



New trade agreements and opportunities

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The EU in global agri-food trade



The EU is an agri-food trading power

*Largest
importer*

€ 117 bn
(2017)

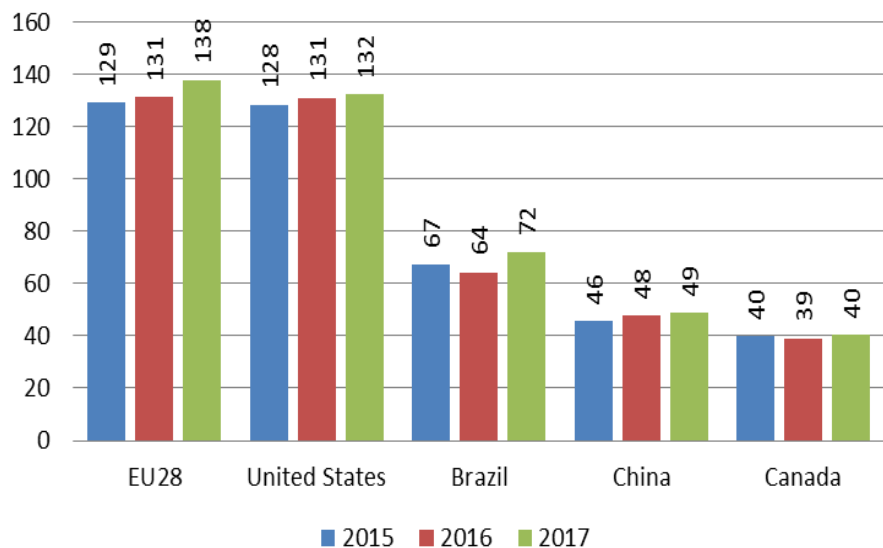


*Largest
exporter*

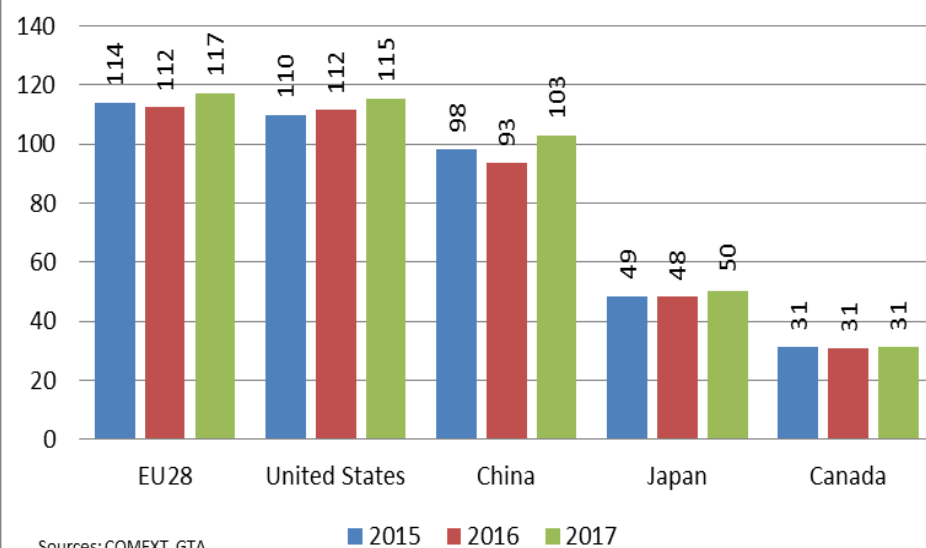
€ 138 bn
(2017)

Top-5 exporters and importers of agricultural and food products

Exporters



Importers



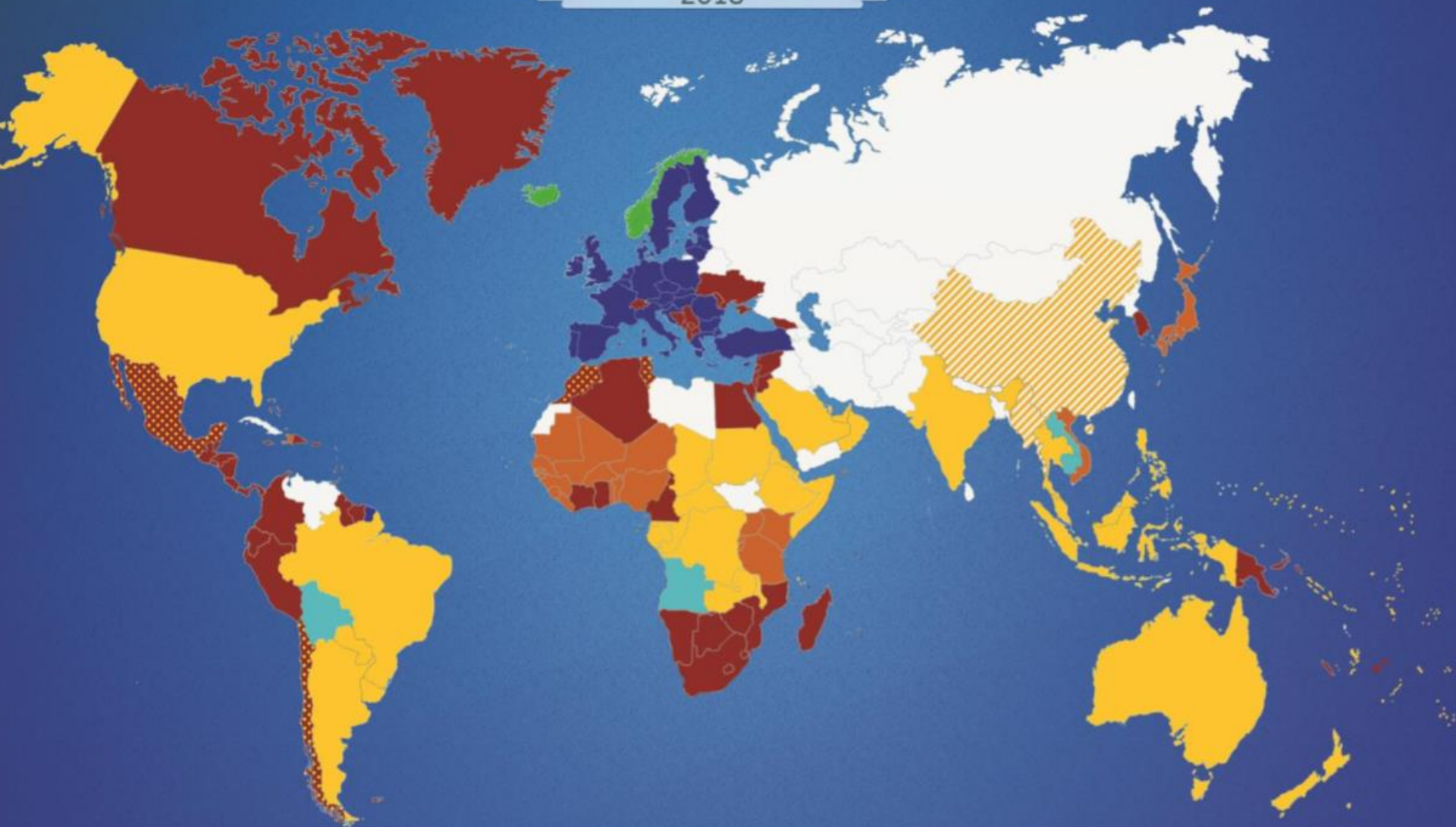
Sources: COMEXT, GTA

EU trade agreements



THE STATE OF EU TRADE

2018



- EU & Customs union (Andorra, Monaco, San Marino, Turkey)
- European Economic Area (Norway, Iceland, Liechtenstein)
- Applied preferential trade agreement (FTA, EPA, DCFTA)
- Preferential agreement awaiting application
- Pending negotiations for a preferential trade agreement
- Potential preferential trade partners
- Pending negotiations for a stand-alone investment agreement
- Preferential agreement in the process of modernisation

Existing agreements

- **“First generation” agreements**

Mainly tariff elimination

➤ *Mediterranean countries, Chile...*

- **“New generation” agreements**

Tariff elimination + new areas and rules, including sustainable development

➤ *Japan, Canada, Korea, Andean countries, Central America*

- **“Deep and comprehensive” free trade areas**

To support close economic relations with neighbours

➤ *Ukraine, Georgia, Moldova*

Outcomes – tariffs

Japan

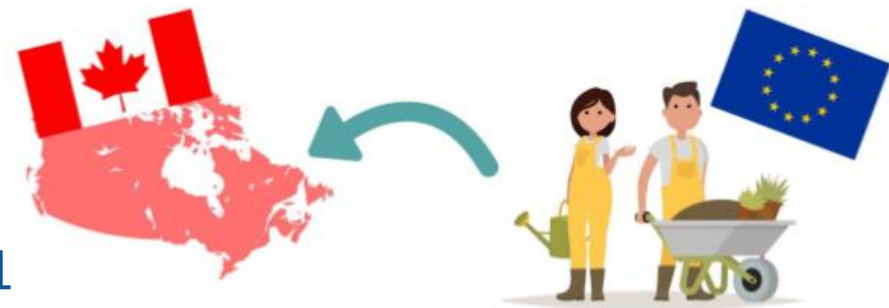


PRODUCT	BEFORE	AFTER
Wine & sparkling wine	15%	0% from day one
Alcoholic beverages (sherry, vermouth, cider)	15%	0% from day one
Pork	Complex import system + tariff (average 4.3%)	Practically free access
Processed pork	8.5%	0%
Hard cheese (Parmigiano Reggiano, Gouda, Cheddar, etc)	Up to 29.8%	0% after 15 years
Soft and fresh cheese (Mozzarella, Feta)	Up to 29.8%	Duty free quota equivalent to current EU exports
Beef	38.5%	Down to 9% over 15 years

Outcomes – tariffs

Canada

- **90,9%** liberalised on day 1
- Up to **91,7%** by 2024



PRODUCT

Cheese

Chocolate, confectionery

Bread, pastries, biscuits

Sugar

BEFORE

13 500 tonnes duty-free quota

Up to 10%

Up to 15%

30,86 CAD/tonne

AFTER

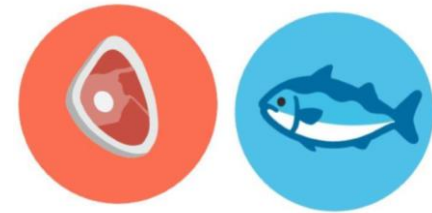
32 000 tonnes duty-free quota (2022)

0% from day 1

0% from day 1

0% in 2024





Outcomes – food safety, animal and plant health

Chapters on sanitary and phytosanitary matters (SPS) facilitate trade of safe products and promote:

- **Transparency** in rules and procedures
- **Faster procedures** for approving safe food imports
- **“Regionalisation”** to allow imports from disease-free areas
- **Cooperation** on animal welfare, antimicrobial resistance, technical expertise

Promotion of a high level of protection in neighbouring countries:

- **“SPS strategies” for Moldova and Georgia;** in the process for **Ukraine.**

In 2017, the Commission increased market access for European...

- **pork** in **Mexico**
- **dairy products** in **Peru**
- **poultry** in **Ukraine**
- **beef** in **Japan** and **Chile**

Outcomes – distinctive regional food and drink products



Extended protection in countries which often did not offer such protection before the agreement.

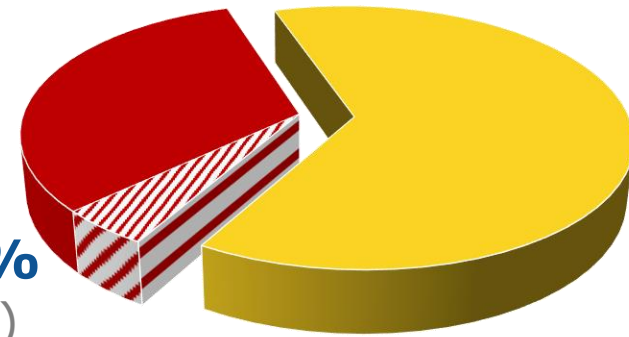
Examples:

- **Ecuador: 116 products**
- **Canada: 143 food products** in addition to wines & spirits
- **Japan: 205 products**

Results

Free trade agreements = 32,1%

+ 4,7%
(Japan)



of EU agri-food exports (2017)

Boost in agri-food exports

Partner	Annual export growth (Average 2013-2017)	
Central America	7,8%	} New generation agreements
Andean countries	12,6%	
South Korea	12,4%	
All non-EU countries	3,5%	

Concluded negotiations

- **Singapore:** signed; needs approval of Parliament
- **Vietnam:** needs approval of Council and Parliament
- **Mexico** (modernisation): legal review; needs approval of Parliament and Council

Vietnam

Scraps tariffs on key products

	Current duty	Duty with the agreement
Chicken	40%	0
Dairy	up to 20%	
Beef	Up to 20%	
Wine	50%	
Spirits	48%	
Chocolates	Up to 30%	
Pastas	Up to 38%	
Apples, wheat, olive oil	Up to 10%	

 **Protects 169 food and drink specialties**

Easier administrative procedures:

- **Same requirements** for products from all EU countries
- **Faster and more transparent** approval procedures
- **Approval for product categories**, for all establishments, without prior individual inspections
- **Regionalisation** - allows imports from disease-free areas

Mexico



Scraps tariffs on key products

*Protects **340** distinctive products*

	Before Duties up to 100%	After, with the new agreement 0%
Poultry		
	Before Duties up to 45%	After 0%
Cheese		
	Before Duties up to 45%	After 0%
Pork		
	Before Over 20%	After 0%
Chocolate		
	Before Duties up to 20%	After 0%
Pasta		

		Jerez
Wines, beers, spirits etc.	Spain	
		Comté
Cheese	France	
		Nürnberger Bratwürste
Meat	Germany	
		Elia kalamatas
Fruit, nuts, sweets	Greece	
		Queijo S. Jorge
Cheese		

Main ongoing negotiations

- **Mercosur**
- **Australia**
- **New Zealand**
- **Chile** (modernisation)
- **Indonesia**
- **Tunisia** (modernisation)

Non-exhaustive list

Mercosur



A region of **260 million** consumers



The world's 7th largest economy and 5th largest market outside the EU with an **annual GDP of €2.2 trillion**



Closed markets with high tariff and non-tariff barriers



A destination for EU goods worth **€42 billion** (in 2016) and EU services worth **€22 billion** (2015)



A market for **60,500 EU companies**



A major destination for EU investments, with **€378 billion in investment stocks in 2015**

Mercosur

Opportunities for EU farmers and food producers

Products subject to high tariffs include:



→ Dairy products



→ Chocolates and
confectionary



→ Spirits



→ Champagne

→ Other wines

Mercosur



Geographical indications protection

Region where European products are copied most often!



Chapter on food safety and animal and plant health (SPS)

- **Prelisting** of establishments allowed to export
- **Timely** and **more transparent** audits

Mercosur

The deal safeguards the interests of EU farmers.

Some products are

- **sensitive** for the EU, but
- **key export interests** for Mercosur



Beef



Ethanol



Poultry

Mercosur will have only limited access to the EU using tariff rate quotas (exports at a lower tariff up to a pre-agreed amount).

Practical help for exporters



How to export from the EU

Market Access Database



- Applied Tariffs
- Statistical Database
- Non-tariff barriers
- Sanitary and Phytosanitary Database
- Exporters' Guide to Import Formalities
- Export studies

EU Trade on Twitter



EU Trade News

europa.eu/eutn/register.htm

More

- EU Trade website: <http://ec.europa.eu/trade/>
- EU Trade on Twitter: https://twitter.com/Trade_EU
- Commissioner website: http://ec.europa.eu/commission/2014-2019/malmstrom_en
- Commissioner on Twitter: <https://twitter.com/MalmstromEU>
- EU Trade Newsletter: <http://trade.ec.europa.eu/eutn/register.htm>
- How to export **from** the EU: <http://madb.europa.eu/madb/indexPubli.htm>
- How to export **into** the EU: www.exporthelp.europa.eu

Thank you