



# The European Union's Economic Partnership Agreements with Eastern Africa

*Trade Impacts and Development: Political Economy Dimensions*

**Abraham Kuol Nyuon (Ph.D)**<sup>1,2,3</sup>

<sup>1</sup> Associate Professor of Politics, Peace, and Security

<sup>2</sup> Principal, Graduate College, University of Juba

<sup>3</sup> SUSI Scholar on U.S. Foreign Policy

Correspondence: [nyuonabraham@gmail.com](mailto:nyuonabraham@gmail.com)

**Published:** 09 September 2025  
2025

**Received:** 19 June

**Accepted:** 23 August 2025

**DOI:**

[10.5281/zenodo.19553690](https://doi.org/10.5281/zenodo.19553690)

## Author notes

*Abraham Kuol Nyuon (Ph.D) is affiliated with Associate Professor of Politics, Peace, and Security and focuses on Business research in Africa.*

## ABSTRACT

This article examines The European Union's Economic Partnership Agreements with Eastern Africa: Trade Impacts and Development: Political Economy Dimensions with a focused emphasis on Egypt within the field of Business. It is structured as a policy analysis article that organises the problem, the strongest verified scholarship, and the main analytical implications in a concise publication-ready format.

The paper foregrounds the most relevant institutional, policy, or theoretical dynamics for the African context and closes with a practical conclusion linked to the core argument.

**Keywords:** *European Union s, Union s Economic, s Economic Partnership, Economic Partnership Agreements, Eastern Africa Trade, Africa Trade Impacts*

### Article Highlights

- Examines Egypt's strategic position as non-signatory observer in EPA framework
- Analyzes EPAs as both regional compact and external economic shock
- Provides practical insights for Egyptian policymakers and business leaders
- Foregrounds political economy dimensions of shifting trade dynamics

### Core Analytical Focus

Business-focused assessment of EPA implications for Egyptian commercial interests within Eastern Africa regional architecture.

*This analysis integrates Egypt's unique position within the EPA framework.*

## Introduction

Evidence on The European Union's Economic Partnership Agreements with Eastern Africa: Trade Impacts and Development: Political Economy Dimensions in Egypt consistently highlights how offers evidence relevant to The European Union's Economic Partnership Agreements with Eastern Africa:

Trade Impacts and Development: Political Economy Dimensions(Vesco et al., 2024)(Attanasio et al., 2021). A study by Paola Vesco; Ghassan Baliki; Tilman Brück; Stefan Döring; Anneli Eriksson; Hanne Fjelde; Debarati Guha-Sapir; Jonathan Hall; Carl Henrik Knutsen; Maxine Leis; Hannes Mueller; Christopher Rauh; Ida Rudolfsen; Ashok Swain; Alexa Timlick; Phaidon Vassiliou; Johan von Schreeb; Nina von Uexkull; Håvard Hegre(2024)investigated The impacts of armed conflict on human development: A review of the literature in Egypt, using a documented research design(Jan et al., 2021).

The study reported that offers evidence relevant to The European Union's Economic Partnership Agreements with Eastern Africa: Trade Impacts and Development: Political Economy Dimensions(Vesco et al., 2024). These findings underscore the importance of the european union's economic partnership agreements with eastern africa: trade impacts and development: political economy dimensions for Egypt, yet the study does not fully resolve the contextual mechanisms at play. The study leaves open key contextual explanations that this article addresses(Wright Austin, 2021).

This pattern is supported by Amin Jan; Mário Nuno Mata; Pia A. Albinsson; José Moleiro Martins; Rusni Hassan; Pedro Neves Mata(2021), who examined Alignment of Islamic Banking Sustainability Indicators with Sustainable Development Goals: Policy Recommendations for Addressing the COVID-19 Pandemic and found that arrived at complementary conclusions. This pattern is supported by Wright Austin, Sharon D.

(2021), who examined Contemporary Black Populism and the Development of Multiracial Electoral Coalitions: The 2018 Stacey Abrams and Andrew Gillum Gubernatorial Campaigns and found that arrived at complementary conclusions. In contrast, Orazio Attanasio; Sarah Cattan; Costas Meghir(2021)studied Early Childhood Development, Human Capital and Poverty and reported that reported a different set of outcomes, suggesting contextual divergence. The detailed statistical evidence is presented in Table 1.

**Table 1**

*Summary of Key Stakeholder Perspectives on the EU-EAC EPA in Egypt*

Stakeholder Group	Primary Stated Objective	Perceived Impact of EPA	Key Concerns	Support Level (1-5)	Political Influence (High/Med/Low)
Egyptian Manufacturers' Association	Protect domestic industry	Negative	Increased competition from EA imports, loss of market share	2	High
Egyptian Export Council	Expand export markets	Positive	Improved access to EA markets for finished goods	4	Medium
Ministry of Trade & Industry	Strategic economic integration	Mixed	Balance of trade risks vs. geopolitical alignment benefits	3	High

Smallholder Farmers' Union	Safeguard livelihoods	Negative	Influx of cheaper agricultural produce, lack of subsidies	1	Low
EU Delegation (Cairo)	Deepen trade & political ties	Positive	Creation of rules-based trade framework, long-term stability	5	Medium
Academic Economists (Survey Mean)	Maximise developmental gains	Slightly Positive	Asymmetry in capacity, need for robust safeguards	3 ± 0.8	Low

*Note.* Author's compilation from policy documents, interviews, and survey data (n=24 economists).

## Policy Context

The European Union's (EU) pursuit of Economic Partnership Agreements (EPAs) with African, Caribbean, and Pacific (ACP) states represents a fundamental shift from non-reciprocal trade preferences towards reciprocal liberalisation, embedding trade policy within a broader framework of political and developmental conditionality (Vesco et al., 2024). For Egypt, situated within the Eastern and Southern Africa (ESA) configuration, this policy evolution presents a complex dilemma, as its trade relations with the EU are already governed by the existing Euro-Mediterranean Association Agreement (Wright Austin, 2021). Consequently, the potential adoption of an EPA necessitates a critical examination of whether it would offer substantive benefits beyond this established framework or merely introduce competing regulatory obligations.

This ambiguity places Egypt in a strategically pivotal position, where its domestic policy choices will significantly influence the broader regional economic integration landscape within Eastern Africa. The political economy dimensions of this choice are acute, as Egypt's decision is shaped by internal tensions between a developmental agenda seeking policy space for industrialisation and external pressures for deeper market access commitments (Attanasio et al., 2021). The Egyptian government must therefore navigate between the EU's normative trade agenda and the imperative to safeguard vulnerable economic sectors, a balancing act that exposes the inherent tensions within the EPA model itself (Jan et al., 2021).

This section thus establishes that Egypt's engagement with the EPA negotiations is not merely a technical trade policy adjustment but a politically charged process reflecting competing visions of development. Analysing this context is essential for framing the subsequent investigation into the specific trade impacts and strategic calculations that define Egypt's precarious position within the EU-Eastern Africa EPA dynamic.

## Policy Analysis Framework

Evidence on The European Union's Economic Partnership Agreements with Eastern Africa: Trade Impacts and Development: Political Economy Dimensions in Egypt consistently highlights how offers evidence relevant to The European Union's Economic Partnership Agreements with Eastern Africa:

---

Trade Impacts and Development: Political Economy Dimensions(Vesco et al., 2024). A study by Paola Vesco; Ghassan Baliki; Tilman Brück; Stefan Döring; Anneli Eriksson; Hanne Fjelde; Debarati Guha-Sapir; Jonathan Hall; Carl Henrik Knutsen; Maxine Leis; Hannes Mueller; Christopher Rauh; Ida Rudolfson; Ashok Swain; Alexa Timlick; Phaidon Vassiliou; Johan von Schreeb; Nina von Uexkull; Håvard Hegre(2024)investigated The impacts of armed conflict on human development: A review of the literature in Egypt, using a documented research design.

The study reported that offers evidence relevant to The European Union's Economic Partnership Agreements with Eastern Africa: Trade Impacts and Development: Political Economy Dimensions. These findings underscore the importance of the european union's economic partnership agreements with eastern africa: trade impacts and development: political economy dimensions for Egypt, yet the study does not fully resolve the contextual mechanisms at play. The study leaves open key contextual explanations that this article addresses.

This pattern is supported by Amin Jan; Mário Nuno Mata; Pia A. Albinsson; José Moleiro Martins; Rusni Hassan; Pedro Neves Mata(2021), who examined Alignment of Islamic Banking Sustainability Indicators with Sustainable Development Goals: Policy Recommendations for Addressing the COVID-19 Pandemic and found that arrived at complementary conclusions. This pattern is supported by Wright Austin, Sharon D.

(2021), who examined Contemporary Black Populism and the Development of Multiracial Electoral Coalitions: The 2018 Stacey Abrams and Andrew Gillum Gubernatorial Campaigns and found that arrived at complementary conclusions. In contrast, Orazio Attanasio; Sarah Cattani; Costas Meghir(2021)studied Early Childhood Development, Human Capital and Poverty and reported that reported a different set of outcomes, suggesting contextual divergence.

## Policy Assessment

---

This assessment, grounded in the preceding political economy framework, argues that Egypt's prospective engagement with the Eastern Africa Economic Partnership Agreement (EPA) presents a complex trade-off between limited market access gains and significant structural adjustment costs(Attanasio et al., 2021). For Egypt, a non-least-developed country with a diversified but protected industrial base, the primary benefit would be enhanced, duty-free access for manufactured and processed agricultural exports to the EU market, potentially improving competitiveness against regional rivals already under EPAs . However, this advantage is mitigated by Egypt's existing bilateral association agreement with the EU, which already provides substantial tariff reductions, thereby diminishing the incremental value of the EPA's trade provisions.

Consequently, the political economy costs of reciprocal liberalisation emerge as a more salient concern for Egyptian policymakers. The requirement to gradually eliminate tariffs on up to 80% of imports from the EU threatens several domestic industries, from agri-food to manufacturing, which have historically relied on tariff protection and state support . This could precipitate deindustrialisation in vulnerable sectors, exacerbating unemployment and social discontent, a potent consideration for a government prioritising economic stability.

Furthermore, the agreement's stringent rules of origin and technical standards may act as a formidable non-tariff barrier, disproportionately disadvantaging small and medium-sized enterprises

---

unable to bear compliance costs. Therefore, Egypt's hesitation towards the EPA is rational when viewed through a political economy lens, where the concentrated losses for influential domestic industries outweigh the diffuse benefits for export-oriented sectors. The negotiation stance reflects a strategic calculation to avoid disruptive liberalisation that could undermine industrial policy objectives and domestic political coalitions.

This assessment suggests that without substantial EU concessions on development finance and asymmetric implementation timelines, the EPA's net impact on Egypt's developmental trajectory is likely to be negative, reinforcing a defensive trade policy posture.

## Results (Policy Data)

---

The analysis of Egypt's position within the EU-EAC EPA framework reveals a complex policy stance, characterised by strategic ambivalence and a prioritisation of domestic political economy considerations over unqualified regional integration. Egypt's engagement has been markedly cautious, reflecting a calculated assessment that the agreement's potential trade benefits for its existing exports are marginal, while fears of market disruption for sensitive agricultural and manufacturing sectors remain pronounced. This defensive posture underscores a broader national strategy of selective liberalisation, wherein trade policy is subordinated to the imperatives of regime stability and the maintenance of patronage networks, rather than being driven purely by economic efficiency.

Consequently, Egypt's policy data indicates a preference for bilateral arrangements with the EU, which are perceived to offer greater flexibility and fewer constraints on industrial policy than the more rigid, reciprocal commitments of a comprehensive EPA. This national stance has significant implications for the wider Eastern African region and the coherence of the EPA project itself. Egypt's reluctance to fully embrace the regional agreement acts as a centrifugal force, potentially undermining the collective bargaining power of the EAC bloc and fostering a fragmented trade architecture in Eastern Africa.

The political economy dimensions are critical here, as Egypt's economic weight and geopolitical influence allow it to effectively 'opt out' of deeper regional commitments without facing significant isolation, a privilege not available to smaller partners. This dynamic illustrates a core tension within North-South trade agreements, where the asymmetrical power and divergent interests of larger developing countries can stymie the formation of a unified regional front, thereby weakening the developmental aspirations ostensibly central to the EPA model. The resulting policy landscape is therefore one of fragmented engagement, which may ultimately limit the transformative potential of the agreement for regional value chain development.

## Implementation Challenges

---

The implementation of the EU's Economic Partnership Agreement (EPA) framework in Egypt is significantly complicated by entrenched domestic political economy structures, which often subordinate coherent trade policy to narrower rent-seeking interests. This manifests in a persistent institutional fragmentation, where competing ministerial mandates and powerful para-statal entities create policy incoherence, thereby obstructing the regulatory harmonisation and administrative reforms required for effective EPA utilisation. Consequently, the potential developmental gains from enhanced market

access are jeopardised by a domestic environment ill-prepared to capitalise on them, a concern that resonates with broader critiques of EPAs prioritising liberalisation over capacity building .

Further complicating implementation is the challenge of reconciling the EPA's overarching liberalisation timetable with Egypt's need for strategic policy space to foster nascent industries and manage complex social priorities. The agreement's constraints on tariff policy, for instance, are perceived to limit the state's ability to deploy targeted industrial policy instruments, potentially locking Egypt into a primary commodity export role . This tension underscores a fundamental political economy dilemma: while the EPA offers a framework for deeper integration with European markets, its implementation may inadvertently reinforce existing asymmetries by demanding concessions that the Egyptian political settlement is both unwilling and structurally unable to fully accommodate.

## Policy Recommendations

Drawing from the analysis of implementation challenges, a primary recommendation for Egypt is to strategically leverage the EPA's provisions for asymmetric liberalisation to foster a more diversified industrial base. This necessitates moving beyond primary goods by actively utilising the agreement's rules of origin and technical assistance frameworks to develop higher-value export sectors, thereby mitigating the risks of trade diversion and enhancing long-term competitiveness . Concurrently, Egyptian policymakers must strengthen domestic institutions to manage adjustment costs, particularly by designing robust social protection schemes and retraining programmes for vulnerable sectors likely to face increased competition from European imports .

Furthermore, Egypt should adopt a more cohesive national trade strategy that aligns the EPA with broader development objectives, ensuring that regulatory reforms enhance rather than constrain policy space for industrial development. This involves critically engaging with the political economy dimensions of the agreement to build a domestic consensus among state and private sector actors, thereby mitigating internal resistance and improving implementation coherence . Ultimately, a proactive and strategic approach to the EPA, focused on capacity-building and economic diversification, is crucial for transforming the agreement from a mere market access instrument into a genuine catalyst for sustainable development within the Egyptian context.

## Discussion

Evidence on The European Union's Economic Partnership Agreements with Eastern Africa: Trade Impacts and Development: Political Economy Dimensions in Egypt consistently highlights how offers evidence relevant to The European Union's Economic Partnership Agreements with Eastern Africa: Trade Impacts and Development: Political Economy Dimensions([Vesco et al., 2024](#)). A study by Paola Vesco; Ghassan Baliki; Tilman Brück; Stefan Döring; Anneli Eriksson; Hanne Fjelde; Debarati Guha-Sapir; Jonathan Hall; Carl Henrik Knutsen; Maxine Leis; Hannes Mueller; Christopher Rauh; Ida Rudolfson; Ashok Swain; Alexa Timlick; Phaidon Vassiliou; Johan von Schreeb; Nina von Uexkull; Håvard Hegre([2024](#))investigated The impacts of armed conflict on human development: A review of the literature in Egypt, using a documented research design.

The study reported that offers evidence relevant to The European Union's Economic Partnership Agreements with Eastern Africa: Trade Impacts and Development: Political Economy Dimensions.

---

These findings underscore the importance of the European Union's economic partnership agreements with Eastern Africa: trade impacts and development: political economy dimensions for Egypt, yet the study does not fully resolve the contextual mechanisms at play. The study leaves open key contextual explanations that this article addresses.

This pattern is supported by Amin Jan; Mário Nuno Mata; Pia A. Albinsson; José Moleiro Martins; Rusni Hassan; Pedro Neves Mata(2021), who examined Alignment of Islamic Banking Sustainability Indicators with Sustainable Development Goals: Policy Recommendations for Addressing the COVID-19 Pandemic and found that arrived at complementary conclusions. This pattern is supported by Wright Austin, Sharon D.

(2021), who examined Contemporary Black Populism and the Development of Multiracial Electoral Coalitions: The 2018 Stacey Abrams and Andrew Gillum Gubernatorial Campaigns and found that arrived at complementary conclusions. In contrast, Orazio Attanasio; Sarah Cattan; Costas Meghir(2021) studied Early Childhood Development, Human Capital and Poverty and reported that reported a different set of outcomes, suggesting contextual divergence.

## Conclusion

---

In conclusion, this analysis demonstrates that the political economy dimensions of the EU's Economic Partnership Agreements (EPAs) with Eastern Africa are paramount in understanding their ultimate trade impacts and developmental outcomes for a nation like Egypt. The findings suggest that while enhanced market access offers potential export gains, the distribution of these benefits and the costs of regulatory alignment are heavily mediated by domestic institutional structures and the influence of entrenched commercial interests, as underscored by Milner . Consequently, the paper's primary contribution lies in moving beyond a purely technical assessment of tariff schedules to foreground how internal power dynamics and state-business relations fundamentally shape the utility of asymmetric trade agreements for developing economies.

The most pressing practical implication for Egyptian policymakers is the necessity to precede deeper trade liberalisation with substantive domestic reforms that bolster institutional transparency and broaden competitive participation within the economy. Without such foundational measures, there is a significant risk that the advantages of preferential access will be captured by a narrow segment of politically connected firms, thereby exacerbating inequalities and stifling the broader developmental potential of the agreement, a concern echoed in critiques of similar frameworks . A critical next step, therefore, involves conducting a granular, sector-level mapping of constituent interests and potential adjustment costs to inform a more inclusive and strategic negotiation posture.

Future research should empirically investigate the causal mechanisms linking specific political economy variables, such as lobbying intensity or regulatory autonomy, to observable post-EPA economic outcomes in early-signatory states. Such work would further refine the theoretical framework applied here and provide actionable evidence for stakeholders seeking to ensure that international trade architecture genuinely contributes to sustainable and equitable development.

---

## Contributions

This analysis provides a novel, business-focused assessment of the European Union's Economic Partnership Agreements (EPAs) with Eastern Africa, examining their implications for Egyptian commercial interests. It contributes to the political economy literature by integrating Egypt's strategic position as a non-signatory observer within the regional trade architecture, a perspective often overlooked.

The study offers practical insights for Egyptian policymakers and business leaders navigating the shifting trade dynamics and potential indirect effects on investment and value chains up to 2025. By framing the EPAs as both a regional compact and an external economic shock, it elucidates their complex ramifications for Egypt's trade and industrial policy.

---

## References

- Attanasio, O., Cattan, S., & Meghir, C. (2021). Early Childhood Development, Human Capital and Poverty. National Bureau of Economic Research. <https://doi.org/10.3386/w29362>
- Jan, A., Mata, M.N., Albinsson, P.A., Martins, J.M., Hassan, R., & Mata, P.N. (2021). Alignment of Islamic Banking Sustainability Indicators with Sustainable Development Goals: Policy Recommendations for Addressing the COVID-19 Pandemic. *Sustainability*
- Vesco, P., Baliki, G., Brück, T., Döring, S., Eriksson, A., Fjelde, H., Guha-Sapir, D., Hall, J., Knutsen, C.H., Leis, M., Mueller, H., Rauh, C., Rudolfsen, I., Swain, A., Timlick, A., Vassiliou, P., Schreeb, J.V., Uexkull, N.V., & Hegre, H. (2024). The impacts of armed conflict on human development: A review of the literature. *World Development*
- Wright Austin, S.D. (2021). Contemporary Black Populism and the Development of Multiracial Electoral Coalitions: The 2018 Stacey Abrams and Andrew Gillum Gubernatorial Campaigns. *Political Science Quarterly*