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Performance of African Agricultural Exports and External Market Access Conditions under International Trade Reforms

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Abstract: Sub Saharan African agriculture is currently facing challenges in international trade with respect to external market access conditions and competition in world markets as a result of trade liberalization efforts under the world trade organization (WTO) agreements and in particular the agreement on agriculture (AoA). This paper presents the performance of agricultural exports for selected countries and indicates external market barriers faced and the resulting implications of the barriers on WTO Doha Development Agenda (DDA) negotiations. The composition of agricultural exports and markets shows that exports from Sub Saharan Africa are less diversified with only five commodities mainly coffee, cocoa, cotton, hides and skins, and horticultural crops dominating in most countries. Markets are also concentrated on only a few countries with the European Union being a major market although intra Africa trade has increased in recent years because of regional integration efforts. Important external market access barriers faced are tariff peaks and escalation particularly for agro-processed and livestock products in developed countries and non tariff barriers particularly sanitary and phytosanitary (SPS) and technical barriers to trade (TBTs) measures, safeguard and anti-dumping measures, and domestic and export subsidies on agricultural products for developed countries. The performance of agricultural exports from Sub Saharan Africa based on production and value for the period 1990 to 2000 shows mixed trends across countries and commodities. In general, there has been an increase in production and exports of non-traditional commodities but exports of traditional exports for some countries show an increasing trend while for others they have stagnated or even declined due to declining world market prices and domestic marketing problems. In conclusion, the future of increased exports from Sub Saharan Africa countries lies in value adding for traditional commodities and diversification to non-traditional products such as flowers, fruits and, fish and fish products. Thus, tariff escalation and peaks for agro-processed products and NBTs such as SPS and TBT are important issues to be focused on during multilateral trade negotiations, as they are major barriers to increasing exports from Sub Saharan Africa. Domestic and export subsidies in developed countries are also of concern because they reduce the competitiveness of products from Sub Saharan Africa by depressing world market prices besides making it difficult for these countries to diversify their agriculture.

Introduction

Agriculture remains an important sector in Sub Saharan African economies with many countries relying on the sector for employment, food, household incomes, foreign exchange earnings and source of raw materials for the manufacturing sector. In recent years, the agricultural sector has faced challenges in international trade particularly as a result of new imperatives in the new World Trade Order arising mainly from new multilateral trading arrangements. The new international trading arrangements affecting agriculture are mainly from the world trade organization (WTO) agreement on agriculture (AoA) and the new African Caribbean and Pacific (ACP) – European Union (EU) economic partnerships (EPA) negotiations. The WTO AoA focuses on liberalization of international agricultural trade and its rules are built on three pillars, namely; market access, domestic support and export competition. The ACP-EU EPA negotiations focus on regional integration of ACP countries under EPAs for trade with EU countries under a liberalized trade regime but on a reciprocal basis. These new World Order trading arrangements poses challenges for agricultural development in Sub Saharan Africa which raises the key question as to what policy actions should Sub Saharan Africa LDCs do to benefit from international agricultural trade liberalization.

The international new trade agreements have led to substantial trade liberalization (reduction in tariffs and trade distorting non tariff barriers) in recent years. The main argument advanced to support trade liberalization is that free trade is beneficial because it leads to increased trade and therefore improved welfare of all those involved. Indeed, at the conclusion of the Uruguay Round in 1994, the United Nations Development program (UNDP) estimated that world income would grow by US$ 200-500 billion within six years. However, these gains would go mostly to the industrialized countries and that Sub Saharan Africa in particular would lose US$ 1.2 billion a year during the period (Economic Commission for Africa (ECA), 1999). Thus, besides the initiatives of the WTO to make international trade free, it was anticipated from the onset that Africa would not gain initially. This was attributed to problems of market access, and a weak industrial and technological base, among other factors.

A major concern for Sub Saharan African countries is impacts of trade liberalization and in particular, continuous reduction in tariffs in the past three decades and use of various not-tariff barriers (NTBs) to restrict Sub Saharan African exports. As a matter of fact, one of the most striking features of many developed countries' trade policies is the apparent substitution of non- tariff barriers for tariffs. A wide range of government policies place stumbling blocks on products entering their countries giving various reasons ranging from protection of infant industries, human and animal health, security and safety.

This paper presents the performance of agricultural exports for Sub Saharan African countries and indicates external market barriers faced and the resulting implications of the barriers on WTO Doha Development Agenda (DDA) negotiations.

International Trade Performance for Sub-Saharan African Countries

The world' merchandise in trade in exports has increased tremendously from US$84 billion in 1953 to US$6,272 billion in 2002. However, Africa's trade merchandise in exports only grew from US$5.46 in 1953 to US$ 138 billion in 2002. Besides, compared to the rest of the world's share of export merchandise, Africa's share shows a tremendous decline (Table 1). Africa's share has diminished from 7.3 in 1948 to 2.2 in 2002 while Europe has increased from 31.5% in 1948 to 42.4% in 2002. Other regions of the developing world such as Asia, have shown tremendous progress in their share contribution to the world exports increasing from 13.6 percent in 1948 to about 25.8 percent in 2002.

Table 1: Africa's share in World trade over time (percentage Share)

	1948	1953	1963	1973	1983	1993	2001	2002
Region								
World	100	100	100	100	100	100	100	100
North America	27.3	24.2	19.3	16.9	15.4	16.6	16.6	15.1
Latin America	12.3	10.5	7	4.7	5.8	4.4	5.8	5.6
Western Europe	31.5	34.9	41.4	45.4	38.9	44	41.5	42.4
C/E.Europe/Baltic states/CIS	6	8.1	11	9.1	9.5	2.9	4.8	5
Africa	7.3	6.5	5.7	4.8	4.4	2.5	2.4	2.2
Middle East	2	2.7	3.2	4.1	6.8	3.4	4	3.9
Asia	13.6	13.1	12.4	14.9	19.1	26.1	25	25.8

Source: International trade statistics (WTO) 2002

An analysis of regional distribution of world primary commodity exports shown in Table 2 indicates that the share of Western Europe and North America of world export of agricultural exports was almost 65% in 1990 although it decreased to 60% in 2002. However, the dominance in mining is not strong and the combined share of Western Europe and North America was only about 34% in 1990 and 32% in 2002. The mining group itself is dominated by crude petroleum exports which trade negotiations have not had much relevance. Similarly, Africa's world share of exports of manufactures is negligible estimated at 0.9% in 1991 and 0.8% in 2001 compared to 54.2% and 44.9% for Western Europe; 24.4% and 27.9% for Asia; 15.2% and 17% for North America and 2.3%; and 4.6% for Latin America for the same period, respectively. This analysis is important for Africa trade negotiations because primary products dominate Africa's world trade of exports.

Primary commodities (agricultural and mining) accounted for about 77% of African merchandise in 1992 and 75% in 2002 (Table 3). Furthermore, Africa remains the most heavily commodity-dependent developing country region in the world. In 2002, for instance, primary commodities accounted for less than 40% of Latin America's total merchandise exports and less than 20% in the case of Asia in the same year. It would appear therefore that most commodity issues in trade negotiations are of more significance for Africa than any other developing-country region.

Table 2: Regional Shares (% of World Commodity Exports) 1990 and 2002

Region	Agricultural Products		Mining Products	
	1990	2002	1990	2002
Western Europe	45.2	43.7	24.2	23.3
Asia	17.4	18.2	13.5	14.6
North America	19.7	17.4	9.7	8.6
Latin America	9.6	11.6	10.0	9.0
Central and Eastern Europe	3.0	4.8	8.0	12.5
Africa	4.0	3.8	11.5	9.8
Middle East	1.1	1.5	23.1	22.2

Source WTO (2002-2003)

Table 3: Structure of African Merchandise Exports, 1992 and 2002

	1992	**2002**
Agricultural Products	18.9	17.7
Mining Products	57.9	57.0
Manufactured Products	23.2	25.3
Total	100.0	100.0

Sources: GATT (1993), WTO (2003)

Besides Africa's dependent on primary commodities for exports, the commodities are less diversified across the African countries. Many Sub African countries depend on a very narrow range of primary commodities. Townsend (1999) indicates that nine commodities (i.e. bananas, cocoa coffee, cotton, groundnuts, rubber, sugar, tea and tobacco) accounted for over 71% of the total agricultural exports of the region during 1990-97, with the two dominant crops, cocoa and coffee, contributing 18.5% and 14,7% respectively. Recent studies commissioned by AERC for selected countries shown in Table 4 confirm the same results.

Another feature about the range of the exports is that most countries export similar products (Table 4). Therefore there is competition among Sub Saharan African countries in their exports and more so in traditional exports such as coffee, cocoa, cotton and hides and skins. However, there is an emerging trend whereby non-traditional commodities such as flowers, vegetables and fish are becoming important exports in some of these countries. Despite the narrow range of diversification of exports, this is an improvement over the past whereby one or two traditional commodities mainly coffee, cocoa, rubber, tea and cotton dominated the exports (Nyangito, 2004).

Table 4: Major export commodities from selected countries and shares of agricultural export value and that of leading five agricultural exports

Country	Major commodities	Percentage share of total exports value	Percentage share of total agricultural exports value
Cameroon	Coffee, cocoa , bananas, rubber, livestock products, oilseeds[1], wood and fisheries	50	70
Cote d'Ivoire	Cocoa, coffee, bananas, horticulture, rubber, cotton, sugar and oil seed	41	70
Ethiopia	Coffee, hides and skins, oil seeds, pulses and chat	N/A[2]	79.8
Ghana	Cocoa, pineapple and fish	N/A	83
Kenya	Tea, flowers, fruits, vegetables, Coffee, pyrethrum livestock and fisheries and pyrethrum	53	85
Nigeria	Cocoa, livestock products, oilseed, cotton and wood	4.2	80
Tanzania	Coffee, cotton, sisal, tea, tobacco, Cashew nuts and horticulture	56	90
Uganda	Coffee, fish, tobacco, tea, hides and skins, and horticulture	N/A	N/A

[1]Oil seeds include commodities such as Palm oil and Cashew nuts,
[2]N/A means not reported in study
Source. Nyangito, 2004

Besides the similarity of the exported commodities, most of them are exported as raw materials rather than as processed products. This means that most countries do not benefit from the high prices associated with processed products. However, in recent years, most countries have started to encourage export of processed products. This is particularly so for cocoa, coffee, fruit juices, meat and dairy products.

Given the level of primary commodity dependence, it is not surprising that Sub Saharan Africa has been subjected to the full force of negative consequences in international trade, which affect primary commodities. Sub Saharan Africa has generally fallen behind other regions of the world in the export of primary commodities due to its steady loss of significant market shares over time for such key primary commodities as cocoa, tea, and coffee to more efficient producers in Asia and Latin America. However, there is an emerging trend in world commodity trade whereby there is a shift towards non-traditional commodities including fruits, vegetables, fish and seafood which, are becoming increasingly important for Africa as well as processed agricultural and food products (UNIDO, 2000).

Export Markets

The major market destination for most agricultural exports from Sub Saharan Africa is Europe and in particular the European Union (EU). The market share for most Sub Saharan countries to EU is as high as 70% for countries such as Cameroon. Trade between Sub Saharan African countries and Europe is closely linked to historical colonial ties and the preferential trade arrangements under the Lome Conventions. The second most important destination of exports outside Africa is United States of America (USA) followed by Asia. Intra Africa trade has increased recently because of regional trading arrangements among the African countries such as Economic Commission for Western Africa (ECOWAS), Common Market for Eastern and Southern Africa (COMESA) and Southern Africa Development Cooperation (SADC). For some countries such as Uganda, African countries provide about 40 % of the market for agricultural commodities. These are however concentrated on food commodities and agricultural re-exports.

The analysis of composition of agricultural exports and commodities and markets shows that export commodity diversification is an important feature that should be addressed in enhancing market access but market diversification is also becoming increasingly important particularly the shift from traditional developed country markets to developing and least developing countries. Thus, whereas addressing market access conditions in the traditional markets of Western Europe and USA is important, focus on external market access conditions within Africa and Asia is also important for most Sub Saharan African countries.

Market access for Sub Saharan Africa countries

Market access conditions facing African agricultural exports to various markets are a combination of preferential conditions, MFN and non-MFN tariffs (advalorem, specific tariff quotas) and non-tariff barriers (NTBs). Preferential access to markets include the ACP-EU Lome Agreements, the United States of America’s African Growth Opportunity Act (AGOA) and Generalized System of Preferences (GSP) for a number of Overseas Economic Cooperation for Development (OECD) countries as well as bilateral and region integration agreements.

Preferential arrangements and tariffs

Under the ACP-EU Lome Agreement (1975), trade between ACP and EU countries is non-reciprocal preferences whereby EU countries grants ACP countries market access of industrial and agricultural commodities and quotas under commodity protocols (bananas, rum, beef and veal, and sugar). The ACP countries were allowed 99% of exports to be exempted from duties in EU markets. The EU also provides STABEX funds to cover losses of earnings caused by a fall in prices or decline in production of main agricultural exports. Despite the concessions provided through the ACP preferences, their impact has been moderate, if not disappointing. Even though for most ACP countries, the EU is their main trading partner-exports into the EU represent 29 percent of their total exports in 2000, the share in EU’s total exports declined from 13.3 percent in 1976 to 3.7 percent in 2000.

The ACP-EU Lome Agreements expired in 2000 and a new agreement, the Cotonou Agreement is under negotiation and will be operational in January 2008. Meanwhile, the preferential market access conditions under Lome Conventions will continue to operate. The cardinal principle within the Cotonou Agreement is establishment of EPAs for the ACP countries, which will trade with EU in a reciprocal basis. Under this arrangement, the ACP countries will have to open upto 90% for products from EU on a duty free basis. Besides, the EPA principle, the EU extends the “Everything but Arms” (EBA) market access conditions to all least developing countries (LDCS).

The AGOA allows countries, which qualify to export selected goods into the USA duty free. The products include most agricultural commodities. The product that has exploited the largest market for most Sub Saharan African countries to date is textiles.

The GSP preferential treatment consists of a series of unilateral concessions offered by developed countries to developing countries. The GSP scheme operates at two levels: the general arrangements provide basic trade preferences based on traditional objectives of economic development, and special incentives clauses regarding sustainable development. The general system provides tariff preferences depending on sensitivity of the product whereby low duties than MFN are allowed on selected products.

Most countries have also entered into bilateral trade arrangements for promotion of trade with other countries, In this system, countries agree on preferential trade arrangements such as quota and duty free entry of goods into markets or any other taxation arrangements. This kind of trade arrangements has become popular between Sub Saharan countries and other developing or least developing countries in other regions.

Under regional integration efforts, liberalization of domestic markets among countries in the same region is the focus. Preferential tariffs and reduction of other barriers to trade are the measures used to encourage trade. Most countries have established free trade areas (FTAs) and in some cases, efforts are being made to establish customs unions. Examples include COMESA and East African Community (EAC).

External tariffs

In general, tariffs on agricultural commodities in developed countries are generally low and most agricultural commodities from Sub Saharan Africa have market access on preferential rates or on zero MFN rates to these markets. Ironically further reduction of MFN rates puts most Sub Saharan African countries at a disadvantage because of erosion of the preferences. Despite preferential trade arrangements offered to most tropical commodities and therefore low tariffs by developed countries, most agro-processed products are subject to high customs duties and tariff escalation.

Post –Uruguay Round (UR) tariffs remain high in OECD countries on temperate zone food products with peaks in staples, fruit and vegetables and processed foods. On the aggregate, 26 percent of tariff lines on agriculture chapters (SITC 1 to 24) attract duties above 20 percent in the EU. Examples include cereals 60% of tariff lines, dairy products 54% of tariff lines and sugar 53% of tariff lines. Meat, life animals, prepared fruit and vegetables have more than one third of their lines affected and attract tariff peaks of 20 percent and above. In Japan as well, tariff peaks are also significant on dairy products, sugar and cocoa preparations, cereals, flours and other food products. However, in USA, tariff peaks are relatively less than obtains in the EU or Japan and only about 10 of the tariff lines in agriculture are charged at 20 percent and above duties. Thus, tariff peaks and escalation remain an effective way of protecting agricultural products from entering markets in developed countries. This problem is aggravated by implementation of tariff quotas, which have shifted gradually from applied tariffs to an approximate of MFN based on licenses on demand, historical importers and combinations of various methods.

Non tariff barriers (NTBs)

In addition to tariff barriers, agricultural exports from Sub Saharan Africa face non-tariff barriers (NTBs) in the export markets, which limit market access for products. These range from sanitary and phytosanitary standards (SPS), technical barriers (TBTs), safeguard and anti-dumping measures, compensatory duties and domestic and export subsidies on agricultural products.

The most important component of non-tariff barriers for African exports is, perhaps, made up of technical barriers to trades (TBTs) and sanitary and phytosanitary (SPS) measures. To the extent that measures have become increasingly complex and are generally developed with little involvement of African countries, they impose a major strain on the capacity of these countries to ensure that their export products satisfy the requirements. This is further complicated by the fact that new technical standards and SPS measures are frequently being introduced by the developed countries on the basis of their own risk assessments that are higher or stricter than those recognized by the appropriate international standard-setting organizations. Thus, the annual notification of new technical standards to the GATT/WTO increased steadily from under 25 in the early 1980s to well over 400 in 1999.

SPS measures are a major concern for Sub Saharan Africa countries because they are increasingly becoming a major barrier to market access in developed countries. There is an increasing demand for high standards on health and quality standards from developed countries on grounds of safety of life and health of plants, animals and people. Some of the measures include minimum residual levels (MRLs) on horticultural products and maximum aflotoxin levels on grains which are justifiable on scientific grounds but whose standards are much higher than international standards. Some measures arise from buyers' demands. For example, in Europe buyers (consumers) would like to know the status of production environment, use of child labor and human living conditions for products sold in their markets. These conditions create barriers for products from Sub Saharan Africa and other developing countries, which cannot be justified on scientific grounds.

In summary, several studies (e.g. Henson et al, 2000, Nyangito et al, 2003b;Andre Jooste et al, 2003; Adeyemo et al; 2003 and Rudeherenwa; 2003) indicate that many African countries are affected disproportionately with SPS measures because of many reasons. These include compliance by Sub Saharan African countries that often requires a high degree of sophistication in testing and monitoring which they may not be in a positions to deploy. The substantial entry or compliance costs involved tend to discourage exports from small-scale firms, which constitute the majority of African export producers. These exporters are also often slow to acquire information about relevant new SPS measures imposed by importers.

TBTs encompass production and processing methods related to characteristics of products. They form the technical standards that products are required to meet before being exported into a country. These standards must also be scientifically justified and should not be used as barriers to market access. However, technical standards required by most developed countries are more stringent than international standards developed by International bodies. Besides, most developing countries particularly those in Sub Sahara Africa lack the capacity (human and capital) that can ensure that the stipulated standards by developed countries for most of the products particularly agro-processed products are met. The developing countries also lack resources to enable them participate in the formulation of international standards and thereby limits the ability to apply them on their exports. These factors continue to compel most African countries to export primary commodities whose standards are less stringent rather than valued added products whose technical standards are stringent.

For African countries to ensure that their products satisfy the requirements imposed by technical standards and SPS measures in their main export markets, they must make substantial investments in product redesign, assessing conformity, and in creating a management system to monitor compliance and quality control. The costs involved tend to be quite high in the case of Sub Saharan African countries since their export products must conform to standards that are not only different but are generally higher or stricter than those in their home markets. This may explain the perception among Sub Saharan African country trade officials that technical standards and SPS measures constitute a greater constraint on their ability to export their products to the developed countries than tariff barriers and other quantitative restrictions.

Safeguard and anti-dumping measures are also used to protect domestic markets in developed countries either because of the need to protect domestic products that are important in that country or because imports are perceived to be dumped in that market. These measures provide developed countries with opportunities to create barriers to products from developing countries. The most affected products are temperate zone commodities particularly cereals and dairy products.

Agricultural Subsidies

Agricultural production and export subsidies dominantly used by developed countries make it difficult for products from Sub Saharan to compete in the world markets and also dampen domestic production when they are exported into Sub Saharan countries. Subsidies granted by OECD countries in 2001 were estimated at US$311 million and on the average prices received on OECD farmers were 31% higher than world market prices. Most subsidies are on cereals, dairy products and arable crops, which are considered temperate zone products. Besides the high levels of subsidies, productivity of these products is very high in developed countries when compared to the level in Sub Saharan Africa. Both the use of subsidies and high productivity for commodities in developed countries reduce the competitiveness of products from Sub Saharan Africa by depressing world market prices. Besides, the subsidies make it difficult for Sub Saharan African countries to diversify their agriculture and this explains the reliance on tropical commodities as major exports from Sub Saharan Africa and the large imports of food products into Sub Saharan Africa.

There is evidence to suggest that Sub Saharan African countries, which are heavily dependent on a few primary commodities, have suffered from both price volatility and secular decline since the 1960s (UNCTAD, 2003). In particular, the real prices of copra, cononut, cotton, coffee, cocoa, tea, sugar and white pepper exhibited declining trends during the 1960-2000 period. Secular decline in real prices emanates mainly from gluts in primary commodity markets arising from high levels of export and domestic subsidies or technological developments.

It is widely acknowledged that, for those commodities produced in Africa and also in the northern hemisphere (such as cotton and sugar), export subsidies and domestic support for farmers have induced significant increases in the marketed surplus. The major commodities on which export subsidies are applied are cereals, oilseeds, milk, sugar and livestock products. Despite WTO commitments to reduce export subsidies, there appears to be increased use of subsidies on wheat, coarse grains and sugar between 1995 and 2002 while the use on some products such as dairy products and have shown a marginal decrease (Table 5).

Table 5:. Total Export Subsidies by Commodity Category, 1995 – 2001 (US$ million)

Commodity	1995	1996	1997	1998	1999
Wheat	169.3	403.4	197.9	562.9	532.1
Coarse grains	420.0	494.4	306.4	864.5	772.0
Rice	55.3	97.7	36.3	28.7	27.5
Oilseed	83.3	49.9	10.1	2.7	1.0
Fibers	0.4	0.0	0.0	0.0	0.0
Fruits & vegetables	166.3	126.4	95.1	89.8	79.2
Sugar	512.9	692.7	890.7	913.2	510.0
Milk Products	2,547.1	2,695.3	1,938.7	1,992.9	2,255.1
Wine	75.7	85.9	47.2	35.5	27.4
Beef	2,010.1	1,947.1	950.2	732.5	808.0
Pork	135.5	94.4	95.4	403.7	288.5
Poultry	189.2	104.7	107.8	128.8	102.2
Other Meats	11.9	11.3	10.1	2.2	2.6
Livestock	26.6	14.7	0.1	0.2	1.2
Tobacco	25.8	5.9	0.8	0.9	0.0
Processed products	779.4	852.4	709.5	747.5	841.0
Other agricultural Products	114.7	209.5	159.0	161.6	257.4
Total	7,323.6	7,885.6	5,555.3	6,667.7	6,504.1

Source: WTO (2003)

Export subsidies are prevalent on commodities (cereals, dairy and beef products) in which most African countries are net importers. However, these commodities are also important as exports for at least 50% of total export of African countries such as Benin, Burkina Faso, Burundi, Chad, Cote d' Ivoire, Malawi, Mali, Rwanda, Tanzania, and Uganda (Oyejide, 2004). The fact that these commodities are subsidized makes it difficult for most African countries to compete in the world market.

By comparison, over-production in the case of tropical products (such as coffee, cocoa and tea) is induced by several factors. The most important one is increased productivity resulting from technical advances made by some traditional producers in Asia and Latin America. Another is expansion of land allocated to production in, for example, Brazil, while a third factor is the emergence of new low-cost producers, particularly in Asia. Prominent examples among these are Malaysia (for cocoa) in the 1970s and 1980s and Viet Nam and Indonesia (for tea and coffee) in the 1980s and 1990s.

The impacts of domestic support and export subsidy policies can be very diverse. By implication, their elimination will have differing implications for individual or groups of African countries. For instance, it is fairly well established that these policies have negative implications for many African countries, which export products whose world trade and markets are distorted by the policies. But by providing access to subsidized commodities at low world prices, these policies may be beneficial to net importers of agricultural products (particularly food) in Africa. These benefits can be substantial in times of food emergency and in terms of increasing food security at both the national and individual household levels. They can also be long-term for countries, which clearly lack comparative advantage in the production of the subsidized products. Thus careful analysis on impacts of export subsidies and domestic support is required to reach agreements that are not detrimental to the welfare of Sub Sharan African countries. Some tradeoffs may be required on the basis of the comparative advantage most Sub Saharan African countries have.

Impacts of External Market Access Conditions on Agricultural Exports

Recent studies on selected countries by AERC and synthesized by Nyangito (2004) are used here to illustrate the impacts of external market conditions on agricultural exports. The impacts of external market barriers to exports from Africa were analyzed on the basis of production and value of the exports for the period 1990 to 2000. In general, mixed trends are observed in performance of production of and export of the commodities across countries and across commodities.

Some countries like Uganda, Tanzania, Cote d'Ivoire and Ethiopia show increased production of traditional exports (coffee, Cocoa and cotton) as well as for non-traditional crops commodities such as flowers and fruits. However, the value of traditional exports fluctuates and this is attributed to unstable world market prices. A major reason given for the increased production is domestic policy reforms on marketing arrangements (elimination of public marketing monopolies) for traditional exports and macroeconomic variables such as foreign exchange controls. It is important to note however, that exports of some commodities (e.g. cocoa and coffee for Cote d'Ivoire) have increased in production and value because of increased sale of processed products. In general, there has been an increase in production and exports of non-traditional commodities, for example, horticulture in Kenya, flowers in Uganda, Pineapples in Cote d' Ivoire and fisheries for Tanzania, Uganda and Ghana.

Exports of traditional exports for some countries like Kenya, Ghana and Nigeria have stagnated and this is explained by the declining world market prices and domestic marketing problems. In some cases, previously important exports such as food crops (groundnuts) for Nigeria, have declined partly because of increased domestic demand for the products while for commodities such as sisal for Tanzania and Kenya and cotton for Uganda, Cote d'Ivoire, and Kenya have declined because of increased competition in the world markets for cotton and sisal products with synthetic products.

It can be inferred from the analysis that the future of increased exports from most Sub Saharan Africa countries lies in value adding for traditional commodities and diversification to non-traditional products such as flowers, fruits and, fish and fish products. Thus, tariff escalation and peaks for agro-processed products and NBTs such as SPS and TBT are important issues to be focused on during multilateral trade negotiations, as they are major barriers to increasing exports from Sub Saharan Africa. Another important issue is the stability of world market prices since it is a major factor that determines production response.

Conclusions

The share of primary commodities in total primary commodities in total world merchandise exports has fallen steadily over time, particularly since the 1990s and thus Africa has benefited little from trade liberalization. The problem arises because of Africa's heavy dependence on primary commodities for its export earnings as well as its continuing loss of export market share. While supply problems and other market management factors may be responsible for the poor performance there is evidence to suggest that trade policies, particularly in the OECD countries, have had the effect of crowding-out African exporters even in products for which they are low-cost producers.

Substantial domestic production support and export subsidies in the OECD countries have led to sharp declines in the world prices of a number of Sub Saharan African commodity exports and a reduction in their market shares of these primary commodities. Similarly, the use of certain SPS measures in the OECD countries has prevented the entry of Africa's processed agricultural and food products thus, further worsening the region's dependence on the export of low-value raw primary commodities.

The issues identified for Sub Saharan African countries relating to market access conditions for agricultural products make it apparent that both supply side and external market access conditions affect the performance of the agricultural sector and need to be focused on during the DDA and EPA negotiations. Sub Saharan African countries also need to provide more resources for development of the agricultural sector and also press for financial support from developed countries to support capacity to respond to challenges faced in international trade such as SPS and TBT measures. Measures to mitigate external market conditions such as complex tariff structures, peaks and escalation and use of production and export subsidies by developed countries which make it difficult for Sub Saharan African countries to access export markets easily and which are also responsible for unfair competition in world markets should also be focused on during the multilateral trade negotiations.

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