



Introduction and background of Kenya-European Union (EU) Economic Partnership Agreement (EPA)

The Kenya and the European Union (EU) Economic Partnership is anchored on the East African Community (EAC) and the European Union (EU) Economic Partnership Agreement (EPA) that was concluded in 2014. Only a few adjustments were introduced in the Kenya-EU EPA to provide for the implementation of the EAC-EU EPA by an individual EAC Partner State.

The application of the regional EAC-EU EPA did not actualise because only Kenya and Rwanda signed the agreement but not the other Partner States. The bilateral implementation of Kenya EU EPA is based on a decision of the EAC Heads of State made in February 2021 which allowed individual Partner States which were ready to implement the Economic Partnership Agreement with the EU to proceed. On 18th February 2022, Kenya and the European Union issued a joint declaration to negotiate a Kenya-EU-EPA that is open to the EAC region. The negotiations were concluded on 19th June 2023, and the Kenya-EU- EPA came into force on 1st July 2024.

In the absence of Kenya-EU EPA, Kenya would have been excluded from the preferential market access on all her exports to the EU because the country is classified as a developing country while the other EAC Partner States are classified as Least Developing Countries (LDCs). The implication is that the other EAC Partner States would have continued benefiting from the Everything-But-Arms (EBA) preferential tariffs provided on exports from African Caribbean and Pacific (ACP)- least developing countries (LDCs) to the EU, while Kenya would have been required to trade with the EU under the Standard General System of Preference (GSP) scheme. This scheme allows for partial or full removal of customs duties on two-thirds of tariff lines on goods originating from developing countries and LDCs into the EU. Kenya would not have been able to export all her products under this arrangement. The EU GSP is seen as unpredictable and is subject to withdrawal without notice which is not good for long term planning by businesses.

The Kenya-EU-EPA is also informed by Kenya's national economic interest. The EU has 27 Member States and is the largest economy in the world with a Gross Domestic Product (GDP) per capita of Euros- € 25,000 for its 440 million consumers. The EU is Kenya's second-largest trading partner. Total trade between the EU and Kenya reached €3 billion in 2023. The EU is Kenya's biggest export destination, having absorbed 13.6% of Kenya's total exports in 2023. The EU's imports from Kenya amounted to €1.2 billion mainly vegetables, fruits, and flowers while EU's exports to Kenya amounted to €1.7 billion -mainly in mineral and chemical products and in machinery.

The main purpose of this brief is to breakdown the Kenya-EU EPA by highlighting the key provisions and to guide local industries in understanding market access and regulatory



requirements to access the EU market. The brief goes further in explaining the application of Access2 Market portal so as to facilitate and guide firms/exporters to obtain the required information and documentation in order to transact export and import business with the EU companies, and to take advantage of the EU market opportunities and benefits provided under Kenya-EU EPA trading arrangement