

## The Geopolitics of EU Trade: EU-Africa and EU-MENA

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The Africa and MENA regions are both highly strategic trade partners for the European Union (EU). The latest 2021 trade policy revision of the EU, which sets the EU's trade strategy for the coming years, emphasizes strengthening the role of trade in supporting digital and climate transitions. This is achieved by reinforcing global alliances, with a strong focus on Africa and neighbouring regions, including the Southern Neighbourhood, which comprises MENA countries (EC, 2021a).<sup>1</sup> In support of recognising the importance of enhancing trade relations with these regions, the Commission also launched a new sustainable investment initiative for Africa and Southern Neighbourhood, open to state and regional-level partners (EC, 2021b). Trade drives economic growth and plays a vital role in curbing migration flows, a significant challenge over the past decade at both the Member State level and across the EU as a whole.

EU's interests	Trade-offs	African/MENA countries' interests
<ul style="list-style-type: none"> <li>- Market access for goods and services</li> <li>- Protection of intellectual property rights</li> <li>- Investment security for European companies</li> <li>- Access to raw materials and energy resources</li> <li>- Regulatory alignment with EU standards</li> <li>- Migration management cooperation</li> </ul>	<ul style="list-style-type: none"> <li>- Development vs. liberalization: African and MENA countries often must balance protecting developing industries against pressure for rapid market opening. The EU's push for comprehensive liberalization can conflict with local development strategies.</li> <li>- Standards vs. access: meeting EU regulatory standards can be costly for developing countries, yet failing to meet them limits market access. This creates a particular challenge for agricultural exports.</li> </ul>	<ul style="list-style-type: none"> <li>- Agricultural market access to EU markets</li> <li>- Development assistance and capacity building</li> <li>- Technology transfer</li> <li>- Protection of infant industries</li> <li>- Labor mobility and visa facilitation</li> <li>- Investment in local manufacturing</li> <li>- Preservation of policy space for development</li> </ul>

The disparity of power between the EU and Africa and MENA is manifested in the type of trade agreement framework offered by the EU to each partner. With the exclusion of Syria and Libya, The EU-MENA trade agreements are between the EU and Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Palestine, and Tunisia. These agreements are part of the Euro-Mediterranean political, economic and social Association Agreements with the Southern neighbouring countries. This political framework has resulted in differing levels of market liberalisation commitments. Due to their strategic location and geopolitical importance, MENA countries have undertaken more extensive liberalisation commitments than their sub-Saharan African counterparts. Indeed, this divergence is primarily driven by geographic proximity. Nonetheless, the EU's positioning as a global power through economic interdependencies should not be overlooked.

Indeed, the EU's political and economic interests lie in ensuring stability and prosperity in Africa and the neighbouring countries (EC, 2021b).<sup>2</sup> The EU is Africa's leading partner in trade and investment, as well as security, energy, the green transition, and digital transformation (EEAS, 2024).<sup>3</sup> In 2023, SADC, for instance as a main driver of the EU trade relationship with Africa, reached €68.4 billion in bilateral trade in goods.<sup>4</sup> In the same year, the Southern Neighbourhood countries represented 4.9 per cent of the total EU external trade. The total trade in goods for that year between the regions amounted to €247.3 billion, and the EU's imports were worth €123.9 billion in 2023, whereas its exports totalled €123.4 billion (EC, 2024).<sup>5</sup> However, while both regions are strategic partners and a priority on the EU's agenda, different geopolitical considerations and interests shape

<sup>1</sup> European Commission (EC), (2021a), Commission sets course for an open, sustainable and assertive EU trade policy, Press release IP/21/644, Brussels (18 February 202).

<sup>2</sup> European Commission (EC), (2021b) Trade Policy review- An Open, Sustainable, and Assertive Trade Policy, Communication from the Commission to the European Parliament, The Council, The European Economic and Social Committee and the Committee of the Regions, COM (2021) 66 final, Brussels (18 February 2021).

<sup>3</sup> European Union External Action Service (EEAS) (2024), Africa and the EU, Strategic Communication (29 November 2024), accessed 27 February, 202, [https://www.eeas.europa.eu/eeas/africa-and-eu\\_en](https://www.eeas.europa.eu/eeas/africa-and-eu_en)

<sup>4</sup> European Commission (EC),(2024), 'Southern Africa Development Community (SADC)', 21 May 2024, [https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/southern-neighbourhood\\_en](https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/southern-neighbourhood_en), accessed 26 February, 2025.

the EU's economic and trade relations with Africa and MENA, respectively. This can be clearly demonstrated through the 2024-2029 EC agenda. The agenda outlines seven key priorities. The 'Global Europe: Leveraging Our Power and Partnerships' priority addresses objectives in relation to the trade policy. Under the new economic foreign policy goal, a key objective is to drive investments in infrastructure, renewable energy generation and raw material value chains in Africa. For the MENA, as part of the goal of forming a more strategic approach to the neighbourhood, a new Pact for the Mediterranean has been introduced, with a focus on investment, partnership, economic stability, job creation, energy and security in the region.<sup>6</sup> The geopolitical interest of the EU in relation to Africa derives from it being the closest neighbouring region and the need to promote its' sustainable development. The MENA region, however, serves as the EU's southern backdoor, with the Middle East Peace Process (MEPP) influencing its political interests and actions in the region.

To strengthen its ties with these regions and reinforce its position as a global power, the EU prioritises promoting both intra- and inter-regional trade.

In regard to Africa, paying attention to Easter African Community (EAC) is important, especially considering the recent country level trade agreement with Kenya. Although there is some attention for individual EAC countries, the angle is the long-standing strategy focused on the Horn of Africa. The opportunities that lie in the EAC remain out of the picture of the policy. According to a recent [study](#)<sup>7</sup>, currently, the main bottlenecks for further development of trade from and with the EAC are delays arising at the border, both for exports and imports. The trade impact of the time and costs that firms and traders incur when they comply with documentary requirements and border procedures significantly hampers trade between African countries. Borders should matter less, but due to internal red tape exporting and importing are unnecessarily cumbersome. The challenges are the poor (air)port management and the bureaucratic burden that arises from the lack of a one-stop-shop approach in government. The time and cost of compliance to border procedures should be reduced, and that seems quite possible as best practices in Kenya and Rwanda suggest. In principle, red tape is a factor that can be solved without a major financial investment, but which does of course require a change in mentality and training. The Netherlands is actually very well-equipped to help tackle the logistical challenges, particularly in relation to port management. Member states have strengths and weaknesses in very different sectors, providing a basis for further specialisation and greater intra- and inter-regional trade as compared to the focus on individual EAC countries as in the recent policy memorandum.

The EU's engagement with intra- and inter-regional trade reflects its strategic interests in fostering trade liberalization, securing supply chains, and reinforcing political alliances. However, the effectiveness of these partnerships depends on balancing market access with Africa's developmental needs, ensuring that trade agreements do not exacerbate economic asymmetries but rather support industrialization, diversification, and regional value chain development.

As for the MENA, promoting intra and inter-trade relations in the region supports both the MEPP as well as the EU's role as a leading global power in the region. Considering the ongoing catastrophic situation in the region with the ongoing October 2023 Israel-Hamas, economic collaborations and enhancing trade relations may be more important than ever. The untapped trade potential, with the Israeli-Palestinian conflict at its core, has been used over the years as motivation for promoting peace processes and achieving regional security in the MENA region (Lahar et al., 2023)<sup>8</sup>.

Looking toward the future, evolving models offer potential alternatives to traditional arrangements. The African Continental Free Trade Area creates possibilities for a more unified African negotiating position vis-à-vis the EU, potentially addressing historical power imbalances. The possibility of normalization agreement between Israel and Saudia Arabia has the potential to not only support the ending of the current war but also hold the promise of security and stability for the whole region. In this regard, there may be a need for the EU to revise the separation between the two trade frameworks, with the Gulf region on the one hand and the Southern Neighbourhood on the other, in order to leverage its role as a key player in the region.

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<sup>5</sup> European Commission (EC),(2024), 'Southern Neighbourhood', 21 May 2024, [https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/southern-neighbourhood\\_en](https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/southern-neighbourhood_en), accessed 25 February, 2025.

<sup>6</sup> European Commission (EC), (no date) 'A Global Europe', Commission's priorities; Von der Leyen (2024) Political Guidelines for the Next European Commission 2024-2029, Strasbourg (18 July 2024).

<sup>7</sup> Demena, B.A. and van Bergeijk, P.A., (2022). Trade and investment in East Africa: Prospects, Challenges and Pathways to Sustainability. Singapore: Springer Nature Singapore.

<sup>8</sup> LAHAR, L., B.A. DEMENA AND P.A.G. BERGEIJK VAN (2023) 'Non-trade in the MENA revisited: systematic review and gravity analysis' ISS working papers. General series, no. 714, International Institute of Social Studies (ISS), Den Haag.