of 23.8 million USD.

Table 67 Ethiopia: Intra-COMESA Trade (2018)

85% of the dutiable imports from partners, sorted in descending order of dutiable imports by chapters, and by HS headings within the chapter

Product		Values of Imports (in USD thousands)						Utilization Rates (%)					
HS	Description	Dutiable	Covered		Received			COMESA Non-FTA		Bilateral			
			COMESA Non-FTA	Bilateral	COMESA Non-FTA	Bilateral	MFN	Total UR	1st Supplier	Total UR	1st Supplier		
								ISO3	UR		ISO3	UR	
TOTALS FOR ETHIOPIA		259 812	258 580	24 916	137 226	23 822	98 764	53.1			95.6		
96	Miscellaneous manufactured articles	33 136	33 135	0	8 660	0	24 477	26.1	KEN	92.6			
9606	Buttons, press-fasteners, snap-fasteners and press-studs, button moulds and other	21 543	21 543	0	0	0	21 542	0.0	EGY	0.0			
9608	Pens; ball-point, felt tipped, other; fountain, stylograph, duplicating stylos, propellin	5 583	5 582	0	5 166	0	417	92.5	KEN	92.6			
9619	Sanitary towels (pads) and tampons, napkins, liners for babies and similar	4 025	4 025	0	3 419	0	607	84.9	EGY	99.0			
9607	Slide fasteners and parts thereof	1 966	1 966	0	60	0	1 907	3.0	EGY	3.0			
11	Products of the milling industry; malt, starches, inulin, wheat gluten	29 578	29 578	0	86	0	29 492	0.3	EGY	0.3			
1101	Wheat or meslin flour	29 247	29 247	0	0	0	29 247	0.0					
21	Miscellaneous edible preparations	28 377	28 377	19	28 056	19	302	98.9	EGY	99.7	100.0	SDN	100.0
2106	Food preparations not elsewhere specified or included	22 426	22 426	19	22 407	19	0	99.9	EGY	100.0	100.0	SDN	100.0
2102	Yeasts (active or inact.); other single-cell micro-organisms, dead (not incl. Vaccin. no. 3002)	5 019	5 019	0	4 932	0	86	98.3	EGY	99.0			
39	Plastics and articles thereof	17 775	17 709	0	14 674	0	3 100	82.9	EGY	83.6			
3920	Plastics; plates, sheets, film, foil, strip(not self-adhesive); laminated,	4 287	4 287	0	3 428	0	858	80.0	KEN	79.3			
3923	Plastic articles for the conveyance or pack. of goods; stoppers, lids, caps, closures	3 965	3 899	0	3 513	0	452	90.1	KEN	92.9			
3905	Polymers of vinyl acetate or of other vinyl esters; in primary forms	3 664	3 664	0	3 327	0	337	90.8	EGY	90.8			
3909	Amino-resins, phenolic resins and polyurethanes, in primary forms	1 962	1 962	0	1 404	0	559	71.5	EGY	71.5			
07	Vegetables and certain roots and tubers; edible	16 538	16 538	16 128	58	16 128	353	0.4	EGY	99.3	100.0	SDN	100.0
0703	Onions, shallots, garlic, leeks and other all vegetables; fresh or chilled	16 128	16 128	16 128	0	16 128	0	0.0	EGY	100.0	100.0	SDN	100.0
34	Soap, org.surface-active agents; washing, lubricat, polish. or scour;	15 794	15 794	633	14 063	464	1 267	89.0	EGY	89.8	73.2	SDN	73.2
3401	Soap; prep. used as soap, skin wash., in bars, cakes, mould. pieces, shapes, liquid	7 803	7 803	633	6 094	464	1 245	78.1	EGY	85.3	73.2	SDN	73.2
3402	Organic surface-active agents (not soap); , washing and cleaning prep.	5 116	5 116	0	5 093	0	22	99.6	EGY	99.7	100.0	SDN	100.0

Product		Values of Imports (in USD thousands)						Utilization Rates (%)					
HS	Description	Dutiable	Covered		Received			COMESA Non-FTA			Bilateral		
			COMESA Non-FTA	Bilateral	COMESA Non-FTA	Bilateral	MFN	Total UR	1st Supplier		Total UR	1st Supplier	
								IS03	UR		IS03	UR	
TOTALS FOR ETHIOPIA		259 812	258 580	24 916	137 226	23 822	98 764	53.1			95.6		
3405	Polishes, creams, scouring pastes, powders and similar; coated or cover	1 906	1 906	0	1 906	0	0	100.0	KEN	100.0			
90	Optical, photographic, cinematographic, measuring, medical instrum.	9 526	9 526	6	8 085	0	1 441	84.9	EGY	93.2	0.0		
9028	Gas, liquid or electricity supply or product. meters, incl. calibrating meters therefor	8 580	8 580	0	8 054	0	526	93.9	EGY	93.9			
40	Rubber and articles thereof	9 159	9 159	0	6 882	0	2 277	75.1	EGY	75.5			
4011	New pneumatic tyres, of rubber	7 843	7 843	0	6 767	0	1 076	86.3	EGY	86.5			
4016	Articles of vulcanised rubber other than hard rubber, n.e.c. in chapter 40	1 289	1 289	0	112	0	1 176	8.7	EGY	8.1			
33	Essential oils and resinoids; perfumery, cosmetic or toilet preparations	8 366	8 366	343	7 329	343	694	87.6	EGY	91.9	100.0	SDN	100.0
3302	Odoriferous substances and mixtures (incl. Alcoh. solutions), ,	5 262	5 262	16	5 225	16	21	99.3	EGY	99.9	100.0	SDN	100.0
3306	Oral or dental hyg. preparations; incl. fixative pastes, powders; yarn to clean the teeth	2 270	2 270	0	1 689	0	581	74.4	EGY	74.4			
48	Paper and paperboard; articles of paper pulp, of paper or paperboard	7 682	7 671	18	6 318	18	1 347	82.4	EGY	90.6	98.4	SDN	98.4
4803	Tissue, towel, napkin stock,; for household or sanitary uses, cellulose wadding, fibres	3 993	3 993	0	3 838	0	155	96.1	EGY	96.4			
4818	Toilet paper, width 36cm or less or cut to size/shape; handkerchiefs, tissues, towels, etc.	1 469	1 469	0	1 433	0	36	97.6	EGY	97.6			
4819	Cartons, boxes, cases, etc., of paper, paperboard, cellulose wadding, fibres; letter trays	1 232	1 232	7	307	7	917	25.0	EGY	42.2	96.0	SDN	96.0
30	Pharmaceutical products	6 156	6 156	868	1 385	868	3 903	22.5	EGY	47.2	100.0	SDN	100.0
3004	Medicaments; (not of head. no. 3002, 3005, 3006) consist., of products for therapeutic	6 124	6 124	868	1 385	868	3 871	22.6	EGY	47.2	100.0	SDN	100.0
72	Iron and steel	5 666	5 666	0	401	0	5 264	7.1	EGY	7.5			
7207	Iron or non-alloy steel; semi-finished products thereof	3 373	3 373	0	0	0	3 373	0.0					
7214	Iron or non-alloy steel; bars and rods, hot-rolled, hot drawn or hot-extruded,	1 864	1 864	0	352	0	1 511	18.9	EGY	19.4			
15	Animal or vegetable fats and oils, their cleavage products	5 598	5 598	0	5 509	0	89	98.4	EGY	98.9	15.3	SDN	15.3
1512	Sun-flower seed, safflower or cotton-seed oil and their fractions; not chemically modify	4 357	4 357	0	4 345	0	12	99.7	EGY	99.7	15.3	SDN	15.3
85	Electrical machinery, equip. and parts thereof; sound and image rec.	5 239	5 166	5	3 955	0	1 284	76.6	EGY	84.0	3.0	SDN	3.0
8528	Monitors and projectors; reception apparatus for television,	2 441	2 433	0	2 361	0	80	97.0	EGY	98.0	17.5	SDN	17.5
8537	Boards, panels, consoles, desks, cabinets, bases with apparatus of head. no. 8535, 8536	1 172	1 172	0	863	0	309	73.6	EGY	69.4			

Product		Values of Imports (in USD thousands)						Utilization Rates (%)					
HS	Description	Dutiable	Covered		Received			COMESA Non-FTA			Bilateral		
			COMESA Non-FTA	Bilateral	COMESA Non-FTA	Bilateral	MFN	Total UR	1st Supplier		Total UR	1st Supplier	
									IS03	UR		IS03	UR
TOTALS FOR ETHIOPIA		259 812	258 580	24 916	137 226	23 822	98 764	53.1			95.6		
74	Copper and articles thereof	5 099	5 099	0	5 082	0	17	99.7	EGY	99.7			
7408	Copper wire	5 082	5 082	0	5 082	0	0	100.0	EGY	100.0			
17	Sugars and sugar confectionery	4 000	4 000	0	401	0	3 599	10.0	EGY	9.9	93.2	SDN	93.2
1701	Cane or beet sugar and chemically pure sucrose, in solid form	3 587	3 587	0	0	0	3 587	0.0			100.0	SDN	100.0
38	Chemical products n.e.c.	3 835	3 835	6	2 244	6	1 585	58.5	EGY	79.6	100.0	SDN	100.0
3808	Insecticides, rodenticides, fungicides, herbicides, etc., plant growth regulat., disinfectants	2 546	2 546	0	1 521	0	1 025	59.8	EGY	94.3			
70	Glass and glassware	3 699	3 699	0	3 345	0	354	90.4	EGY	96.1			
7010	Carboys, bottles, flasks, jars, pots, phials, ampoules, of glass for the conveyance or pack	2 924	2 924	0	2 710	0	214	92.7	EGY	100.0			
20	Preparations of vegetables, fruit, nuts or other parts of plants	3 499	3 499	315	2 867	315	317	81.9	EGY	90.0	100.0	SDN	100.0
2009	Fruit juices (incl. grape must), vegetable juices, unfermented, not containi. added spirit;	2 264	2 264	157	1 928	157	179	85.2	EGY	91.5	100.0	SDN	100.0
28	Inorganic chemicals; compounds of prec. metals; of rare earth metals	3 362	3 362	0	2 466	0	896	73.4	EGY	76.1			
2803	Carbon; carbon blacks and other forms of carbon n.e.c.	1 921	1 921	0	1 921	0	0	100.0	EGY	100.0			

5.4. Madagascar

Madagascar is a member of COMESA, IOC, and SADC. Because of this, Table 68 includes more granular information on utilization rates for the arrangements mentioned above. The case of Madagascar clearly shows a different trend since the imports from COMESA partner countries under different preferential schemes of which Madagascar is a member show very low utilization rates of the preferential trade regimes with 16.8 percent for COMESA, 4.6 percent for SADC and 2.3 percent for IOC. This low URs calls for further analysis at the national and regional level to better understand the reasons for such low rates to identify the specific causes and establish a course of action leading to increased utilization rates.

Imports of fabrics (HS Chapter 60), cotton products (HS Chapter 52), plastics (HS Chapter 39) and paper and parboard (HS Chapter 48) show either zero or extremely low utilization rates under all of the three PTAs while other imports into Madagascar from COMESA partners which are wholly obtained products are showing higher utilization rates. For example, wheat (HS Heading 1101) mostly imported from Egypt has 83.5 percent utilization rate under COMESA.

Table 68 Madagascar: Intra-COMESA Trade (2018)
98% of the dutiable imports from partners, sorted in descending order of dutiable imports by chapters, and by HS headings within the chapter

HS	Product Description	Values of imports (in USD thousands)										Utilization Rates (%)											
		Covered					Received					COMESA			SADC			IOC					
		Dutiable	COMESA	SADC	IOC	Total UR	COMESA	SADC	IOC	MFN	Total UR	COMESA	SADC	IOC	Total UR	COMESA	SADC	IOC	Total UR	COMESA	SADC	IOC	
	TOTALS FOR MADAGASCAR	197 888	71 795	183 325	58 626	12 034	8 362	1 364	174 575	16.8	4.6	2.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
60	Fabrics: knitted or crocheted	21 952	21 952	21 952	21 952	0	0	12	21 940	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
6006	Fabrics; knitted or crocheted fabrics, other than those of headings 60.01 to 60.04	14 480	14 480	14 480	14 480	0	0	12	14 469	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1
6001	Fabrics; pile fabrics, including long pile fabrics and terry fabrics, knitted or cr	6 854	6 854	6 854	6 854	0	0	0	6 854	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
52	Cotton	17 536	17 536	17 160	17 160	0	0	0	17 536	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5208	Woven fabrics of cotton, containing 85% or more by weight of cotton, weighing not m	14 689	14 689	14 686	14 686	0	0	0	14 689	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
11	Products of the milling industry; malt, starches, inulin, wheat gluten	4 554	4 554	393	393	3 802	0	0	752	83.5	91.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1101	Wheat or meslin flour	4 554	4 554	393	393	3 802	0	0	752	83.5	91.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
39	Plastics and articles thereof	3 461	3 461	2 942	2 942	837	9	457	2 157	24.2	25.7	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
3923	Plastic articles for the conveyance or packing of goods; stoppers, lids, caps and o	1 503	1 503	1 373	1 373	647	0	153	703	43.0	46.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.1
19	Preparations of cereals, flour, starch or milk; pastrycooks' products	2 371	2 371	595	595	1 919	252	0	199	81.0	93.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1902	Pasta; whether or not cooked or stuffed with meat or other substance, or otherwise	2 369	2 369	593	593	1 919	252	0	197	81.0	94.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
48	Paper and paperboard; articles of paper pulp, of paper or paperboard	1 921	1 921	1 784	1 784	126	0	91	1 704	6.6	99.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.1
4821	Paper or paperboard labels of all kinds, whether or not printed	820	820	812	812	0	0	6	814	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.8
58	Fabrics: special woven fabrics, tufted textile fabrics, lace, tapestries, trimmings	1 724	1 724	1 723	1 723	0	0	0	1 724	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5807	Labels, badges and similar articles; of textile materials, in the piece, in strips	747	747	746	746	0	0	0	747	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
49	Printed books, newspapers, pictures and other products of the printing industry; ma	1 524	1 524	1 518	1 518	0	0	11	1 512	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7
4911	Printed matter, n.e.c., including printed pictures and photographs	1 522	1 522	1 516	1 516	0	0	11	1 511	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7

HS	Product Description	Values of Imports (in USD thousands)										Utilization Rates (%)														
		Covered					Received					COMESA					SADC					IOC				
		Dutiable	COMESA	SADC	IOC	MFN	COMESA	SADC	IOC	MFN	Total UR	1st Supplier IS03	UR	Total UR	1st Supplier IS03	UR	Total UR	1st Supplier IS03	UR	Total UR	1st Supplier IS03	UR				
TOTALS FOR MADAGASCAR																										
09	Coffee, tea, mate and spices	197 888	71 795	183 325	58 626	12 034	8 362	1 364	174 575	16.8			4.6			2.3										
0901	Coffee, whether or not roasted or decaffeinated; husks and skins; coffee substitute	1 521	1 521	6	6	1 348	3	0	170	88.6	UGA	100.0	51.2	MUS	51.2	0.0										
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	1 425	1 415	1 120	1 103	63	0	0	1 362	4.4	EGY	98.0	0.0			0.0										
8471	Automatic data processing machines and units thereof, magnetic or optical readers,	209	209	198	198	0	0	0	209	0.0			0.0			0.0										
32	Tanning or dyeing extracts; tannins and their derivatives; dyes, pigments and other	1 300	1 300	323	323	879	0	0	421	67.6	EGY	90.1	0.0			0.0										
3209	Paints and varnishes (including enamels and lacquers) based on synthetic or chemical	512	512	36	36	476	0	0	36	92.9	EGY	100.0	0.0			0.0										
85	Electrical machinery and equipment and parts thereof; sound recorders and reproduce	1 154	1 115	1 024	1 024	53	0	0	1 101	4.7	EGY	67.8	0.0			0.0										
	Insulated wire, cable and other electric conductors, connector fitted or not; optic	431	431	412	412	0	0	0	431	0.0			0.0			0.0										
33	Essential oils and resinoids; perfumery, cosmetic or toilet preparations	1 140	1 140	1 125	9	1 131	0	0	9	99.2	SWZ	100.0	0.0			0.0										
3302	Odoriferous substances and mixtures (including alcoholic solutions), with a basis of	1 116	1 116	1 116	0	1 116	0	0	0	100.0	SWZ	100.0	0.0			0.0										
73	Iron or steel articles	1 037	650	535	535	461	0	0	576	70.9	EGY	100.0	0.0			0.0										
7317	Nails, tacks, drawing pins, corrugated nails, staples (not those of heading no. 830)	461	461	0	0	461	0	0	0	100.0	EGY	100.0														
34	Soap, organic surface-active agents; washing, lubricating, polishing or scouring pr	1 006	1 005	703	703	350	0	133	522	34.9	EGY	98.4	0.0			19.0	MUS	19.0								
3403	Lubricating preparations and those used in oil or grease treatment of textile and s	493	493	493	493	0	0	0	493	0.0			0.0			0.0										

5.5. Malawi

Malawi is a member of COMESA and SADC, and thus, the table reflects their utilization rates.⁸⁵ Table 69 shows a rather important message about the difference in utilization rates among different RECs. It has to be noted that the utilization rate of imports for Malawi from COMESA partners is substantially higher at 87.9 percent than for SADC partners, which shows a lower rate of 35.6 percent. The imports from partners are rather diversified among different categories of products. Portland cement, the main product imported in Chapter 25, is mostly sourced from Zambia under the COMESA trade regime with a relatively high overall product utilization rate for HS 2523 of 88.4 percent. A similar observation also holds for tobacco products of HS Chapter 24 which are also mostly imported from Zambia with an overall utilization rate from COMESA partners for HS 2401 is as high as 97.3 percent. It is worth noting that when the traders can use either the COMESA or the SADC trade regimes, they often prefer the COMESA option.

Table 69 Malawi: Intra-COMESA Trade (2018)

85% of the dutiable imports from partners, sorted in descending order of dutiable imports by chapters, and by HS headings within the chapter

Product		Values of Imports (in USD thousands)						Utilization Rates (%)					
HS	Description	Dutiable	Covered		Received			COMESA			SADC		
			COMESA	SADC	COMESA	SADC	MFN	Total UR	1st Supplier		Total UR	1st Supplier	
									IS03	UR		IS03	UR
TOTALS FOR MALAWI		517 526	137 970	185 770	121 303	66 073	126 938	87.9			35.6		
25	Salt; sulphur; earths, stone; plastering materials, lime and cement	25 799	25 799	25 286	22 742	75	2 982	88.2	ZMB	94.2	0.3	ZMB	0.3
2523	Portland cement, aluminous cement (ciment fondu), slag cement, supersulphate cement	22 139	22 139	21 626	19 577	0	2 561	88.4	ZMB	93.6	0.0		
2522	Quicklime, slaked lime and hydraulic lime; other than calcium oxide and hydroxide o	2 986	2 986	2 986	2 923	55	8	97.9	ZMB	98.1	1.8	ZMB	1.9
24	Tobacco and manufactured tobacco substitutes	25 166	25 165	23 089	24 474	0	693	97.3	ZMB	97.0	0.0		
2401	Tobacco, unmanufactured; tobacco refuse	23 091	23 090	23 089	22 399	0	693	97.0	ZMB	97.0	0.0		
2402	Cigars, cheroots, cigarillos and cigarettes; of tobacco or of tobacco substitutes	2 075	2 075	0	2 075	0	0	100.0	KEN	100.0	0.0		
72	Iron and steel	11 372	11 372	9 967	11 253	67	52	99.0	ZMB	99.1	0.7	ZMB	0.5
7214	Iron or non-alloy steel; bars and rods, not further worked than forged, hot-rolled,	6 312	6 312	5 393	6 288	0	23	99.6	ZMB	99.6	0.0		
7216	Iron or non-alloy steel, angles, shapes and sections	4 083	4 083	3 741	4 063	20	0	99.5	ZMB	99.5	0.5	ZMB	0.5
17	Sugars and sugar confectionery	10 407	10 404	6 329	10 143	253	11	97.5	ZMB	96.5	4.0	ZMB	3.4
1704	Sugar confectionery (including white chocolate), not containing cocoa	9 700	9 700	5 625	9 657	39	5	99.6	ZMB	99.9	0.7	ZWE	85.5
34	Soap, org.surface-active agents; washing, lubricat., polish. or scour.;	10 202	10 202	5 774	10 190	7	4	99.9	ZMB	99.9	0.1	ZMB	0.1
3402	Organic surface-active agents (not soap); surface-active, washing (including auxilli	7 901	7 901	5 443	7 900	0	1	100.0	ZMB	100.0	0.0		

⁸⁵ It has to be noted that trade under COMESA non-FTA, which amount to a total utilization rate of 3.5 percent and are mainly composed of jams and jellies, is not included in table 69.

The Utilization of Trade Preferences by COMESA Member States
Intra-regional Trade and North South Trade

Product		Values of Imports (in USD thousands)						Utilization Rates (%)					
HS	Description	Dutiable	Covered		Received			COMESA			SADC		
			COMESA	SADC	COMESA	SADC	MFN	Total UR	1st Supplier		Total UR	1st Supplier	
									IS03	UR		IS03	UR
TOTALS FOR MALAWI		517 526	137 970	185 770	121 303	66 073	126 938	87.9			35.6		
48	Paper and paperboard; articles of paper pulp, of paper or paperboard	8 359	8 356	6 352	7 778	484	97	93.1	ZWE	99.4	7.6	ZMB	96.1
4808	Paper and paperboard, corrugated (with or without glued flat surface sheets), crepe	4 586	4 586	4 586	4 586	0	0	100.0	ZWE	100.0	0.0		
21	Miscellaneous edible preparations	5 125	5 125	1 239	5 091	18	16	99.3	EGY	99.9	1.5	ZMB	1.5
2102	Yeasts (active or inactive); other single-cell micro-organisms, dead (but not inclu	4 342	4 342	780	4 342	0	0	100.0	EGY	100.0	0.0		
15	Animal or vegetable fats and oils, their cleavage products;	4 240	4 239	757	3 464	451	324	81.7	KEN	93.0	59.6	ZWE	58.5
1517	Margarine; edible mixtures or preparations of animal or vegetable fats or oils or o	2 955	2 955	142	2 945	0	11	99.7	KEN	100.0	0.0		
85	Electrical machinery, equip. and parts thereof; sound and image rec.;	3 543	3 526	2 143	2 828	25	690	80.2	ZWE	93.2	1.2	ZWE	1.3
8507	Electric accumulators, including separators therefor; whether or not rectangular (i	1 987	1 987	1 043	1 841	0	146	92.7	ZWE	100.0	0.0		
73	Iron or steel articles	3 525	3 519	3 032	3 188	33	304	90.6	ZWE	98.6	1.1	ZWE	1.0
7308	Structures of iron or steel and parts thereof; plates, rods, angles, shapes, sectio	2 537	2 537	2 425	2 501	0	36	98.6	ZWE	99.9	0.0		
19	Preparations of cereals, flour, starch or milk; pastrycooks' products	3 481	3 481	1 413	1 721	6	1 754	49.4	ZMB	95.7	0.4	ZMB	0.6
1901	Malt extract; flour/groats/meal/ starch/malt extract products, no cocoa (or less tha	1 881	1 881	17	164	0	1 717	8.7	EGY	100.0	0.0		
22	Beverages, spirits and vinegar	3 470	3 432	1 360	2 561	696	214	74.6	ZMB	81.7	51.2	ZMB	41.5
2202	Waters, incl. mineral and aerated waters, containing sugar or sweetening	3 172	3 133	1 079	2 544	421	207	81.2	ZMB	81.8	39.0	ZMB	41.6
39	Plastics and articles thereof	3 086	3 082	1 070	2 259	50	777	73.3	KEN	93.0	4.7	ZMB	13.1
3920	Plastics; plates, sheets, film, foil and strip (not self-adhesive); non-cellular an	1 234	1 234	409	655	0	579	53.1	KEN	91.6	0.0		
63	Textiles, made up articles; sets; worn clothing and worn textile articles; rags	1 829	1 829	901	1 738	0	90	95.1	ZMB	97.5	0.0		
6305	Sacks and bags, of a kind used for the packing of goods	704	704	704	696	0	8	98.8	ZMB	98.9	0.0		

5.6. Mauritius

Mauritius is granting preferences to products originating in COMESA, SADC and IOC Member States. Table 70 shows utilization rates for Mauritius as an importer under the COMESA and IOC trade regimes given that the SADC Protocol appears not to be utilized for products exported from COMESA Member States when exporting to Mauritius. Overall, the utilization rate is relatively high for COMESA at 70.7 percent and much lower for IOC at 15.2 percent. The main partners of Mauritius, as observed from Table 70, are Egypt and Kenya. It is interesting to observe the fluctuations of the utilization rates among the countries for the different products: Egypt shows a utilization of 84 percent for fats and oils of HS Chapter 15, a rate of 97.7 for soap products of HS Chapter 34 and a rate of 56.6 percent for iron and steel products of HS Chapter 72 while Kenya shows a utilization rate of 93.0 percent for products in HS Chapter 09 (coffee, tea, mate and spices) and full utilization for products classified in HS Chapter 22 (Beverages, spirits and vinegar).

Table 70 Mauritius: Intra-COMESA Trade (2018)

98% of the dutiable imports from partners, sorted in descending order of dutiable imports by chapters, and by HS headings within the chapter

Product		Values of Imports (in USD thousands)						Utilization Rates (%)					
HS	Description	Dutiable	Covered		Received			COMESA			IOC		
			COMESA	IOC	COMESA	IOC	MFN	Total UR	1st Supplier		Total UR	1st Supplier	
									IS03	UR		IS03	UR
TOTALS FOR MAURITIUS		54 011	19 520	1 806	13 810	274	5 441	70.7			15.2		
15	Animal or vegetable fats and oils; prepared animal fats	11 544	11 544	0	9 694	0	1 849	84.0	EGY	84.0			
1507	Soya-bean oil and its fractions; not chemically modified	8 383	8 383	0	6 613	0	1 769	78.9	EGY	78.9			
1512	Sun-flower seed, safflower or cotton-seed oil and fractions;	2 702	2 702	0	2 622	0	80	97.0	EGY	97.0			
09	Coffee, tea, mate and spices	2 493	2 493	1 432	985	1	1 507	39.5	KEN	93.0	0.0	MDG	0.0
0905	Vanilla	1 430	1 430	1 430	0	0	1 430	0.0			0.0		
34	Soap, organic surface-active agents; washing, lubricating, polishing	1 608	1 608	21	1 571	0	37	97.7	EGY	99.7	0.0		
3402	Organic surface-active agents (not soap); surface-active,	1 243	1 243	21	1 217	0	27	97.9	EGY	100.0	0.0		
72	Iron and steel	1 153	1 153	0	652	0	501	56.6	EGY	56.6			
7213	Iron or non-alloy steel; bars and rods, hot-rolled, in irregularly wound coils	1 153	1 153	0	652	0	501	56.6	EGY	56.6			
33	Essential oils and resinoids; perfumery, cosmetic or toilet	870	870	0	269	0	601	30.9	EGY	32.2			
3306	Oral or dental hygiene preparations; fixative pastes and powders;	870	870	0	269	0	601	30.9	EGY	32.2			
22	Beverages, spirits and vinegar	418	418	1	417	0	1	99.7	KEN	100.0	0.0		
2202	Waters, including mineral and aerated waters, added sugar or sweetening	417	417	0	417	0	0	100.0	KEN	100.0	0.0		
32	Tanning or dyeing extracts; tannins; dyes, pigments and other	355	355	1	8	0	346	2.4	EGY	2.4	0.0		
3208	Paints, varnishes; (enamels and lacquers), based on polymers,	355	355	1	8	0	346	2.4	EGY	2.4	0.0		
17	Sugars and sugar confectionery	239	239	0	0	0	239	0.0					
1701	Cane or beet sugar and chemically pure sucrose, in solid form	239	239	0	0	0	239	0.0					

Product		Values of Imports (in USD thousands)					Utilization Rates (%)						
HS	Description	Dutiable	Covered		Received			COMESA			IOC		
			COMESA	IOC	COMESA	IOC	MFN	Total UR	1st Supplier		Total UR	1st Supplier	
								IS03	UR		IS03	UR	
TOTALS FOR MAURITIUS		54 011	19 520	1 806	13 810	274	5 441	70.7			15.2		
39	Plastics and articles thereof	225	221	55	11	0	213	5.1	KEN	100.0	0.3	MDG	0.4
3917	Tubes, pipes and hoses and fittings thereof (for example, joints, elbows, flanges),	202	202	48	3	0	198	1.7	EGY	2.3	0.0		
63	Textiles, made up articles; sets; worn clothing and articles;	152	152	25	35	25	93	22.9	EGY	28.3	99.2	MDG	99.2
6302	Bed linen, table linen, toilet linen and kitchen linen	139	139	25	24	25	90	17.0	EGY	21.2	100.0	MDG	100.0
46	Manufactures of straw, esparto, other plaiting mat.; basketware etc.	141	141	141	0	141	1	0.1	KEN	100.0	99.8	MDG	99.8
4602	Basketwork, wickerwork, other, made to shape from plaiting mat	141	141	141	0	141	1	0.1	KEN	100.0	99.8	MDG	99.8

5.7. Rwanda

Rwanda is a member of COMESA and EAC, and thus, the table includes both utilization rates. Similar to the previous analyses, for a concise representation of the trade dynamics, only 85 percent of the dutiable imports from partners are shown and the table lists the dutiable products by HS chapter in descending order. Table 71 shows a utilization rate as high as 83.7 percent for EAC, compared to a very low value of 7.3 percent for the COMESA regime, indicating that the EAC regime is the preferred scheme for imports of Rwanda. The majority of trade is being given EAC treatment even if there are significant pockets of underutilization that remain to be investigated for an opportunity to improve the utilization rates further. It has to be noted that the overall utilization of Rwanda of COMESA non-FTA partners amount to 11.7 percent.

Table 71 Rwanda: Intra-COMESA Trade (2018)

85% of the dutiable imports from partners, sorted in descending order of dutiable imports by chapters, and by HS headings within the chapter

Product		Values of Imports (in USD thousands)					Utilization Rates (%)						
HS	Description	Dutiable	Covered		Received			COMESA			EAC		
			COMESA	EAC	COMESA	EAC	MFN	Total UR	1st Supplier		Total UR	1st Supplier	
								IS03	UR		IS03	UR	
TOTALS FOR RWANDA		445 312	348 089	410 757	25 328	343 784	75 899	7.3			83.7		
17	Sugars and sugar confectionery	38 377	38 377	12 309	22 821	11 153	4 404	59.5	ZMB	55.3	90.6	KEN	56.5
1701	Cane or beet sugar and chemically pure sucrose, in solid form	30 306	30 306	4 416	22 643	4 346	3 316	74.7	ZMB	70.1	98.4	UGA	94.8
1704	Sugar confectionery (including white chocolate), not containing cocoa	8 071	8 071	7 893	177	6 806	1 087	2.2	EGY	2.2	86.2	KEN	86.0
10	Cereals	29 818	29 818	26 838	2 282	25 160	2 376	7.7	ZMB	7.4	93.7	UGA	88.0
1005	Maize (corn)	24 181	24 181	21 293	2 193	19 618	2 370	9.1	ZMB	9.1	92.1	UGA	84.9
1007	Grain sorghum	5 573	5 573	5 484	89	5 482	2	1.6	ZAR	1.6	100.0	UGA	100.0
25	Salt; sulphur; earths, stone; plastering materials, lime and cement	28 620	28 620	28 493	127	28 252	242	0.4	EGY	0.4	99.2	UGA	72.0
2523	Portland cement, aluminous cement, slag cement, supersulphate and similar	20 932	20 932	20 932	0	20 896	36	0.0			99.8	UGA	97.2
2501	Salt (including table salt and denatured salt); pure sodium; sea water	7 202	7 202	7 149	53	6 982	167	0.7	EGY	0.7	97.7	KEN	95.6

Product		Values of Imports (in USD thousands)						Utilization Rates (%)					
HS	Description	Dutiable	Covered		Received			COMESA			EAC		
			COMESA	EAC	COMESA	EAC	MFN	Total UR	1st Supplier		Total UR	1st Supplier	
									IS03	UR		IS03	UR
TOTALS FOR RWANDA		445 312	348 089	410 757	25 328	343 784	75 899	7.3			83.7		
34	Soap, organic surface-active agents; candles and similar	25 411	25 411	24 808	494	19 038	5 878	1.9	EGY	1.9	76.7	UGA	59.9
3401	Soap; organic surface-active prep., in bars, cakes, moulded pieces, liquid;	17 815	17 815	17 381	432	14 344	3 039	2.4	EGY	2.4	82.5	UGA	74.0
3402	Organic surface-active agents (not soap); washing, cleaning, excl. 3401	6 895	6 895	6 841	0	4 110	2 786	0.0			60.1	KEN	31.1
72	Iron and steel	22 592	22 592	22 546	23	20 799	1 770	0.1	EGY	0.1	92.2	UGA	58.7
7214	Iron or non-alloy steel; bars and rods, not further, than forged, hot-rolled, drawn or extruded	9 824	9 824	9 824	0	9 220	604	0.0			93.8	UGA	54.2
7210	Iron or non-alloy steel; flat-rolled products, width 600mm or more	8 822	8 822	8 799	23	8 448	351	0.3	EGY	0.3	96.0	UGA	72.6
7216	Iron or non-alloy steel, angles, shapes and sections	2 094	2 094	2 094	0	1 911	183	0.0			91.3	KEN	54.7
15	Animal or vegetable fats and oils and their cleavage products;	22 514	22 514	21 385	830	11 568	10 116	3.7	EGY	3.7	54.1	UGA	34.6
1516	Animal or vegetable fats and oils and their fractions; hydrogenated, inter-esterif., re-esterif.	12 311	12 311	12 310	0	4 932	7 379	0.0			40.1	UGA	24.3
1512	Sun-flower seed, safflower or cotton-seed oil and their fractions; not chemically modify	5 181	5 181	4 230	661	3 858	662	12.8	EGY	12.8	91.2	UGA	91.0
1511	Palm oil and its fractions; whether or not refined, but not chemically modified	2 192	2 192	2 191	0	463	1 728	0.0			21.2	KEN	16.8
1517	Margarine; edible mixtures or preparations of fats or oils or	2 075	2 075	2 075	0	1 798	277	0.0			86.6	KEN	86.6
48	Paper and paperboard; articles of paper pulp, of paper or paperboard	20 366	20 366	16 366	3 341	7 251	9 774	16.4	EGY	16.4	44.3	KEN	30.1
4819	Cartons, boxes, cases bags and the like, of paper, paperboard, cellulose or fibres;	6 682	6 682	6 672	0	1 178	5 504	0.0	EGY	0.0	17.7	UGA	9.1
4820	Registers, account books, diaries and similar; albums, of paper or paperboard	5 897	5 897	5 897	0	4 336	1 561	0.0			73.5	KEN	66.2
4802	Uncoated paper and paperboard, used for graph., non perf. punch-cards and punch tap	3 060	3 060	69	2 868	22	170	93.7	EGY	93.7	31.8	KEN	31.8
39	Plastics and articles thereof	17 825	17 825	16 125	511	14 243	3 072	2.9	EGY	2.9	88.3	KEN	50.5
3923	Plastic articles for the conveyance or packing; stoppers, lids, caps, other	7 076	7 076	7 073	0	6 213	863	0.0	EGY	0.0	87.8	UGA	35.2
3924	Tableware, kitchenware, other household articles and hygienic or toilet articles	3 517	3 517	3 484	1	3 389	127	0.0	EGY	0.0	97.3	KEN	77.5
3917	Tubes, pipes and hoses and fittings thereof (for ex., joints, elbows, flanges), of plastics	3 104	3 104	3 102	0	2 965	139	0.0	EGY	0.0	95.6	KEN	53.3
33	Essential oils and resinoids; perfumery, cosmetic or toilet preparations	16 490	16 490	8 408	123	7 481	8 886	0.7	EGY	0.7	89.0	UGA	50.9
3302	Odoriferous substances and mixtures (including alcoholic solutions)	7 841	7 841	139	0	25	7 817	0.0			17.9	KEN	14.8
3304	Cosmetic and toilet preparations; make-up and skin care, manicure or pedicure	6 123	6 123	5 894	48	5 229	846	0.8	EGY	0.8	88.7	UGA	53.6
3305	Hair preparations; for use on the hair	2 163	2 163	2 123	39	2 026	98	1.8	EGY	1.8	95.4	UGA	51.3

The Utilization of Trade Preferences by COMESA Member States
Intra-regional Trade and North South Trade

Product		Values of Imports (in USD thousands)						Utilization Rates (%)					
HS	Description	Dutiable	Covered		Received			COMESA			EAC		
			COMESA	EAC	COMESA	EAC	MFN	Total UR	1st Supplier		Total UR	1st Supplier	
									IS03	UR		IS03	UR
TOTALS FOR RWANDA		445 312	348 089	410 757	25 328	343 784	75 899	7.3			83.7		
73	Iron or steel articles	14 000	14 000	13 648	164	12 025	1 811	1.2	EGY	1.2	88.1	UGA	61.2
7306	Iron or steel (excl. cast iron); tubes, pipes and hollow profiles, n.e.c. in chapter 73	5 895	5 895	5 895	0	5 269	625	0.0			89.4	UGA	63.2
7317	Nails, tacks, drawing pins, corrugated nails, staples (not of no. 8305) and the like	2 394	2 394	2 394	0	2 390	4	0.0			99.8	UGA	90.6
7308	Structures of iron or steel and parts; plates, rods, angles, shapes, sections, tubes,	1 916	1 916	1 797	0	1 592	323	0.0			88.6	UGA	45.3
03	Fish and crustaceans, molluscs and other aquatic invertebrates	13 335	13 335	13 303	0	13 245	90	0.0	EGY	0.0	99.6	UGA	98.3
0305	Fish, dried, salted or in brine; smoked fish, flours, meals and pellets, fit for cons.	11 751	11 751	11 720	0	11 681	71	0.0			99.7	UGA	99.5
64	Footwear; gaiters and the like; parts of such articles	12 428	12 428	12 385	40	10 864	1 525	0.3	EGY	0.3	87.7	KEN	67.3
6402	Footwear; with outer soles and uppers of rubber or plastics (excl. waterproof)	9 327	9 327	9 326	0	8 179	1 147	0.0			87.7	KEN	61.8
6401	Footwear; waterproof, with outer soles and uppers of rubber or plastics,	1 987	1 987	1 987	0	1 914	73	0.0			96.3	KEN	95.8
22	Beverages, spirits and vinegar	10 370	6 751	10 283	1	6 342	4 028	0.0	EGY	0.0	61.7	UGA	52.1
2208	Ethyl alcohol, undenatured; of an alc. strength less than 80% vol.; spirits, liqueurs and other	4 159	4 159	4 136	0	4 109	50	0.0			99.3	UGA	93.8
2202	Waters, incl. mineral and aerat., flavoured; other non-alcohol	3 761	142	3 760	1	185	3 576	0.4	EGY	0.3	4.9	UGA	3.1
11	Products of the milling industry; malt, starches, inulin, wheat gluten	9 972	9 972	9 972	0	8 853	1 119	0.0			88.8	UGA	88.5
1102	Cereal flours; other than of wheat or meslin	9 949	9 949	9 949	0	8 843	1 106	0.0			88.9	UGA	88.7
07	Vegetables and certain roots and tubers; edible	8 420	8 420	8 321	99	8 042	279	1.2	ZAR	1.2	96.6	UGA	96.4
0714	Manioc, arrowroot, salep, Jerusalem artichokes, roots and tubers	4 462	4 462	4 462	1	4 460	1	0.0	ZAR	0.0	100.0	UGA	100.0
0701	Potatoes; fresh or chilled	2 295	2 295	2 294	1	2 292	2	0.0	ZAR	0.0	99.9	UGA	99.9
21	Miscellaneous edible preparations	7 688	7 688	4 783	2 345	4 258	1 086	30.5	EGY	30.5	89.0	KEN	79.9
2102	Yeasts (active or inactive); other single-cell micro-organisms, dead (but not incl. no. 3002)	3 281	3 281	1 170	2 102	879	301	64.1	EGY	64.1	75.1	KEN	75.1
2103	Sauces and prepar. therefor; mixed, mustard flour,	2 284	2 284	2 025	243	1 923	118	10.6	EGY	10.6	95.0	KEN	94.5
2106	Food preparations not elsewhere specified or included	2 029	2 029	1 494	0	1 367	663	0.0			91.5	KEN	62.9
32	Tanning or dyeing extracts	6 622	6 622	5 668	723	5 250	648	10.9	EGY	10.9	92.6	KEN	54.2
3208	Paints, varnishes; (enamels and lacquers) based on synth. polym. or modif. natural polymers,	2 467	2 467	2 184	224	2 114	130	9.1	EGY	9.1	96.8	UGA	96.7
44	Wood and articles of wood; wood charcoal	6 390	6 371	5 090	10	4 989	1 391	0.2	ZWE	0.1	98.0	UGA	97.5
4412	Plywood, veneered panels and similar laminated wood	2 537	2 537	2 409	0	2 390	148	0.0			99.2	UGA	99.2
4411	Fibreboard of wood or other ligneous materials	2 470	2 470	2 470	0	2 449	21	0.0			99.1	UGA	99.0

Product		Values of Imports (in USD thousands)						Utilization Rates (%)					
HS	Description	Dutiable	Covered		Received			COMESA			EAC		
			COMESA	EAC	COMESA	EAC	MFN	Total UR	1st Supplier		Total UR	1st Supplier	
									IS03	UR		IS03	UR
TOTALS FOR RWANDA		445 312	348 089	410 757	25 328	343 784	75 899	7.3			83.7		
76	Aluminium and articles thereof	5 323	5 323	5 312	2	4 206	1 114	0.0	EGY	0.0	79.2	UGA	45.9
7615	Aluminium; table, kitchen or other household, sanitary and parts thereof	1 267	1 267	1 258	1	973	293	0.1	EGY	72.6	77.3	KEN	90.4
08	Fruit and nuts, edible; peel of citrus fruit or melons	5 070	5 070	4 743	114	4 725	230	2.3	EGY	2.3	99.6	UGA	99.5
0805	Citrus fruit; fresh or dried	2 802	2 802	2 492	108	2 487	207	3.8	EGY	3.8	99.8	UGA	99.8
85	Electrical machinery, and equipment, and parts thereof; television image	4 620	4 620	3 824	268	1 711	2 642	5.8	EGY	4.2	44.7	KEN	43.4
8544	Insulated wire, cable and other electric conductors; optical fibre cables	2 247	2 247	1 842	200	1 473	574	8.9	EGY	5.5	79.9	KEN	79.7

5.8. Seychelles

Seychelles is granting preferences to products originating in COMESA, SADC and IOC Member States. Table 72 only shows utilization rates of the COMESA trade regime as the SADC Protocol and IOC appear not to be utilized in the case of Seychelles. The overall utilization rate of the COMESA trade regime is 69.5 percent with significant fluctuations across products. While utilization rates for vegetables (HS Chapter 07), fruits and nuts (HS Chapter 8) and beverages (HS Chapter 22) are very high at 95.9 percent, 92.2 percent and 94.5 percent, respectively, they are very low at 0.4 percent for textiles and worn clothing and worn textile articles (HS Chapter 63) and zero for tanning or dyeing extracts (HS Chapter 32). Further detailed research and analysis should investigate the reasons for such underutilization.

Table 72 Seychelles: Intra-COMESA Trade (2018)

85% of the dutiable imports from partners, sorted in descending order of dutiable imports by chapters, and by HS headings within the chapter

Product		Values of Imports (in USD thousands)				Utilization Rates (%)			
HS	Description	Dutiable	Covered		Received		COMESA		
			COMESA	COMESA	MFN	Total UR	1st Supplier		
							IS03	UR	
TOTALS FOR SEYCHELLES		18 348	6 276	4 362	11 113	69.5			
07	Vegetables and certain roots and tubers; edible	2 060	2 060	1 975	85	95.9	EGY	96.4	
0709	Vegetables; n.e.c. in chapter 07, fresh or chilled	1 303	1 303	1 256	47	96.4	EGY	96.5	
08	Fruit and nuts, edible; peel of citrus fruit or melons	1 924	1 924	1 775	149	92.2	EGY	98.2	
0807	Melons (including watermelons) and papaws (papayas); fresh	542	542	531	11	98.0	EGY	98.0	
22	Beverages, spirits and vinegar	845	261	247	598	94.5	EGY	95.0	
2202	Waters, including mineral and aerated waters, containing added sugar or sweetening	404	261	247	157	94.5	EGY	95.0	
32	Tanning or dyeing extracts; tannins and their derivatives; dyes, pigments and other	699	699	0	699	0.0			
3208	Paints, varnishes; (enamels and lacquers) based on synthetic polymers or chemically	500	500	0	500	0.0			
63	Textiles, made up articles; sets; worn clothing and worn textile articles; rags	665	665	3	663	0.4	EGY	38.0	
6302	Bed linen, table linen, toilet linen and kitchen linen	414	414	2	412	0.5	EGY	38.5	

5.9. Sudan

Sudan is granting preferences to products originating in COMESA and GAFTA Member States. Table 73 only shows utilization rates for COMESA as the GAFTA trade regime does not appear to be utilized. Utilization rates under the COMESA trade regime are overall relatively low at 34.7 percent. The products registering high utilization of the COMESA trade regime are coffee, tea, mate, and spice (HS Chapter 09), glass products (HS Chapter 70) and tobacco (HS Chapter 24), showing high total utilization rates of 98, 88.5 and 99.5 percent, respectively. Conversely, other manufactured products like textiles, worn clothing and worn textile articles (HS Chapter 63), mineral fuels and oils (HS Chapter 27), and furniture (HS Chapter 94) from Egypt are all showing extremely low utilization rates of 1.1 percent, 0.1 percent, and 0.4 percent, respectively. In addition, imports of plastics and article thereof (Chapter 39) have a low utilization rate of 10.3 percent with 61 million paying MFN duties. Further analysis is needed to determine the reasons for this, as there is a potential opportunity to improve these low utilization rates. It has been that Sudan records an overall utilization rate of COMESA non-FTA amounting to 58.3 percent while Sudan is recording no utilization of the the bilateral trade agreement with Ethiopia.

Table 73 Sudan: Intra-COMESA Trade (2018)

85% of the dutiable imports from partners, sorted in descending order of dutiable imports by chapters, and by HS headings within the chapter

Product		Values of Imports (in USD thousands)				Utilization Rates (%)		
HS	Description	Dutiable	Covered	Received		COMESA		
			COMESA	COMESA	MFN	Total UR	1st Supplier	UR
TOTALS FOR SUDAN		588 061	551 747	191 553	377 431	34.7		
09	Coffee, tea, mate and spices	101 729	101 240	99 235	2 494	98.0	KEN	96.6
0902	Tea	56 843	56 843	55 059	1 785	96.9	KEN	96.6
0901	Coffee, husks and skins; coffee substitutes	44 164	44 162	44 002	162	99.6	UGA	99.7
39	Plastics and articles thereof	68 080	67 317	6 965	61 116	10.3	EGY	10.4
3923	Plastic articles for the conveyance or packing; stoppers, lids, caps, other	21 308	21 162	87	21 221	0.4	EGY	0.4
3904	Polymers of vinyl chloride or of other halogenated olefins, in primary forms	12 265	12 265	252	12 013	2.1	EGY	2.1
3920	Plastics; plates, sheets, film, foil and strip (not self-adhesive)	10 879	10 879	6 136	4 743	56.4	EGY	57.5
3905	Polymers of vinyl acetate or of other vinyl esters, in primary forms; other	6 556	6 556	0	6 556	0.0		
3901	Polymers of ethylene, in primary forms	6 354	6 354	0	6 354	0.0		
3907	Polyacetals, other polyethers and epoxide resins; polycarbonates	4 848	4 848	0	4 848	0.0		
63	Textiles, sets; worn clothing, worn textile articles; rags	39 490	39 489	452	39 038	1.1	EGY	1.6
6305	Sacks and bags, of a kind used for the packing of goods	39 044	39 044	452	38 593	1.2	EGY	1.6
70	Glass and glassware	35 525	35 512	31 415	4 111	88.5	EGY	88.5
7013	Glassware for table, kitchen, toilet, office, indoor decoration or similar	25 908	25 908	25 252	656	97.5	EGY	97.5
7005	Glass; float glass and surface ground or polished glass, in sheets	3 550	3 550	3 514	36	99.0	EGY	99.0
72	Iron and steel	33 109	33 109	1 204	31 906	3.6	EGY	3.7
7217	Wire of iron or non-alloy steel	10 265	10 265	1 161	9 104	11.3	EGY	11.3
7209	Iron or non-alloy steel; flat-rolled, width 600mm or more, cold-rolled	9 482	9 482	0	9 482	0.0		
7208	Iron or non-alloy steel; flat-rolled, width 600mm or more, hot-rolled	3 506	3 506	0	3 506	0.0		
7219	Stainless steel; flat-rolled products of width of 600mm or more	2 302	2 302	0	2 302	0.0		
7204	Ferrous waste and scrap; remelting scrap ingots of iron or steel	2 256	2 256	0	2 256	0.0		
7214	Iron or non-alloy steel; bars, rods, hot-rolled, drawn or extruded	2 158	2 158	0	2 158	0.0		
27	Mineral fuels, mineral oils and products of their distillation	32 142	32 142	21	32 121	0.1	EGY	0.1
2710	Petroleum oils and oils from bituminous minerals, not crude;	31 659	31 659	0	31 659	0.0		
24	Tobacco and manufactured tobacco substitutes	23 773	23 773	23 656	117	99.5	ZWE	100.0
2401	Tobacco, unmanufactured; tobacco refuse	22 086	22 086	21 969	117	99.5	ZWE	100.0
85	Electrical machinery, equipment, parts thereof; television image	23 432	23 364	415	23 017	1.8	KEN	85.9
8502	Electric generating sets and rotary converters	6 574	6 574	0	6 574	0.0		
8544	Insulated wire, cable and other electric conductors; optical fibre cables	4 869	4 869	0	4 869	0.0		
8504	Electric transformers, static converters (e.g. rectifiers) and inductors	3 551	3 551	0	3 551	0.0		

Product		Values of Imports (in USD thousands)				Utilization Rates (%)		
HS	Description	Dutiable	Covered		Received	COMESA		
			COMESA	COMESA		MFN	Total UR	1st Supplier
TOTALS FOR SUDAN		588 061	551 747	191 553	377 431	34.7		
94	Furniture; bedding, mattresses, cushions and similar; lamps, lighting	18 655	18 515	69	18 586	0.4	EGY	0.4
9406	Buildings; prefabricated	15 502	15 368	69	15 433	0.4	EGY	0.4
9403	Furniture and parts thereof, n.e.c. in chapter 94	2 955	2 953	0	2 955	0.0		
07	Vegetables and certain roots and tubers; edible	17 729	17 729	15 136	2 593	85.4	ETH	86.3
0713	Vegetables, leguminous; shelled, whether or not skinned or split, dried	17 141	17 141	15 136	2 005	88.3	ETH	89.3
84	Nuclear reactors, boilers, machinery,; parts thereof	14 747	14 203	1 139	13 608	8.0	EGY	9.3
8418	Refrigerators, freezers ,electric or other; heat pumps	5 524	5 524	0	5 524	0.0		
8450	Household or laundry-type washing machines; machines which wash and dry	2 503	2 503	1 139	1 364	45.5	EGY	45.6
44	Wood and articles of wood; wood charcoal	14 191	14 191	2 810	11 381	19.8	ETH	95.8
4407	Wood sawn or chipped lengthwise, sliced or peeled, , sanded or end-jointed	9 216	9 216	0	9 216	0.0		

5.10. Uganda

Uganda's utilization rates are low for the COMESA trade regime at 1.4 percent while for EAC it is 53.8 percent as shown in Table 74. Looking more in detail, it can be seen that only products of HS Chapters 96, 85 and 19, mainly from Egypt, have a utilization rate higher than 50 percent while products from Chapters 27, 17, 87, 73 and 24 have low utilization of 5 percent or less. Looking at the EAC trade regime, it appears that gold (HS Chapter 71) is the main reason for the low utilization rates as it shows a significant amount of trade flows receiving MFN treatment (82 million USD) with a 0.1 percent utilization rate. All other main relevant imports are using the EAC trade regime, with Kenya as the main supplier and relatively high utilization rates, above 90 percent in the majority of cases with the exclusion of oils (HS Chapter 15), electrical machinery (HS Chapter 85), and vehicles (HS Chapter 87) showing modest utilization rates of at least 58.9 percent. Lastly, it has to be noted that the overall utilization rate of Uganda for COMESA non-FTA is 23.1 percent with Ethiopia as its main partner importing footwear products.

Table 74 Uganda: Intra-COMESA Trade (2018)

85% of the dutiable imports from partners, sorted in descending order of dutiable imports by chapters, and by HS headings within the chapter

Product		Values of Imports (in USD thousands)						Utilization Rates (%)					
HS	Description	Dutiable	Covered		Received		MFN	COMESA			EAC		
			COMESA	EAC	COMESA	EAC		Total UR	1st Supplier		Total UR	1st Supplier	
TOTALS FOR UGANDA		601 101	353 313	545 980	5 089	293 787	290 758	1.4			53.8		
71	Natural, cultured pearls; precious, semi-precious stones; precious metals, metals clad with precious metal, and artic	82 646	82 646	55 345	12	34	82 600	0.0	MWI	100.0	0.1	KEN	0.1
7108	Gold (including gold plated with platinum) unwrought or in semi-manufactured forms, or in powder form	82 599	82 599	55 311	0	0	82 599	0.0			0.0		
72	Iron and steel	52 238	52 238	39 390	11 818	39 181	1 239	22.6	EGY	92.0	99.5	KEN	99.5
7210	Iron or non-alloy steel; flat-rolled products, width 600mm or more, clad, plated or coated	47 597	47 597	37 046	9 740	37 033	824	20.5	EGY	92.3	100.0	KEN	100.0

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Product		Values of Imports (in USD thousands)						Utilization Rates (%)					
HS	Description	Dutiable	Covered		Received			COMESA			EAC		
			COMESA	EAC	COMESA	EAC	MFN	Total UR	1st Supplier		Total UR	1st Supplier	
									ISO3	UR		ISO3	UR
TOTALS FOR UGANDA		601 101	353 313	545 980	5 089	293 787	290 758	1.4			53.8		
25	Salt; sulphur; earths, stone; plastering materials, lime and cement	33 817	33 817	20 926	12 891	20 661	265	38.1	EGY	100.0	98.7	KEN	98.7
2523	Portland cement, aluminous cement (ciment fondu), slag cement, supersulphate cement and similar hydraulic cements, wh	17 015	17 015	4 128	12 887	4 002	126	75.7	EGY	100.0	96.9	KEN	96.9
2501	Salt (including table salt and denatured salt); pure sodium chloride whether or not in aqueous solution; sea water	16 366	16 366	16 361	4	16 278	83	0.0	EGY	100.0	99.5	KEN	99.5
48	Paper and paperboard; articles of paper pulp, of paper or paperboard	27 450	27 450	16 090	9 535	14 039	3 876	34.7	EGY	84.0	87.3	KEN	87.4
4819	Cartons, boxes, cases, bags and the like, of paper, paperboard, cellulose wadding or fibres; box files, letter trays	18 662	18 662	9 229	7 693	7 594	3 375	41.2	EGY	81.6	82.3	KEN	82.5
4805	Uncoated paper and paperboard n.e.c., in rolls or sheets	4 219	4 219	3 023	1 115	3 023	81	26.4	EGY	93.2	100.0	KEN	100.0
39	Plastics and articles thereof	26 595	26 595	22 481	3 785	20 474	2 336	14.2	EGY	92.4	91.1	KEN	91.1
3923	Plastic articles for the conveyance or packing of goods; stoppers, lids, caps and other closures of plastics	11 908	11 908	11 656	240	11 009	659	2.0	MUS	100.0	94.4	KEN	94.6
3920	Plastics; plates, sheets, film, foil and strip (not self-adhesive); non-cellular and not reinforced, laminated, suppo	3 690	3 690	3 657	33	2 772	885	0.9	EGY	99.9	75.8	KEN	75.8
3924	Tableware, kitchenware, other household articles and hygienic or toilet articles, of plastics	3 082	3 082	3 077	4	3 058	20	0.1	EGY	92.4	99.4	KEN	99.4
3907	Polyacetals, other polyethers and epoxide resins, in primary forms; polycarbonates, alkyd resins, polyallyl esters an	2 603	2 603	312	2 156	275	172	82.8	EGY	94.1	88.3	KEN	88.3
27	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes	25 961	25 961	24 794	602	24 141	1 218	2.3	EGY	53.9	97.4	KEN	97.4
2710	Petroleum oils and oils from bituminous minerals, not crude; preparations n.e.c. containing by weight 70% or more of	25 399	25 399	24 275	602	23 624	1 173	2.4	EGY	53.9	97.3	KEN	97.3
34	Soap, organic surface-active agents; washing, lubricating, polishing or scouring preparations; artificial or prepared	18 979	18 979	15 807	3 120	15 320	540	16.4	EGY	98.4	96.9	KEN	96.9
3402	Organic surface-active agents (not soap); surface-active, washing (including auxiliary washing) and cleaning preparate	10 280	10 280	7 748	2 507	7 685	88	24.4	EGY	99.0	99.2	KEN	99.2
3401	Soap; organic surface-active preparations used as soap, skin washing, in bars, cakes, moulded pieces, shapes, liquid	5 895	5 895	5 330	537	4 918	440	9.1	EGY	95.2	92.3	KEN	92.3
3405	Polishes, creams, scouring pastes, powders and similar; in any form, (including articles impregnated, coated or cover	2 792	2 792	2 720	71	2 710	10	2.6	EGY	100.0	99.6	KEN	99.6

Product		Values of Imports (in USD thousands)						Utilization Rates (%)					
HS	Description	Dutiable	Covered		Received			COMESA			EAC		
			COMESA	EAC	COMESA	EAC	MFN	Total UR	1st Supplier		Total UR	1st Supplier	
									ISO3	UR		ISO3	UR
TOTALS FOR UGANDA		601 101	353 313	545 980	5 089	293 787	290 758	1.4			53.8		
33	Essential oils and resinoids; perfumery, cosmetic or toilet preparations	17 959	17 959	6 452	8 149	6 362	3 448	45.4	SWZ	70.6	98.6	KEN	98.8
3302	Odoriferous substances and mixtures (including alcoholic solutions) with a basis of one or more of these substances,	11 190	11 190	86	7 803	75	3 312	69.7	SWZ	70.6	87.7	KEN	87.7
3304	Cosmetic and toilet preparations; beauty, make-up and skin care preparations (excluding medicaments, including sunscr	4 368	4 368	4 351	17	4 295	56	0.4	EGY	100.0	98.7	KEN	98.9
21	Miscellaneous edible preparations	14 309	14 309	13 100	950	11 750	1 610	6.6	EGY	93.8	89.7	KEN	89.7
2103	Sauces and preparations therefor; mixed condiments and mixed seasonings, mustard flour and meal and prepared mustard	8 106	8 106	7 822	227	7 819	60	2.8	EGY	79.1	100.0	KEN	100.0
2102	Yeasts (active or inactive); other single-cell micro-organisms, dead (but not including vaccines of heading no. 3002)	2 12	2 412	1 736	666	1 510	237	27.6	EGY	100.0	87.0	KEN	87.0
2106	Food preparations not elsewhere specified or included	2 064	2 064	1 863	11	1 094	959	0.5	EGY	98.1	58.7	KEN	57.9
15	Animal or vegetable fats and oils and their cleavage products; prepared animal fats; animal or vegetable waxes	12 487	12 487	11 798	636	6 948	4 904	5.1	EGY	92.2	58.9	KEN	58.9
1517	Margarine; edible mixtures or preparations of animal or vegetable fats or oils or of fractions of different fats or o	6 658	6 658	6 657	0	6 652	6	0.0		.	99.9	KEN	99.9
1511	Palm oil and its fractions; whether or not refined, but not chemically modified	5 015	5 015	4 842	173	0	4 842	3.5	EGY	100.0	0.0		.
96	Miscellaneous manufactured articles	12 382	12 382	4 418	7 933	4 384	64	64.1	EGY	99.7	99.2	KEN	99.5
9619	Sanitary towels (pads) and tampons, napkins and napkin liners for babies and similar articles, of any material	7 943	7 943	12	7 918	11	13	99.7	EGY	99.8	95.6	KEN	95.6
9608	Pens; ball-point, felt tipped, other porous tipped pens; fountain pens, stylograph pens duplicating stylos, propellin	4 073	4 073	4 067	6	4 063	4	0.2	EGY	95.0	99.9	KEN	99.9
85	Electrical machinery and equipment and parts thereof; sound recorders and reproducers; television image and sound rec	12 312	12 311	3 658	7 813	2 270	2 228	63.5	EGY	86.5	62.1	KEN	62.2
8528	Monitors and projectors, not incorporating television reception apparatus; reception apparatus for television, whether	5 298	5 297	2	4 658	0	639	87.9	EGY	83.6	0.0		
8544	Insulated wire, cable and other electric conductors, connector fitted or not; optical fibre cables of individually sh	2 880	2 879	906	1 953	794	132	67.8	ZMB	100.0	87.7	KEN	87.8

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Product		Values of Imports (in USD thousands)						Utilization Rates (%)					
HS	Description	Dutiable	Covered		Received		MFN	COMESA			EAC		
			COMESA	EAC	COMESA	EAC		Total UR	1st Supplier		Total UR	1st Supplier	
									ISO3	UR		ISO3	UR
TOTALS FOR UGANDA		601 101	353 313	545 980	5 089	293 787	290 758	1.4			53.8		
64	Footwear; gaiters and the like; parts of such articles	11 337	11 337	11 311	24	11 262	51	0.2	EGY	95.6	99.6	KEN	99.6
6402	Footwear; with outer soles and uppers of rubber or plastics (excluding waterproof footwear)	8 001	8 001	8 001	0	7 975	25	0.0			99.7	KEN	99.7
6401	Footwear; waterproof, with outer soles and uppers of rubber or plastics, (uppers not fixed to the sole nor assembled)	2 923	2 923	2 923	0	2 919	4	0.0			99.9	KEN	99.9
17	Sugars and sugar confectionery	10 784	10 784	9 218	364	7 968	2 453	3.4	EGY	17.2	86.4	KEN	85.8
1704	Sugar confectionery (including white chocolate), not containing cocoa	8 481	8 481	8 340	101	7 131	1 249	1.2	EGY	71.6	85.5	KEN	85.5
32	Tanning or dyeing extracts; tannins and their derivatives; dyes, pigments and other colouring matter; paints, varnish	10 003	10 003	8 610	1 336	8 406	261	13.4	ZWE	100.0	97.6	KEN	98.1
3209	Paints and varnishes (including enamels and lacquers) based on synthetic or chemically modified natural polymers, dis	4 603	4 603	4 069	528	4 065	10	11.5	ZWE	100.0	99.9	KEN	99.9
3215	Ink; printing, writing or drawing ink and other inks; whether or not concentrated or solid	2 653	2 653	2 645	8	2 590	54	0.3	EGY	100.0	97.9	KEN	97.9
87	Vehicles; other than railway or tramway rolling stock, and parts and accessories thereof	8 726	8 726	8 698	34	5 747	2 945	0.4	KEN	0.4	66.1	KEN	66.1
8702	Vehicles; public transport passenger type	3 699	3 699	3 699	0	2 359	1 340	0.0			63.8	KEN	63.8
8716	Trailers and semi-trailers; other vehicles, not mechanically propelled; parts thereof	2 580	2 580	2 580	0	2 291	289	0.0			88.8	KEN	88.8
73	Iron or steel articles	8 131	7 974	7 813	183	6 521	1 428	2.3	EGY	93.1	83.5	KEN	83.6
7306	Iron or steel (excluding cast iron); tubes, pipes and hollow profiles (not seamless), n.e.c. in chapter 73	1 890	1 890	1 890	0	1 544	346	0.0			81.7	KEN	81.7
19	Preparations of cereals, flour, starch or milk; pastrycooks' products	5 658	5 658	2 499	3 132	2 083	443	55.4	EGY	99.1	83.4	KEN	83.2
1902	Pasta; whether or not cooked or stuffed with meat or other substance, or otherwise prepared, egg spaghetti, macaroni	3 452	3 452	620	2 812	603	38	81.5	EGY	99.3	97.2	KEN	97.2
70	Glass and glassware	5 649	5 649	5 465	160	5 226	263	2.8	EGY	88.4	95.6	KEN	95.6
7010	Carboys, bottles, flasks, jars, pots, phials, ampoules, containers of glass of a kind used for the conveyance or pack	5 205	5 205	5 188	17	4 978	210	0.3	EGY	100.0	96.0	KEN	95.9
24	Tobacco and manufactured tobacco substitutes	5 455	5 455	3 836	0	3 836	1 619	0.0			100.0	KEN	100.0
2402	Cigars, cheroots, cigarillos and cigarettes; of tobacco or of tobacco substitutes	3 863	3 863	3 836	0	3 836	27	0.0			100.0	KEN	100.0

5.11. Zambia

Zambia reports a rather low utilization rate for COMESA at 34.5 percent while a relatively higher utilization rate for SADC at 58.8 percent, as shown in Table 75. Only fish and crustaceans (HS Chapter 03), mainly imported from Zimbabwe, records high total utilization rates of 100 percent. It is worth noting that imports of ores, slag and ash of HS Chapter 26 which is by far the most imported HS chapter from COMESA partners, show zero utilization under the COMESA trade regime resulting from the fact that these products appeared not covered by tariff preferences neither by COMESA, that these products are not covered either by COMESA or SADC tariff preferences. This preliminary finding indicates a need to investigate further the reason for such low utilization rates at the national level. It has to be noted that Zambia utilizes COMESA non-FTA with a rate of 28 percent for men or boys shirt (HS 62052000) imported from Eritrea.

Table 75 Zambia: Intra-COMESA Trade (2018)

85% of the dutiable imports from partners, sorted in descending order of dutiable imports by chapters, and by HS headings within the chapter

Product		Dutiable	Utilization Rates (%)										
HS	Description		Covered		Received		COMESA		SADC				
			COMESA	SADC	COMESA	SADC	MFN	Total UR	1st Supplier	Total UR	1st Supplier		
			COMESA	SADC	COMESA	SADC	MFN	ISO3	UR	ISO3	UR		
TOTALS FOR ZAMBIA		1 578 044	285 196	279 434	98 452	164 168	2 176 859	34.5			58.8		
26	Ores, slag and ash	1 269 359	244	117	0	51	1 269 308	0.0			43.9	MUS	44.1
2603	Copper ores and concentrates	1 070 820	0	0	0	0	1 070 820						
2605	Cobalt ores and concentrates	198 295	0	0	0	0	198 295						
27	Mineral fuels, mineral oils and products of their distillation; bituminous subs.	157 829	157 829	16 009	21 353	149	136 327	13.5	ZWE	93.3	0.9	ZWE	0.9
2710	Petroleum oils and oils from bituminous minerals, not crude; preparations n.e.c. co	141 824	141 824	7	6 425	0	135 399	4.5	KEN	100.0	0.0		
2704	Coke and semi-coke; of coal, lignite or peat, whether or not agglomerated; retort c	9 842	9 842	9 842	8 923	9	910	90.7	ZWE	90.7	0.1	ZWE	0.1
2701	Coal; briquettes, ovoids and similar solid fuels manufactured from coal	6 115	6 115	6 115	5 993	107	15	98.0	ZWE	98.0	1.8	ZWE	1.8
84	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	19 650	19 614	18 080	3 316	162	16 172	16.9	ZWE	91.8	0.9	ZWE	5.7
8431	Machinery parts; used solely or principally with the machinery of heading no. 8425	11 547	11 526	11 010	0	0	11 547	0.0			0.0		
8418	Refrigerators, freezers and other refrigerating or freezing equipment, electric or	3 221	3 221	2 674	3 159	0	62	98.1	ZWE	100.0	0.0		
85	Electrical machinery and equip. and parts thereof; sound recorders and reproducer	9 451	9 451	6 873	2 234	549	6 668	23.6	ZWE	75.8	8.0	ZWE	23.5
8528	Monitors and projectors, not incorporating television reception apparatus; receptio	3 894	3 894	3 816	0	0	3 894	0.0			0.0		
8516	Electric water, space, soil heaters; electro-thermic hair-dressing apparatus; hand	2 165	2 165	1 792	2 127	0	38	98.2	ZWE	99.8	0.0		
33	Essential oils and resinoids; perfumery, cosmetic or toilet preparations	9 003	9 003	8 715	108	8 273	623	1.2	UGA	99.7	94.9	SWZ	97.4
3302	Odoriferous substances and mixtures (including alcoholic solutions) with a basis of	8 738	8 738	8 701	0	8 273	465	0.0			95.1	SWZ	97.4

Product								Utilization Rates (%)					
HS	Description	Dutiable	Covered		Received		MFN	COMESA			SADC		
			COMESA	SADC	COMESA	SADC		Total UR	1st Supplier		Total UR	1st Supplier	
TOTALS FOR ZAMBIA		1 578 044	285 196	279 434	98 452	164 168	2 176 859	34.5			58.8		
48	Paper and paperboard; articles of paper pulp, of paper or paperboard	7 044	7 044	3 669	6 109	389	547	86.7	ZWE	88.6	10.6	ZWE	10.7
4821	Paper or paperboard labels of all kinds, whether or not printed	2 126	2 126	323	1 855	245	26	87.2	KEN	99.0	76.0	ZWE	76.0
39	Plastics and articles thereof	6 642	6 642	3 712	3 610	1 849	1 183	54.4	KEN	86.4	49.8	MWI	68.6
3920	Plastics; plates, sheets, film, foil and strip (not self-adhesive); non-cellular an	4 191	4 191	1 968	2 333	1 643	215	55.7	KEN	97.7	83.5	MWI	83.7
03	Fish and crustaceans, molluscs and other aquatic invertebrates	6 539	6 539	6 539	6 538	0	2	100.0	ZWE	100.0	0.0		
0303	Fish; frozen, excluding fish fillets and other fish meat of heading 0304	3 280	3 280	3 280	3 280	0	0	100.0	ZWE	100.0	0.0		
0302	Fish; fresh or chilled, excluding fish fillets and other fish meat of heading 0304	2 918	2 918	2 918	2 918	0	0	100.0	ZWE	100.0	0.0		
25	Salt; sulphur; earths, stone; plastering materials, lime and cement	5 616	5 616	5 502	2 388	1	3 227	42.5	ZWE	72.4	0.0	MWI	100.0
2523	Portland cement, aluminous cement (ciment fondu), slag cement, supersulphate cement	2 537	2 537	2 537	1 640	0	898	64.6	ZWE	64.6	0.0		
2519	Natural magnesium carbonate (magnesite); fused magnesia; dead-burned (sintered) mag	2 102	2 102	2 102	0	0	2 102	0.0			0.0		
44	Wood and articles of wood; wood charcoal	5 501	5 492	5 432	3 598	1 829	74	65.5	MWI	99.0	33.7	ZWE	52.0
4403	Wood in the rough, whether or not stripped of bark or sapwood, or roughly squared	2 006	1 996	2 006	408	1 598	0	20.4	ZWE	21.1	79.7	ZWE	79.0
15	Animal or vegetable fats and oils and their cleavage products; prep.animal fats	5 454	5 454	1 514	4 548	608	298	83.4	KEN	98.1	40.2	MWI	92.1
1517	Margarine; edible mixtures or preparations of animal or vegetable fats or oils or o	4 187	4 187	686	4 095	23	69	97.8	KEN	98.0	3.3	MWI	32.5

5.12. Zimbabwe

Zimbabwe has low utilization rates for both the COMESA (34.9%) and SADC (48.7%) trade regimes,⁸⁶ as shown in Table 76. A handful of products are determining such performance under both trade regimes. In terms of the COMESA trade regime, for example, fertilizers (HS Chapter 31), oils (HS Chapter 15) and chemicals n.e.c. (HS Chapter 38) are recording low utilization rates of 0.1 percent, 6.9 percent and 0.1 percent, respectively. There is a necessity to ascertain the reasons for the significant amount of trade received under MFN in the case of fertilizers (HS Chapter 31) and oils (HS Chapter 15), as shown in the table, which do not benefit from preferential treatment under either COMESA or SADC trade regimes.

⁸⁶ Note that the values shown here exclude the trade under the bilateral trade agreement between Zimbabwe and South Africa.

Table 76 Zimbabwe: Intra-COMESA Trade (2018)
85% of the dutiable imports from partners, sorted in descending order of dutiable imports by chapters, and by HS headings within the chapter

HS	Product Description	Covered						Received						Utilization Rates (%)								
		Dutiable			COMESA			SADC			COMESA			SADC			COMESA			SADC		
		COMESA	SADC	Total	COMESA	SADC	Total	COMESA	SADC	Total	1st Supplier	IS03	UR	1st Supplier	IS03	UR	1st Supplier	IS03	UR			
	TOTALS FOR ZIMBABWE	2 393 569	394 008	123 134	103 142	1 263 608	352 342	0	41	58 392	0.1	KEN	81.1	34.9	26.2							
31	Fertilizers	58 433	0	41	0	58 392	58 433	0	41	0	0.1	KEN	81.1	34.9	26.2							
3102	Fertilizers: mineral or chemical, nitrogenous	34 544	0	0	0	34 544	34 544	0	0	0.0												
3105	Fertilizers: mineral or chemical, containing 2 or 3 of the elements nitrogen, phosph	23 308	0	0	0	23 308	23 308	0	0	0.0												
23	Food industries, residues and wastes thereof; prepared animal fodder	29 369	26 993	18 840	8 690	1 839	29 369	26 993	18 840	8 690	64.1	ZMB	88.5	32.2	32.2	MWI	100.0	100.0				
2304	Oil-cake and other solid residues; whether or not ground or in the form of pellets,	23 636	23 636	15 972	7 663	1	23 636	23 636	15 972	7 663	67.6	ZMB	87.5	32.4	MWI	100.0	100.0					
2309	Preparations of a kind used in animal feeding	2 867	2 377	2 734	133	0	2 867	2 377	2 734	133	95.4	ZMB	94.9	5.6	ZMB	6.2	6.2					
15	Animal or vegetable fats and oils and their cleavage products; prepared animal fats	24 392	22 686	1 688	382	22 321	24 392	22 686	1 688	382	6.9	KEN	100.0	1.7	ZMB	100.0	100.0					
1507	Soya-bean oil and its fractions; whether or not refined, but not chemically modified	20 640	20 640	0	29	20 610	20 640	20 640	0	29	0.0			0.1	ZMB	99.8	99.8					
24	Tobacco and manufactured tobacco substitutes	23 735	22 272	7 342	14 486	1 907	23 735	22 272	7 342	14 486	30.9	MWI	68.9	65.0	ZMB	94.8	94.8					
2401	Tobacco, unmanufactured; tobacco refuse	23 735	22 272	7 342	14 486	1 907	23 735	22 272	7 342	14 486	30.9	MWI	68.9	65.0	ZMB	94.8	94.8					
12	Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit, industrial	22 957	22 816	10 821	11 927	209	22 957	22 816	10 821	11 927	47.1	ZMB	91.1	52.3	MWI	99.6	99.6					
1208	Flours and meals of oil seeds or oleaginous fruits; other than those of mustard	9 965	9 965	9 868	97	0	9 965	9 965	9 868	97	99.0	ZMB	99.0	1.0	ZMB	1.0	1.0					
1202	Ground-nuts; not roasted or otherwise cooked, whether or not shelled or broken	6 703	6 703	0	6 690	13	6 703	6 703	0	6 690	0.0	MWI	0.0	99.8	MWI	100.0	100.0					
1201	Soya beans, whether or not broken	6 036	6 036	992	5 028	56	6 036	6 036	992	5 028	15.8	ZMB	50.6	83.3	MWI	99.1	99.1					
33	Essential oils and resinoids; perfumery, cosmetic or toilet preparations	22 797	22 299	150	22 299	348	22 797	22 299	150	22 299	0.7	EGY	100.0	100.0	SWZ	100.0	100.0					
3302	Odoriferous substances and mixtures (including alcoholic solutions) with a basis of	22 572	22 280	105	22 280	186	22 572	22 280	105	22 280	0.5	EGY	100.0	100.0	SWZ	100.0	100.0					
38	Chemical products n.e.c.	18 112	4 608	11	4 583	13 518	16 410	4 608	11	4 583	0.1	KEN	0.5	99.5	SWZ	99.5	99.5					
3808	Insecticides, rodenticides, fungicides, herbicides, anti-sprouting products, plant	12 821	0	10	0	12 810	12 821	0	10	0	0.1	KEN	0.5									
3824	Prepared binders for foundry moulds or cores; chemical products and preparations of	4 616	4 604	0	4 579	37	4 616	4 604	0	4 579	0.0			99.5	SWZ	99.5	99.5					
22	Beverages, spirits and vinegar	17 912	1 995	17 705	161	47	17 912	1 995	17 705	161	98.8	ZMB	99.7	8.1	MUS	80.1	80.1					
2202	Waters, including mineral and aerated waters, containing added sugar or sweetening	17 870	1 973	17 688	138	44	17 870	1 973	17 688	138	99.0	ZMB	99.7	7.0	MUS	80.1	80.1					
39	Plastics and articles thereof	16 531	11 093	12 232	2 173	2 125	16 042	11 093	12 232	2 173	76.3	MUS	70.1	19.6	MWI	63.5	63.5					
3923	Plastic articles for the conveyance or packing of goods; stoppers, lids, caps and o	10 772	9 199	9 330	1 028	414	10 772	9 199	9 330	1 028	86.8	MUS	82.0	11.2	MUS	16.0	16.0					
19	Preparations of cereals, flour, starch or milk; pastrycooks' products	10 696	596	10 655	0	41	10 696	596	10 655	0	99.6	EGY	100.0	0.0								
1902	Pasta; whether or not cooked or stuffed with meat or other substance, or otherwise	10 565	540	10 565	0	0	10 565	540	10 565	0	100.0	EGY	100.0	0.0								
28	Inorganic chemicals; organic and inorganic compounds of precious metals; of rare ea	10 003	421	50	393	9 560	10 003	421	50	393	0.5	ZMB	4.0	93.5	ZMB	93.1	93.1					
2837	Cyanides, cyanide oxides and complex cyanides	6 121	0	0	0	6 121	6 121	0	0	0	0.0											
2815	Sodium hydroxide (caustic soda); potassium hydroxide (caustic potash) peroxides of	2 177	0	5	0	2 172	2 177	0	5	0	0.2	MWI	100.0									

Product		Utilization Rates (%)																	
		Covered					Received					COMESA					SADC		
HS	Description	Dutiable	COMESA	SADC		COMESA	SADC	MFN	Total UR	1st Supplier IS03	UR	Total UR	1st Supplier IS03	UR	Total UR	1st Supplier IS03	UR		
TOTALS FOR ZIMBABWE																			
34	Soap, organic surface-active agents; washing, lubricating, polishing or scouring pr	2 393 569	352 342	394 008	123 134	103 142	1 263 608	34.9	95.8	KEN	98.7	26.2							
3401	Soap, organic surface-active preparations used as soap, skin washing, in bars, cake	9 850	9 850	51	9 438	0	411	0	95.8	KEN	98.7	0.0							
3402	Soap, organic surface-active preparations used as soap, skin washing, in bars, cake	6 317	6 317	0	6 273	0	44	99.3	99.3	KEN	99.1								
86	Organic surface-active agents (not soap): surface-active, washing (including auxili	3 437	3 437	0	3 098	0	339	90.1	99.9	ZMB	99.9								
8602	Railway, tramway locomotives, rolling-stock and parts thereof, railway or tramway t	9 822	9 822	0	0	0	9 822	0.0	0.0										
10	Rail locomotives; (other than those of heading no. 8601), locomotive tenders	7 568	7 567	7 566	4 767	2 800	1	63.0	63.0	ZMB	82.4	37.0	MWI	100.0					
1005	Cereals	7 520	7 520	7 520	4 766	2 754	0	63.4	63.4	ZMB	82.5	36.6	MWI	100.0					
87	Maize (corn)	6 891	6 891	2 301	0	0	6 891	0.0	0.0			0.0							
8704	Vehicles; for the transport of goods	3 891	3 891	0	0	0	3 891	0.0	0.0										
8703	Motor cars and other motor vehicles; principally designed for the transport of pers	2 152	2 152	2 119	0	0	2 152	0.0	0.0			0.0							
85	Electrical machinery and equipment and parts thereof; sound recorders and reproduce	6 571	6 568	196	3 882	0	2 689	59.1	59.1	EGY	98.7	0.0							
8528	Monitors and projectors, not incorporating television reception apparatus; receptio	3 741	3 738	0	3 513	0	228	94.0	100.0	EGY	100.0								
25	Salt; sulphur; earths, stone; plastering materials, lime and cement	6 404	6 404	1 839	5 520	307	577	86.2	86.2	ZMB	92.8	16.7	ZMB	14.8					
2523	Portland cement, aluminous cement (ciment fondu), slag cement, supersulphate cement	4 122	4 122	0	4 098	0	24	99.4	99.4	ZMB	99.4								

Chapter 6. Evidence from Utilization Rates: a Roadmap for COMESA Trade Policy Makers and Private Sector

The overall evidence emerging from the URs analyzed in this study is that preference utilization in the north-south trade from COMESA countries using unilateral or contractual trade preferences under QUAD preferences is generally in the high range, albeit with pockets of underutilization.

Yet, the most significant finding of this study is contained in Table 77. This table shows that the average UR under the different RECs of COMESA countries with other COMESA countries is more than 16 percentage points lower than those under the trade preferences with QUAD Countries.

When the URs comparison is made with EU and US trade preferences alone, that are in general around 90 percent and are by far the main markets for COMESA countries, the URs of COMESA intraregional FTAs are 30 percentage points lower. Also, the amount of intraregional trade is consistently lower in terms of trade volume. These telling figures call for policy actions to redress such unbalance.

Table 77 URs Comparison among QUAD and COMESA PTAs

Trade	Exports (in million USD)			Utilization Rates (%)
	Total	Covered ^a	Received	
North-South	25 603	15 300	11 824	77.3
South-South	9 281	7 379	4 489	60.8

^a It has to be noted that in the case of North-South trade the amount of covered trade has been used to calculate URs. In the case of intraregional trade, due to absence of data on the covered trade of the different RECs, the amount of dutiable trade has been used to calculate the URs. As the EAC, COMESA FTA and SADC are covering all products, with the exception of SADC for sugar and some other products there are no significant differences.

As outlined at the beginning of this study, Governments are negotiating FTAs under the political economy banner of trade and economic prosperity and regional integration. URs of PTAs with QUAD countries are showing high URs, even with pockets of underutilization that need to be addressed.

Conversely, utilization rates of intraregional PTAs available to COMESA countries offer a much sobering picture with drastically lower URs. These significantly lower URs are a signal that African RECs examined in this study are not working as expected delivering increased intra-African trade. These low URs have to be addressed to offer African firms significant opportunities to expand intraregional trade. This is a lesson to be learned fast, given that AfCFTA is getting implemented and should not suffer from similar shortcomings.

Utilization rates as an argument for reform of rules of origin have been raised in recent literature⁸⁷ and surveys. The LDCs have widely used this argument based on a study prepared by UNCTAD for the WTO LDC group.⁸⁸

In the study presented by the LDC at WTO in 2004, the spectacular rise of utilization rates and volumes of exports following the reform of Canadian and EU rules of origin were contrasted with the stagnant performance of the US GSP or AGOA and Japan GSP rules of origin that have not undergone any significant reform since their inception in early 1970s.⁸⁹

Such study presented at the WTO Committee on Rules of Origin in October 2014 by the Coordinator of the WTO LDC group drafted with the support of UNCTAD marked the beginning of the journey towards the WTO Nairobi Decision on Rules of Origin and the debate over the URs of trade preferences granted to LDCs.

⁸⁷ See "Trade preferences for LDCs: an early assessment of benefits and possible improvements", UNCTAD/ITCD/TSB/2003/8, available at https://unctad.org/system/files/official-document/itcdtsb20038_en.pdf and Stefano Inama, "Rules of Origin in International Trade", 2009 and 2021, forthcoming.

⁸⁸ See "Challenges faced by LDCs in complying with Preferential Rules of Origin under unilateral preference schemes", Paper Presented by Uganda on Behalf of the LDCs Group, WTO document [G/RO/W/148](#) of 28 October 2014.

⁸⁹ Japan liberalized PSROs for garments of Chapter 61 and 62 of the Harmonized system recently.

Most recently, the research and debate has focused on identifying the reasons for low utilization related to origin issues that may be resulting from a variety of elements related to origin, such as:

- 1) The leniency or stringency of product-specific rules of origin (PSROs);
- 2) The difficulties in complying with administrative requirements such as certificate of origin and direct shipment requirements; and
- 3) Ancillary requirements such as third country invoicing, back-to-back certificates, accounting segregation, etc.

The recommendations emerging from these studies⁹⁰ overwhelmingly indicate that findings of low URs should be contrasted with consultations at firm's level. The combined result of research and consultations would identify and solve the obstacle to full utilization of trade preferences to be addressed, where appropriate, by policy reform.

In light of the findings of this study and the previous joint UNCTAD and COMESA work, a research and capacity building program should be launched to provide adequate follow-up to the present study at regional and national levels to establish consultation mechanisms with firms to identify the reasons for low utilization of trade preferences.

The consultations should be run at the national level with the assistance of COMESA and UNCTAD Secretariats and should be directed at identifying the bottlenecks to the utilization of trade preferences, especially for trade at an intra-African level based on the following:

- (a) Matching rules of origin with the (un)availability of local content to establish value chains.
- (b) Identify best practices in administering rules of origin and related administrative procedures.
- (c) Adopt, where possible, convergent rules of origin and related administrative procedures to facilitate intraregional trade.

Based on these consultations, a roadmap will specifically outline the reforms and changes to be made to rules of origin and related administrative procedures.

The roadmap will result from validation workshops and consultative meetings held at the national level with the private sector and different stakeholders.

The final roadmap should be submitted to the Governing Bodies of COMESA, suggesting the necessary reforms and adjustments to establish a rules of origin framework conducive to the development of regional value chains.

The pioneering work conducted by COMESA and UNCTAD on the issue of utilization rates can have a decisive impact and influence on the implementation of the AfCFTA as it would show effective monitoring of the utilization of RECs at an intra-African level and the specific trade policy actions to ensure high utilization of the AfCFTA tariff preferences.

⁹⁰ See the studies discussed in section 1 of this publication.

