Growth, Fiscal and Welfare Impacts of the Cameroon-EU Economic Partnership Agreement.
A Dynamic CGE Analysis for Cameroon

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This draft: April 2012 (please, not to be quoted)

I- INTRODUCTION

Cameroun initialed in December 2007 and then signed on January 15, 2009, an interim Economic Partnership Agreement (EPA) with the European Union (EU). This country-specific agreement has already come into effect for the EU part since January 1st, 2008. Cameroun obtained from the EU a postponement of the implementation of its commitments while negotiations for a full EPA covering the entire Central African region are ongoing. However, it is awaited that Cameroon will indeed ratify and apply this agreement at the latest by January 1st, 2014.[1]

The EPAs represent a real challenge for the ACP countries, because, in the place of the nonreciprocal and discriminatory trade preferences contained in the Lome Convention in favor of ACP countries, the Agreement of Cotonou which is the general framework of EPAs institutes a new commercial mode based on the reciprocity, in order to comply with WTO rules.

Indeed, reciprocity principle of EPAs will result in an asymmetrical reduction of the tariff and nontariff custom barriers: concessions allowed by EU will engender only a weak profit for ACP countries, in terms of access to EU market, because of the preferences theses countries already enjoy since the enforcement of Lome Conventions, whereas the ACP countries will reduce their customs duties very significantly.

This prospect thus makes fear that EPAs are not likely to increase the competitiveness of the ACP products in the EU market. But on the contrary, the drastic customs dismantlement which will be operated by the ACP countries could as well involve a deterioration of their Balance of Payments as drastic shortfalls and budgetary tensions in their public finances, with possible adverse consequences on public investment, growth and poverty.

In order to shed some light in the Cameroon case, this study endeavors to assess the impacts of the enforcement of an EPA on the state budget, on growth and poverty in Cameroon. We therefore use a Dynamic Computable General Equilibrium Model, with microsimualtions, which covers the period 2014-2034. Several compensation options are analyzed in order to envision how Cameroon could offset the transitional tax revenue gaps.

II-A NOTE ON THE METHODOLOGY

In this study, we use sequential dynamic Computable General Equilibrium (CGE) model. Although many characteristics of this model are standard with the code of practice as regards modeling dynamic CGE, numerous aspects or mechanisms were however introduced, in order to take account of the key specificities of the study. In particular with regard to:

[1] The EU Commission has proposed to withdraw, by January 1st, 2014, the Market Access Regulation for the countries that have not taken the necessary steps towards ratifying the EPAs they initialed in 2007. EU (2012), "Fact sheet on the interim Economic Partnership Agreements. Central Arica: Cameroon", January.

- Time frame;
- The detailed structure of taxation revenues;
- The differentiation of Cameroon imports according to their origin; i.e. whether they are imported from the EU or from other countries.

With regard to the time frame or temporal horizon, the model must cover at least the period of dismantling envisaged in the agreement, with the view not only to assess the impacts, but to firstly mimic the sequential implementation of the tariff dismantling, as settled by the agreement; from where the need of a sequential dynamic version of the model. The period initially envisaged by the agreement goes from year 2010 to 2023 (14 years). However, with the postponement granted to the Cameroon part for its implementation, the model considers 2014-2027 as being the period of customs disarmament.

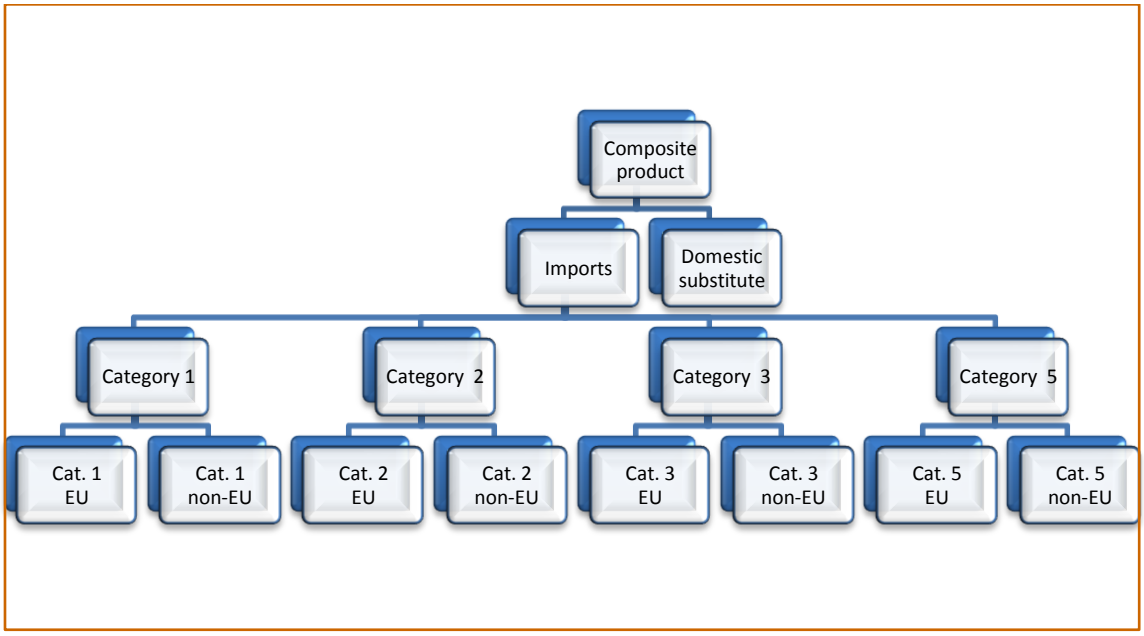
Beyond this 14 years period, the model goes through year 2032 (five more years) so as to have an idea of the vanishing or amplification phenomenon of the impacts once the customs dismantling has totally been applied.

As regarding the detailed structure of tax revenues, the model explicitly integrates the various types of taxes levied in Cameroun, in particular: the income taxes levied on households, the corporate taxes, the VAT on domestic products, the VAT on imports, the excise taxes on domestic products, the excise taxes on imports, the production taxes, the export duties, and the customs duties levied on imports. The customs duties and import VAT were further disaggregated in order to distinguish those levied on imports originating from EU to those levied on the imports originating from other partners. Moreover, whatever the origin of the imports, the customs duties and import VAT were furthermore disaggregated for each kind of import product according to the fourth product categories considered in the agreement.

Implementing an EPA implies that, all other things being held constant, the imports originating from EU will become more competitive, not only with respect to the substitutes produced in Cameroun, but also compared to the imported substitutes originating from non-EU countries. In order to capture this possible effect, the model encompasses a specific formulation of the substitution mechanisms between products according to their origins (see figure 1).

Thus the traditional Rest of the World (ROW) is split out in two, with EU countries on the one hand and the non-EU countries on the other hand. At the first level of this nested structure, for each category of products considered in the EPA, there is a differentiation between the product imported from EU and its substitute imported from the non-EU countries. At the second level, the imported products are then confronted with the local products.

Figure 1: Nested structure of the substitution mechanism between products from various origins



The core data used when applying a CGE model are usually synthesized in a so-called Social Accounting Matrix (SAM), which represents the macro, meso and micro consistency framework of the data for the chosen base year.

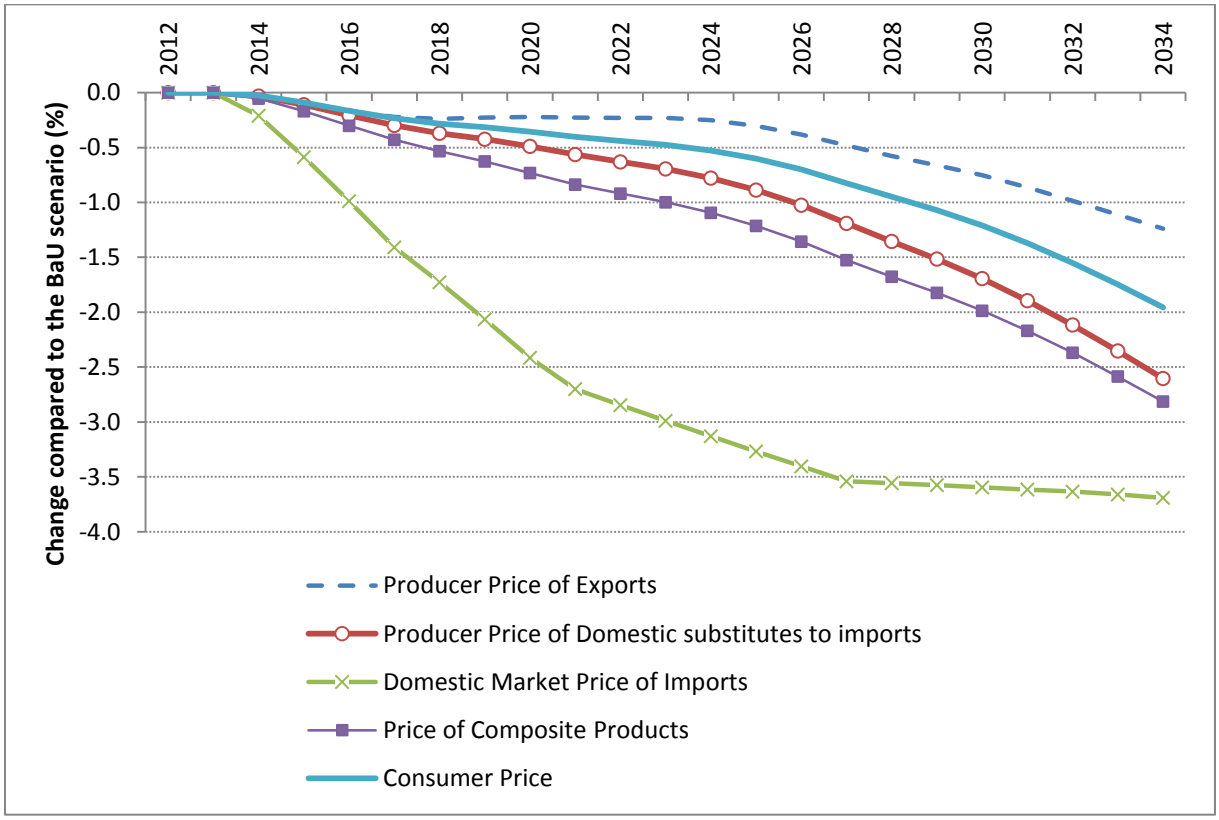
The SAM underlying this model was elaborated using the Supply and Use Tables (SUT) and the Integrated Economic Account Tables (IEAT) built by the Cameroon National Institute of Statistics (NIS, 2011) on the basis of 2010 data. The disaggregation of imports and other subjacent data (taxes, etc.) according to the EPA product categories was made by processing the trade data provided by the Cameroon customs.

III- PRICE IMPACTS OF THE EPA

3.1. Total impact on the price trends

Results from simulations indicate that EPA will induce a generalized and continual fall in prices, compared to the BaU scenario (graph 4 and table 3). This fall is clearly very important for the whole import domestic prices; which is a translation of the direct effect of customs disarmament. At the end of the 4-year dismantling period of tariffs on imports of category 1 originating from EU, the general level of the whole import prices falls by 1.4% compared to the BaU scenario. Then this fall is of 2.7% at the end of the 7-year dismantling period of the tariff on the imports of category 2 originating from EU, i.e. after 8 years of implementing EPA. Import's general level of prices continues to fall and reach a rebate of 3.5% at the end of the 10-year dismantling period of the tariff on imports of category 3 originating from EU, i.e. after the whole 14 years of implementing EPA, and continues to follow a downward slope even beyond this date. Thus, the results show that in year 2034, the discrepancy from the BaU scenario to the EPA scenario is a 3.7% drop in the general level of domestic prices of imports on the whole.

Graph 4: Impact of scenario EPA on the trend of the domestic prices of imports on the whole. Changes (in %) compared to the BaU scenario.



The trends of the local production prices also exhibit negative slopes, both for products intended for the domestic market and those exported. This can be explained by the reduction of production costs due to the cheaper prices of imported inputs. In addition, the prices of the domestic products sold on the domestic market also drop under the effect of a greater competitiveness of imported substitutes. The combination of the fall in import prices and the fall in prices of domestic products results in a reduction of the prices of composite goods (domestic absorption) used either as final consumption of the households and public services, or like intermediate consumption of the industries, or like investment goods. However, as shown in graph 4, consumer prices faced by households reduce less than prices of the other components of domestic absorption.

3.2. Differential impacts on import prices originating from EU vs. from non-EU countries

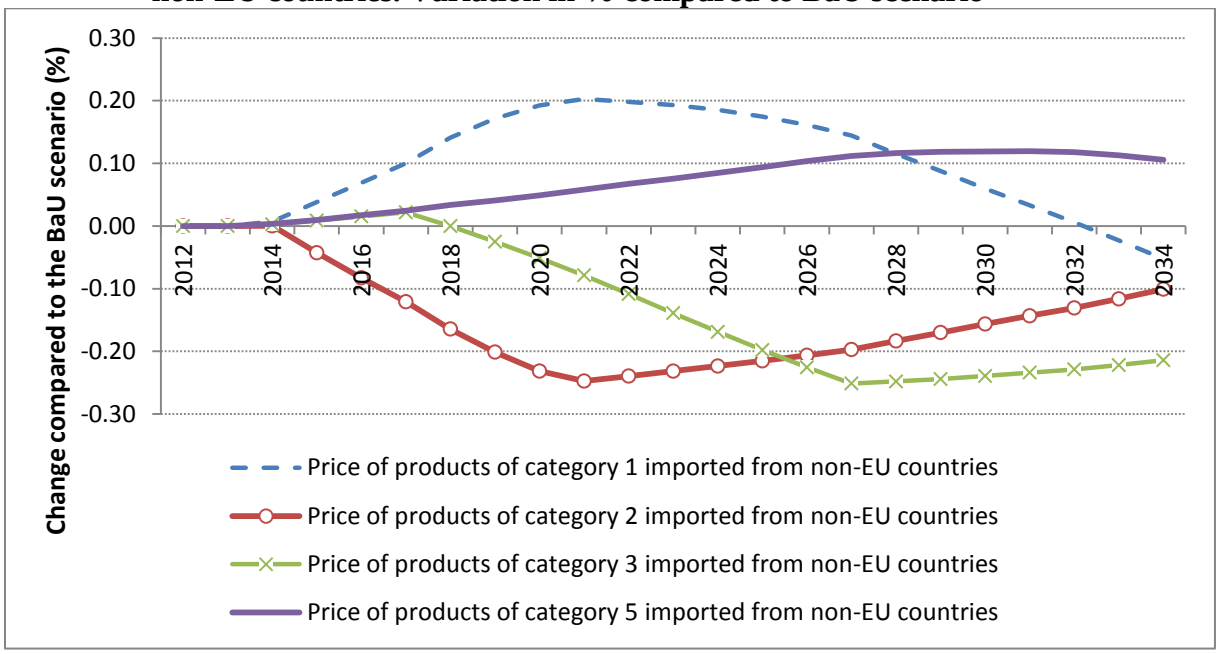
The fall in the import prices observed above is mainly due to that of the prices of imports from EU. Indeed as graph 5 and table 4 indicate, changes in prices of imports originating from non-EU countries, compared to the BaU scenario, are quite very marginal, whatever the category of the imported products (from -0,25% to 0,20%).

By contrast, it clearly arises from graph 6 (see also table 5), except for the products of category 5, that all the prices of the imports flowing from EU fall in a drastic way, in accordance with the momentum and the pace impulse by the dynamic profile of tariff

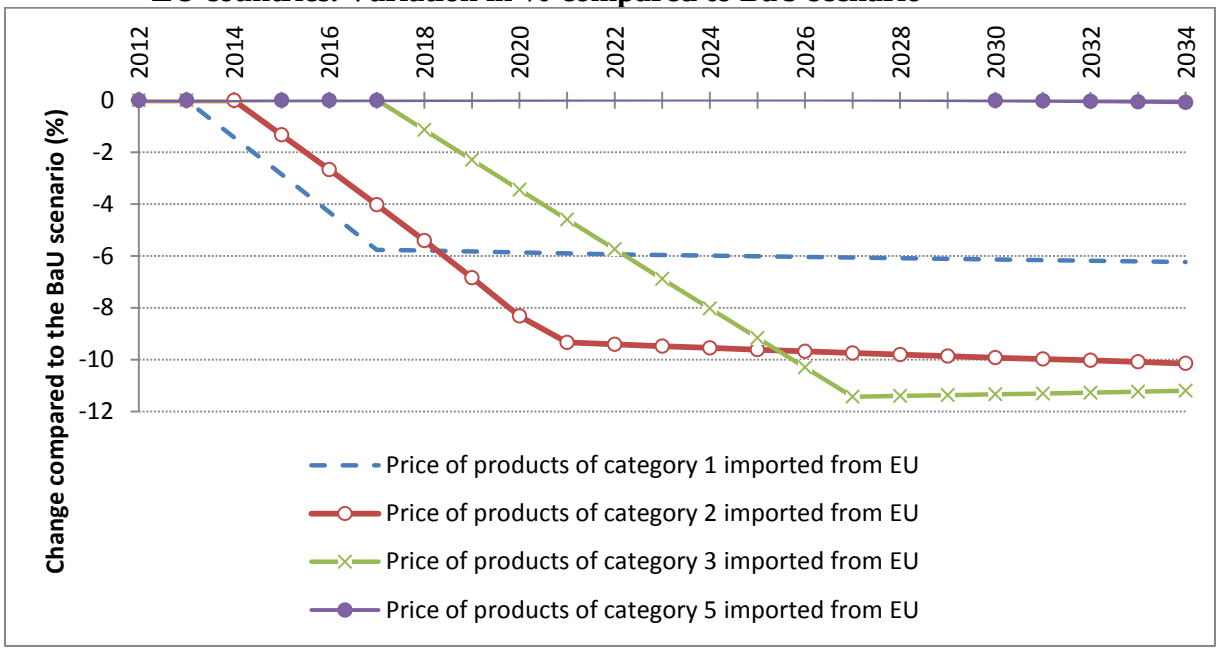
dismantling: for each category of products, the prices of the imports of origin EU drop gradually in a significant way until the end of the corresponding dismantling period, before following a relatively flat trend thereafter.

As a result, compared to the BaU scenario, import prices of product flowing from EU are 6% lesser during the period 2017-2034 for the products of category 1, around 10% lesser during the period 2021-2034 for products of category 2, and around 11% lesser from 2027 to 2034 for products of categories 3.

Graph 5: Impacts of the EPA on domestic import prices of products originating from non-EU countries. Variation in % compared to BaU scenario



Graph 6: Impacts of the EPA on domestic import prices of products originating from EU countries. Variation in % compared to BaU scenario

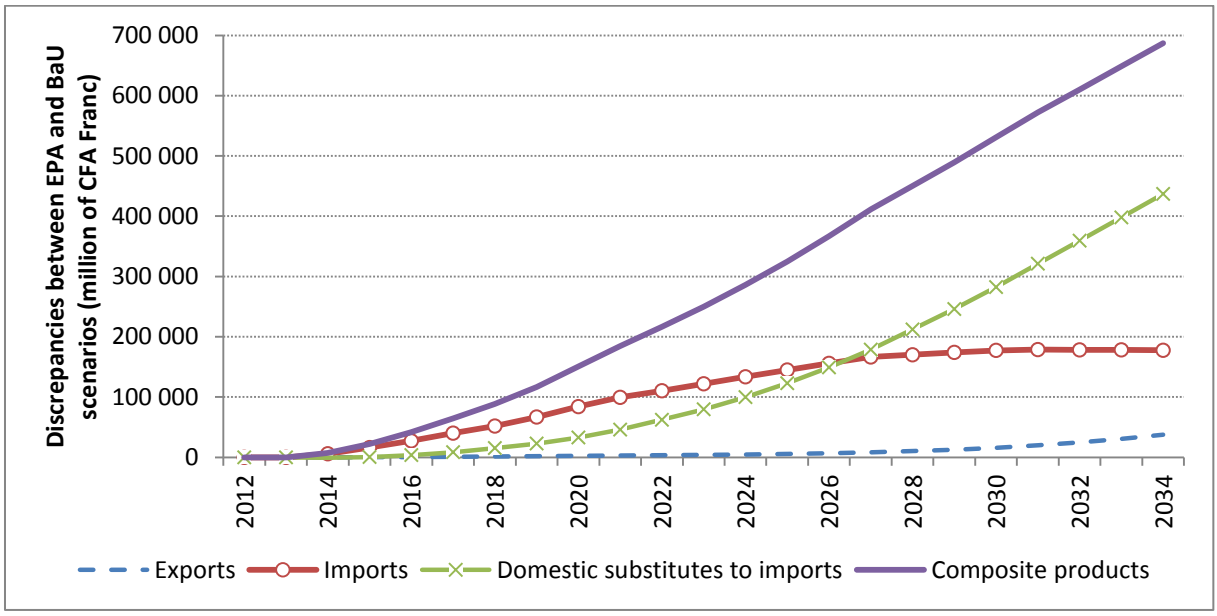


IV- IMPACTS ON TRADE FLOWS

4.1. General trends

Compared to the BaU scenario, results show that the EPA is likely to induce an increase in the production intended for the domestic market, following the fall in production costs. But this positive incidence is not significant concerning the exported products (graph 7 and table 6).

Graph 7: Impacts on the whole volume of exports, imports, production for domestic market and composite products. Discrepancies between EPA and BaU scenarios (million of CFA Franc)



As regarding the imports, the whole volume of imports (estimated in CFA franc equivalent) increases initially more vigorously than the domestic production till the end of the whole dismantling period, the relative prices of imports being lower on average within this period. Beyond, the increase in the volume of local substitutes is relatively more important. That would be due not only to the end of the continual fall in import prices, but also to the regain of competitiveness of some activities.

4.2. Impacts on import volumes by category of products

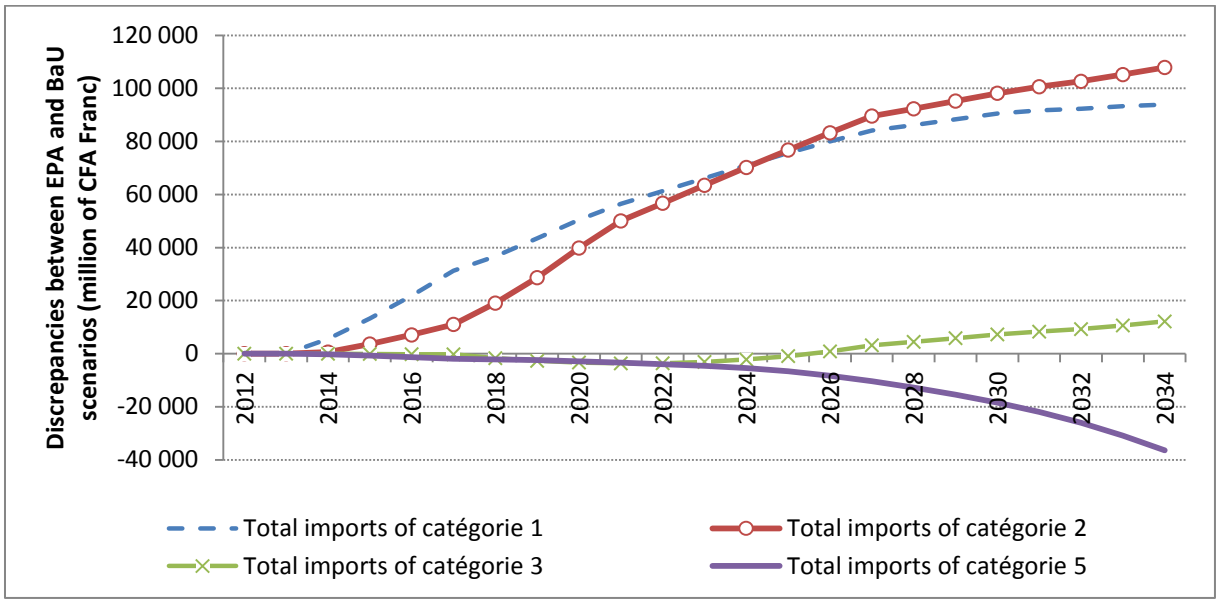
There is increase in the total import volumes for the categories of products 1 and 2 compared to the BaU scenario (table 7 and graph 8).

In the light of graphs 9 and 10 (tables 8 and 9), it appears obviously that the total increase in the imports of categories 1 and 2 is primarily due to the increase in the volume of imports from EU. Indeed, the imports from non-EU countries rather undergo a fall, because of a trade diversion effect to the profit of products imported from EU. But, it also appears that the substitution is not a zero-sum game, owing to the fact that the fall in imports from non-EU countries is less important than the rise in imports originating from the EU. This implies that

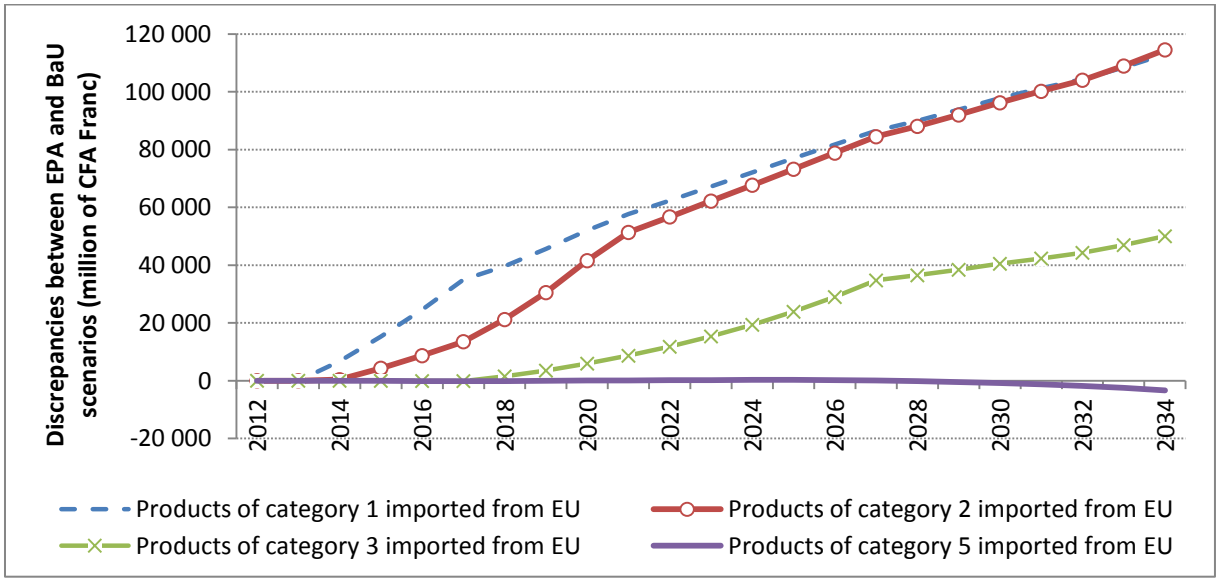
EPA does not induce only a trade diversion effect against import flows from non-EU origins, but is further generating trade creation effects between EU and Cameroon, concerning the first two categories of product.

The trade diversion effects are however dominating with regard to the imports of category 3: the increase in the imports from EU for this category results in a quasi symmetrical fall in the imports from non-EU countries for the same category (graphs 9 and 10). This phenomenon explains in particular the quasi nil changes in the total quantity of the imports of category 3, all origins considered together, as presented in graph 8.

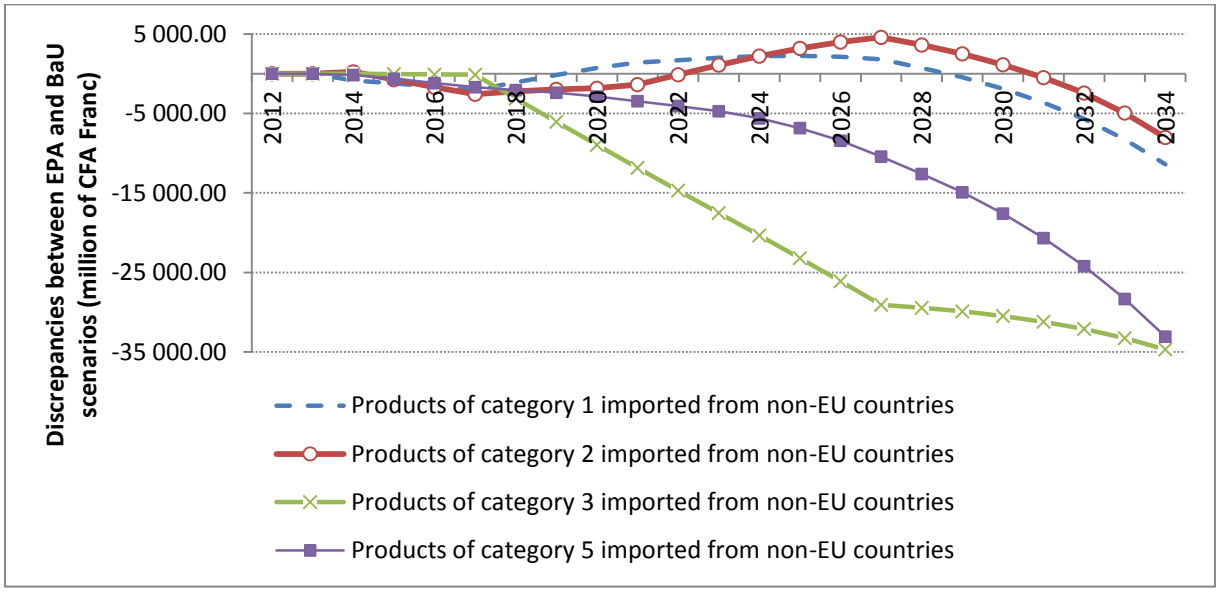
Graph 8: Evolution of the whole import volumes by product categories. Discrepancies induced by EPA scenario with regard to BaU scenario (in million of CFA franc)



Graph 9: Evolution of the imports from EU by categories. Discrepancies between EPA and BaU scenarios (in million of CFA Franc)

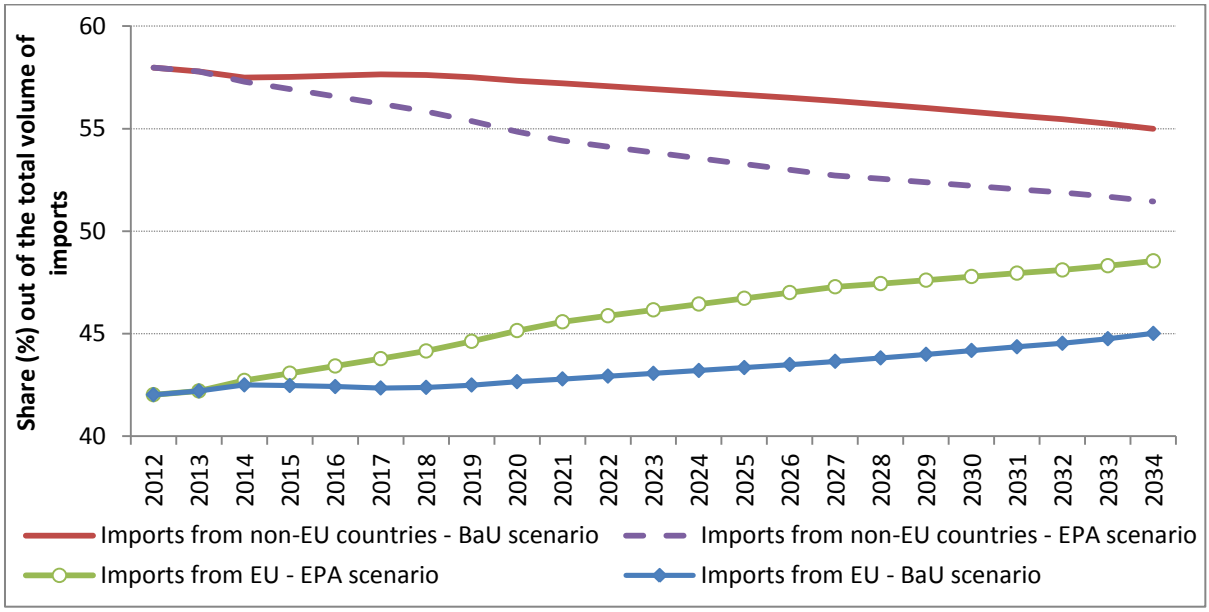


Graph 10: Evolution of the imports from non-EU origins by categories. Discrepancies between EPA and BaU scenarios (in million of CFA Franc)

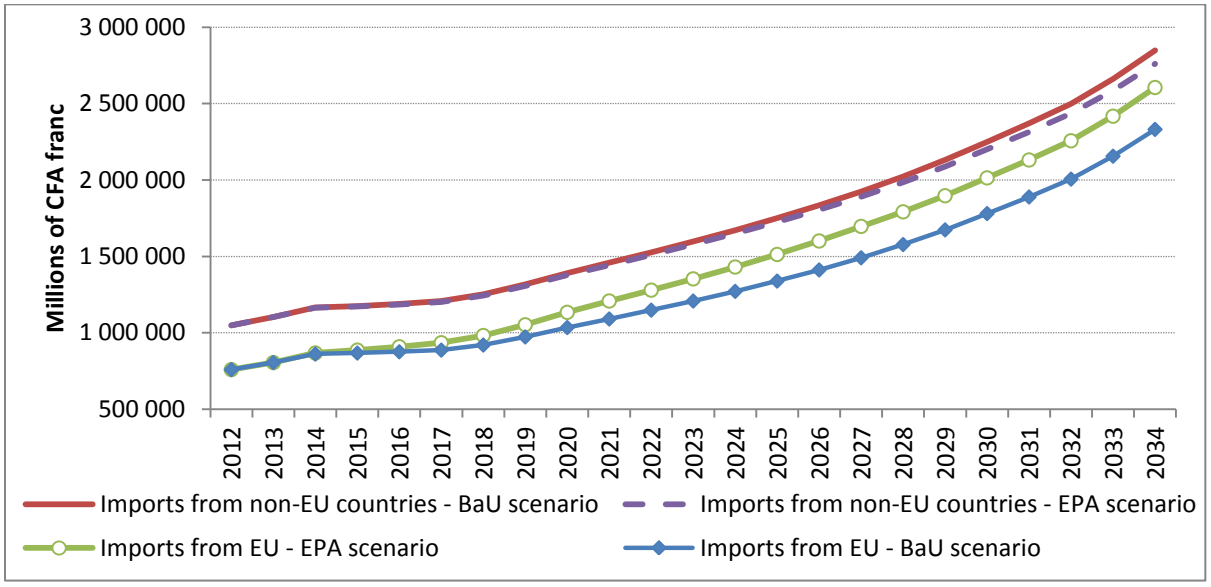


As illustrated in graph 11, the implementation of the EPA results in a continual increase of the share of imports from EU out of the total volume of Cameroun imports. Graph 12 shows that the consecutive decrease of the share of imports from non-EU countries is more due to trade creation effects between Cameroon and the EU (important rise in the imports from EU) than because of trade diversion effects against imports from non-EU countries (relatively weak negative discrepancy of imports from non-EU origins compared to the BaU scenario).

Graph 11: Tendencies of shares (%) of imports from EU and non-EU countries in the total import volume in Cameroon. Comparison between EPA and BaU scenarios



Graph 12: Tendencies of import volumes from EU and non-EU countries. Comparison between EPA and BaU scenarios (in million francs CFA)



V- IMPACTS ON FISCAL REVENUES

The tax budget revenues of Cameroun can be classified in four main components:

- Income direct taxes;
- Value Added Tax (VAT);
- Customs duties;
- Miscellaneous taxes on products or on production.

Although the lifting of customs barriers implied by the implementation of the EPA relates mainly on the import duties, and in particular to the import duties burdening the products imported from the EU, the CGE approach used also makes it possible to evaluate the more or less indirect incidences of the EPA on the other components of the State budget revenue. As a result, the model allows having a more exhaustive idea of the "Net" taxation shortfall consecutive to the EPA.

5.1. Impacts VAT receipts

The study makes a distinction between the incidence on the VAT levied on the domestic products sold within domestic market and the incidence on VAT levied on imports. The total impact on the VAT receipts proceeds of the summation of these two incidences. As showed in table 10, the EPA induces a widening negative discrepancy of receipts levied on the first subcomponent compared to the BaU scenario. On the contrary, the VAT collected on imports increases compared to the BaU scenario. During the 14-year period of tariff dismantling, this increase is stronger than the decrease of VAT receipts levied on domestic products sold within domestic market, so that the discrepancies of total VAT receipts are positive, with a cumulated gain amounted to more than eight billions CFA franc at the end of the dismantling period. But beyond this date, the positive discrepancy of VAT generated on

imports become more and more weak and, hence, insufficient to offset the fall in VAT receipts collected on domestic substitutes of imports; whence a negative impact on the total of VAT receipts beyond the end of dismantling period, with a cumulated shortfall amounted to 15 billions CFA franc seven years after the end of tariff cuts.

5.1.1. On the impacts on receipts of VAT levied on domestic substitutes of imports

The above-mentioned negative incidence on VAT levied on domestic products sold within domestic market results from two opposite effects: on the one hand, as indicated above (table 6 and graph 7), the production intended for the domestic market increases, implying a widening of one of the components of the VAT base[2] and, as a consequence, an increase effect of the VAT levied on that production. However on the other hand, the price (excluding VAT) of this production drops, implying a decrease effect. The VAT taxability being the product of the quantity multiplied by the price excluding VAT, the net effect on the VAT receipts on this production depends ultimately on the power struggle between these two contradictory effects.

In this case, the increase in quantity of the domestic substitutes to imports is not strong enough to compensate for the fall in the general level of the corresponding prices excluding VAT; from where a net incidence which is the decrease of the VAT receipts on the aforementioned products compared to the BaU scenario (table 10). The cumulated shortfall is of 21 billion francs CFA by the end of the dismantling period and of almost 61 billion seven years later.

5.1.2. VAT receipts on the imports

The cumulated profit of the receipts for this VAT is nearly 30 billion CFA franc at the end of the whole implementation period and 46 billion seven year later.

These profits are the resultant of several more or less divergent effects. While the increase in quantities of imports from EU tends to increase the VAT receipts, several mechanisms rather tend to annihilate or mitigate this increase; namely:

- The suppression of the customs duties on the imports from EU, for the product categories 1 to 3, and then the reduction of the import prices. This implies, ceteris paribus, a reduction of the VAT base; since the customs duties are one of the constituents of the VAT taxability, for the calculation of VAT receipts on imports;
- The reduction of the volume of imports originating from non-EU countries, which tends in the same way to shrink the VAT base and reduce VAT receipts on imports.

[2] This component represents the quantity of products, the other components of the VAT base being summarized by the market prices excluding VAT.

The overall positive impact abovementioned for the total VAT receipts on imports states consequently that the positive effect of the increase in the quantities of imports from EU exceeds these joint adverse effects.

5.2. Impacts on the customs receipts

5.2.1. General evolution of the losses on customs receipts

As awaited, implementing the EPA induces a drastic fall in the customs receipts levied on the imports coming from EU (table 11). Losses are also recorded on the customs receipts levied imports flowing from non-EU origins; but, though significant, these later shortfalls prove to be marginal compared with those recorded on imports from the EU.

The cumulated amount of customs receipts shortfalls recorded on products imported from EU are of 830 and 1907 billion CFA franc, respectively by the end of the whole 14-year dismantling period and seven years after this date. Considering these same temporal horizons, the cumulated shortfalls experienced on the imports from non-EU countries are respectively of 28 and 78 billion CFA franc.

5.2.2. Profile of the customs receipt shortfalls by categories of product imported from the EU

Table 12 shows that the progression pace and the amplitude of the losses recorded on the customs receipts levied on products imported from EU are correlative with the calendar and the modalities of tariff dismantling set in agreement: for each of three categories 1,2 and 3 of products imported from EU, the annual shortfalls on customs receipts increase with a high speed until the end of the corresponding period of tariff dismantling, then continue to increase thereafter, but more moderately. The customs receipts collected on the imports of category 5 remain practically unchanged compared to the BaU scenario.

5.3. Wrap up of the tax revenue shortfalls

Table 13 gives a summary of the shortfalls which would be generated because of the implementation of the EPA. It appears that the annual gaps on the budget revenue would be very important and would rise gradually from 4 billion of CFA franc in 2014 to 129 billion in 2027, then to more than 233 billion in 2034. The total cumulated shortfall would be of 895 billion CFA franc over the period 2014-2027 and 2157 billion if one considers the period 2014-2034.

In any event, the loss of customs receipts on the imports flowing from EU represents the essence of the total shortfall, that is to say a proportion of 93% of the whole cumulated gap in 2027 and 88% in 2034.

Table 3: Impact of scenario EPA on the trend of the domestic prices of imports on the whole. Changes (in %) compared to the BaU scenario.

Year	Producer Price of Exports	Producer Price of Domestic substitutes to imports	Domestic Market Prices of Imports	Price of Composite Products	Consumer Price
2014	-0.03	-0.03	-0.21	-0.05	-0.03
2015	-0.09	-0.11	-0.59	-0.17	-0.09
2016	-0.17	-0.21	-0.99	-0.30	-0.17
2017	-0.22	-0.30	-1.41	-0.43	-0.23
2018	-0.24	-0.37	-1.73	-0.53	-0.28
2019	-0.23	-0.42	-2.06	-0.63	-0.32
2020	-0.22	-0.49	-2.41	-0.73	-0.36
2021	-0.23	-0.56	-2.70	-0.84	-0.40
2022	-0.23	-0.63	-2.85	-0.92	-0.44
2023	-0.23	-0.69	-2.99	-1.00	-0.47
2024	-0.25	-0.78	-3.13	-1.09	-0.53
2025	-0.30	-0.89	-3.27	-1.21	-0.60
2026	-0.38	-1.02	-3.40	-1.36	-0.70
2027	-0.48	-1.19	-3.54	-1.53	-0.83
2028	-0.58	-1.35	-3.56	-1.68	-0.95
2029	-0.66	-1.51	-3.58	-1.82	-1.07
2030	-0.75	-1.69	-3.60	-1.99	-1.21
2031	-0.86	-1.89	-3.62	-2.17	-1.37

2032	-0.99	-2.12	-3.63	-2.37	-1.55
2033	-1.11	-2.35	-3.66	-2.59	-1.75
2034	-1.24	-2.60	-3.69	-2.81	-1.96

Table 4: Impacts of the EPA on domestic import prices of products originating from non-EU countries. Variation in % compared to BaU scenario

Year	Products of category 1	Products of category 2	Products of category 3	Products of category 5
2014	0.01	0.00	0.00	0.00
2015	0.04	-0.04	0.01	0.01
2016	0.07	-0.08	0.02	0.02
2017	0.10	-0.12	0.02	0.02
2018	0.14	-0.16	0.00	0.03
2019	0.17	-0.20	-0.03	0.04
2020	0.19	-0.23	-0.05	0.05
2021	0.20	-0.25	-0.08	0.06
2022	0.20	-0.24	-0.11	0.07
2023	0.19	-0.23	-0.14	0.08
2024	0.19	-0.22	-0.17	0.08
2025	0.17	-0.22	-0.20	0.09
2026	0.16	-0.21	-0.23	0.10
2027	0.14	-0.20	-0.25	0.11
2028	0.12	-0.18	-0.25	0.12
2029	0.09	-0.17	-0.24	0.12
2030	0.06	-0.16	-0.24	0.12
2031	0.03	-0.14	-0.23	0.12
2032	0.01	-0.13	-0.23	0.12
2033	-0.02	-0.12	-0.22	0.11
2034	-0.05	-0.10	-0.21	0.11

Table 5: Impacts of the EPA on domestic import prices of products originating from EU countries. Variation in % compared to BaU scenario

Year	Products of category 1	Products of category 2	Products of category 3	Products of category 5
2014	-1.42	0.00	0.00	0.00
2015	-2.86	-1.33	0.01	0.00
2016	-4.31	-2.67	0.02	0.00
2017	-5.77	-4.03	0.02	0.00
2018	-5.79	-5.41	-1.14	0.00
2019	-5.83	-6.84	-2.30	0.01
2020	-5.87	-8.32	-3.45	0.01
2021	-5.90	-9.34	-4.60	0.02
2022	-5.93	-9.41	-5.74	0.02
2023	-5.96	-9.48	-6.89	0.03
2024	-5.99	-9.55	-8.03	0.03
2025	-6.02	-9.62	-9.16	0.03
2026	-6.04	-9.68	-10.30	0.03
2027	-6.07	-9.75	-11.43	0.02
2028	-6.09	-9.81	-11.40	0.01
2029	-6.12	-9.86	-11.37	0.00
2030	-6.14	-9.92	-11.34	-0.01
2031	-6.16	-9.98	-11.31	-0.03
2032	-6.18	-10.03	-11.28	-0.04
2033	-6.21	-10.08	-11.24	-0.06
2034	-6.23	-10.14	-11.20	-0.08

Table 6: Impacts on the whole volume of exports, imports, production for domestic market and composite products. Discrepancies between EPA and BaU scenarios (million of CFA Franc)

Year	Exports	Imports	Domestic substitutes to imports	Composite products (Absorption by product)
2014	46	5 910	-467	7 241
2015	219	16 200	575	22 407
2016	551	27 357	3 807	41 558
2017	1 012	40 144	8 601	64 690
2018	1 533	51 915	15 428	88 542
2019	2 049	66 908	22 961	116 864
2020	2 560	84 135	32 969	150 561
2021	3 099	99 494	46 036	184 898
2022	3 649	110 423	62 285	216 358
2023	4 212	122 013	79 746	249 947
2024	4 850	133 589	99 933	286 298
2025	5 672	144 871	122 955	325 112
2026	6 791	155 847	149 192	366 728
2027	8 338	166 472	178 716	411 144
2028	10 357	170 080	212 181	449 950
2029	12 869	174 061	246 038	489 489
2030	15 984	177 452	282 437	530 792
2031	19 876	178 713	321 268	572 177
2032	24 681	178 244	359 431	610 208
2033	30 507	178 263	397 982	648 701
2034	37 463	177 557	436 978	686 833
Cumulated amount in 2027	44 580	1 225 279	822 735	2 532 346
Cumulated amount in 2034	196 317	2 459 650	3 079 050	6 520 496

Table 7: Evolution of the whole import volumes by categories. Discrepancies induced by EPA scenario with regard to BaU scenario (in million of CFA franc)

Year	Products of category 1	Products of category 2	Products of category 3	Products of category 5
2014	5 526	587	-24	-179
2015	13 340	3 632	-87	-685
2016	21 789	7 068	-193	-1 308
2017	31 206	11 039	-239	-1 862
2018	36 722	19 060	-1 680	-2 186
2019	43 399	28 655	-2 702	-2 445
2020	50 494	39 820	-3 322	-2 857
2021	56 510	50 036	-3 655	-3 397
2022	61 255	56 714	-3 611	-3 935
2023	66 166	63 473	-3 110	-4 515
2024	70 991	70 182	-2 207	-5 378
2025	75 614	76 765	-904	-6 603
2026	80 008	83 233	866	-8 260
2027	84 123	89 572	3 167	-10 390
2028	86 153	92 296	4 458	-12 827
2029	88 387	95 214	5 858	-15 398
2030	90 467	98 156	7 262	-18 433
2031	91 748	100 613	8 308	-21 956
2032	92 361	102 639	9 270	-26 027
2033	93 254	105 188	10 647	-30 825
2034	93 911	107 884	12 150	-36 388

Cumulated amount in 2027	697 144	599 836	-17 701	-54 000
Cumulated amount in 2034	1 333 424	1 301 826	40 252	-215 852

Table 8: Evolution of the imports from EU by categories. Discrepancies between EPA and BaU scenarios (in million of CFA Franc)

Year	Products of category 1	Products of category 2	Products of category 3	Products of category 5	Whole volume of imports from EU
2014	6 667	360	-8	-2	7 017
2015	15 227	4 323	-35	-52	19 464
2016	24 564	8 685	-86	-116	33 047
2017	34 941	13 522	-107	-165	48 192
2018	39 658	21 184	1 515	-115	62 242
2019	45 608	30 508	3 519	-49	79 587
2020	52 072	41 564	5 932	10	99 577
2021	57 650	51 343	8 655	62	117 709
2022	62 332	56 712	11 765	133	130 942
2023	67 193	62 177	15 335	204	144 909
2024	72 079	67 687	19 363	245	159 374
2025	76 927	73 215	23 879	236	174 258
2026	81 747	78 801	28 974	171	189 693
2027	86 528	84 465	34 737	37	205 767
2028	89 976	88 063	36 487	-210	214 315
2029	93 785	91 993	38 413	-490	223 702
2030	97 745	96 201	40 477	-841	233 581
2031	101 193	100 171	42 327	-1 281	242 411
2032	104 329	104 019	44 288	-1 821	250 814
2033	108 410	108 930	46 948	-2 500	261 788
2034	112 919	114 522	50 019	-3 322	274 137
Cumulated amount in 2027	723 195	594 547	153 437	599	1 471 778
Cumulated amount in 2034	1 431 552	1 298 446	452 396	-9 867	3 172 526

Table 9: Evolution of the volumes of imports from non-EU origins by categories. Discrepancies between EPA and BaU scenarios (in million of CFA Franc)

Year	Products of category 1	Products of category 2	Products of category 3	Products of category 5	Whole volume of imports from non-EU
2014	-849	226	-15	-177	-815
2015	-1 228	-752	-51	-633	-2 664
2016	-1 658	-1 714	-106	-1 191	-4 669
2017	-2 052	-2 589	-131	-1 698	-6 469
2018	-1 116	-2 239	-3 126	-2 071	-8 552
2019	-173	-1 971	-6 054	-2 396	-10 594
2020	714	-1 838	-8 955	-2 867	-12 947
2021	1 387	-1 375	-11 844	-3 459	-15 292
2022	1 686	-135	-14 704	-4 069	-17 221
2023	1 985	1 086	-17 522	-4 720	-19 171
2024	2 187	2 211	-20 345	-5 624	-21 571
2025	2 244	3 186	-23 202	-6 841	-24 613
2026	2 123	3 984	-26 102	-8 434	-28 429
2027	1 787	4 569	-29 063	-10 429	-33 137
2028	717	3 607	-29 454	-12 620	-37 750
2029	-470	2 498	-29 904	-14 912	-42 790
2030	-1 916	1 125	-30 479	-17 597	-48 867
2031	-3 643	-496	-31 198	-20 682	-56 019
2032	-5 698	-2 432	-32 103	-24 214	-64 447
2033	-8 279	-4 945	-33 261	-28 336	-74 820
2034	-11 409	-8 019	-34 678	-33 080	-87 186

Cumulated amount in 2027	7 037	2 650	-161 219	-54 610	-206 144
Cumulated amount in 2034	-23 663	-6 011	-382 297	-206 051	-618 023

Tableau10: Impact on the evolution of the receipts of VAT. Changes of scenario EPA compared to the BaU scenario (in million Franc CFA)

Year	VAT on domestic products	VAT on imports	Total VAT
2014	-129	190	61
2015	-394	423	29
2016	-701	687	-14
2017	-983	1 034	51
2018	-1 173	1 294	121
2019	-1 325	1 671	346
2020	-1 499	2 108	609
2021	-1 667	2 492	825
2022	-1 777	2 766	989
2023	-1 874	3 054	1 180
2024	-2 023	3 306	1 283
2025	-2 257	3 498	1 241
2026	-2 593	3 622	1 029
2027	-3 051	3 668	617
2028	-3 481	3 497	16
2029	-3 949	3 300	-649
2030	-4 540	3 010	-1 530
2031	-5 287	2 574	-2 713
2032	-6 191	1 987	-4 204
2033	-7 313	1 261	-6 052
2034	-8 668	362	-8 306
Cumulated amount in 2027	-21 446	29 813	8 367
Cumulated amount in 2034	-60 875	45 804	-15 071

Table 11: Impact on the general evolution of the customs receipts. Discrepancies between EPA and BaU scenarios (in million CFA franc)

Year	Customs duties on imports from EU countries	Customs duties on imports from non-EU countries	Total customs duties on imports
2014	-3 967	-79	-4 046
2015	-11 316	-243	-11 558
2016	-19 396	-412	-19 808
2017	-28 267	-552	-28 819
2018	-35 777	-938	-36 715
2019	-45 096	-1 307	-46 403
2020	-56 062	-1 688	-57 750
2021	-66 067	-2 062	-68 129
2022	-73 167	-2 403	-75 570
2023	-80 688	-2 738	-83 426
2024	-88 756	-3 109	-91 866
2025	-97 468	-3 542	-101 010
2026	-106 986	-4 048	-111 034
2027	-117 461	-4 644	-122 105
2028	-124 800	-5 071	-129 870
2029	-132 933	-5 553	-138 486
2030	-142 042	-6 154	-148 196
2031	-151 337	-6 885	-158 223
2032	-161 355	-7 777	-169 132
2033	-174 235	-8 911	-183 146
2034	-189 378	-10 297	-199 675

Cumulated amount in 2027	-830 474	-27 765	-858 239
Cumulated amount in 2034	-1 906 554	-78 413	-1 984 966

Table 12: Customs receipt shortfalls by categories of product imported from the EU. Discrepancies between EPA and BaU scenarios (in million of CFA franc)

Year	Products of category 1	Products of category 2	Products of category 3	Products of category 5	Whole customs receipts levied on imports from EU
2014	-4 013	39	6	1	-3 967
2015	-8 372	-2 950	15	-9	-11 316
2016	-13 243	-6 154	22	-22	-19 396
2017	-18 696	-9 573	34	-31	-28 267
2018	-19 859	-13 532	-2 372	-15	-35 777
2019	-21 674	-18 469	-4 959	6	-45 096
2020	-23 829	-24 487	-7 771	25	-56 062
2021	-25 832	-29 502	-10 776	43	-66 067
2022	-27 918	-31 304	-14 009	65	-73 167
2023	-30 102	-33 180	-17 493	87	-80 688
2024	-32 425	-35 169	-21 265	102	-88 756
2025	-34 910	-37 294	-25 369	105	-97 468
2026	-37 610	-39 604	-29 867	95	-106 986
2027	-40 563	-42 136	-34 829	68	-117 461
2028	-43 798	-44 913	-36 097	9	-124 800
2029	-47 378	-47 989	-37 509	-57	-132 933
2030	-51 377	-51 429	-39 094	-141	-142 042
2031	-55 468	-54 944	-40 679	-246	-151 337
2032	-59 841	-58 657	-42 481	-375	-161 355
2033	-65 431	-63 385	-44 881	-538	-174 235
2034	-72 002	-68 912	-47 729	-735	-189 378
Cumulated amount in 2027	-339 046	-323 316	-168 632	520	-830 474
Cumulated amount in 2034	-734 341	-713 547	-457 101	-1 564	-1 906 554

Table 13: Revenue shortfalls (-) or profits (+) generated by the EPA, by taxation types. Discrepancies between EPA and BaU scenarios (in million of CFA franc)

Year	Corporate taxes	Household income taxes	VAT on domestic products	VAT on imports	**Customs receips on Imports from EU**	Customs receipts on imports from non-EU	Miscellaneous taxes on products	Production taxes	**Total of taxation revenues**
2008	0	0	0	0	0	0	0	0	0
2009	0	0	0	0	0	0	0	0	0
2014	-107	-65	-129	190	-3 967	-79	-19	-9	-4 184
2015	-374	-205	-394	423	-11 316	-243	-92	-40	-12 240
2016	-691	-365	-701	687	-19 396	-412	-179	-78	-21 136
2017	-979	-482	-983	1 034	-28 267	-552	-257	-115	-30 600
2018	-1 216	-532	-1 173	1 294	-35 777	-938	-333	-151	-38 826
2019	-1 414	-526	-1 325	1 671	-45 096	-1 307	-401	-182	-48 580
2020	-1 659	-519	-1 499	2 108	-56 062	-1 688	-485	-221	-60 025
2021	-1 931	-514	-1 667	2 492	-66 067	-2 062	-573	-263	-70 585
2022	-2 164	-471	-1 777	2 766	-73 167	-2 403	-638	-300	-78 153
2023	-2 397	-419	-1 874	3 054	-80 688	-2 738	-701	-335	-86 098
2024	-2 721	-416	-2 023	3 306	-88 756	-3 109	-793	-382	-94 895
2025	-3 171	-503	-2 257	3 498	-97 468	-3 542	-928	-444	-104 815
2026	-3 764	-691	-2 593	3 622	-106 986	-4 048	-1 113	-527	-116 100
2027	-4 512	-1 005	-3 051	3 668	-117 461	-4 644	-1 359	-633	-128 998
2028	-5 259	-1 329	-3 481	3 497	-124 800	-5 071	-1 633	-744	-138 820
2029	-6 026	-1 713	-3 949	3 300	-132 933	-5 553	-1 933	-860	-149 668

2030	-6 936	-2 230	-4 540	3 010	-142 042	-6 154	-2 303	-1 000	-162 195
2031	-8 012	-2 924	-5 287	2 574	-151 337	-6 885	-2 751	-1 168	-175 790
2032	-9 256	-3 809	-6 191	1 987	-161 355	-7 777	-3 287	-1 364	-191 052
2033	-10 744	-4 940	-7 313	1 261	-174 235	-8 911	-3 955	-1 602	-210 440
2034	-12 486	-6 330	-8 668	362	-189 378	-10 297	-4 763	-1 884	-233 444
Cumulated amount in 2027	-27 099	-6 712	-21 446	29 813	-830 474	-27 765	-7 870	-3 682	-895 234
	3%	1%	2%	-3%	93%	3%	1%	0%	100%
Cumulated amount in 2027	-85 818	-29 988	-60 875	45 804	-1 906 554	-78 413	-28 495	-12 304	-2 156 642
	4%	1%	3%	-2%	88%	4%	1%	1%	100%