



# **EU bilateral trade agreements: State of Play and opportunities for EU exporters**

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## FTAs concluded



# Ongoing FTA negotiations



 **Negotiations ongoing**

## EU FTA partners: overview of tariffs on potatoes

	Seed potatoes (HS 0701 10)	Ware potatoes, fresh (HS 0701 90)	Frozen potatoes uncooked (HS 0710 10)	Prepared or preserved (HS 2004 10)	FTA negot. concluded	FTA into force
<b>Central America</b>	0%	45%	40%	MFN: 40%; EU: 0%*	x	x
<b>Colombia</b>	MFN: 5%; EU: 0%*	MFN: 15%; EU: 0%*	15%	MFN: 20%; EU: 0%*	x	x
<b>Peru</b>	0%	MFN: 17%; EU: 0%*	MFN: 17%; EU: 0%*	MFN: 17%; EU: 0%*	x	x
<b>Ecuador</b>	0%	20%	25%	30%	x	
<b>Mercosur</b>	0%	10%	10%	14%		
<b>Chile</b>	MFN: 6%; EU: 0%	MFN: 6%; EU: 0%	MFN: 6%; EU: 0%	MFN: 6%; EU: 0%	x	x
<b>Mexico</b>	0%	150%	15%	20%	x	x but being reviewed
<b>India</b>	30%	30%	30%	30%		
<b>Korea</b>	0%	30%	MFN: 27%; EU: 0%*	MFN: 18%; EU: 0%*	x	x
<b>Thailand</b>	60%	60%	30%	30%		
<b>Vietnam</b>	0%	20%	10%	13%		
<b>Japan</b>	3%	4%	8.5%	8.5%-13.6%		
<b>West Africa</b>	5%	35%	35%	35%	x	
<b>South Africa</b>	MFN: 44c/kg; EU: 0%		MFN: 30%; EU: 0%	MFN: 20%; EU: 0% (except safeguard)	x	x
<b>SACU</b>	2.5%	20%	20%	20%	x	
<b>Ukraine</b>	2%	10%	15%	5%-15%	x	
<b>United States</b>	0.5c/kg	0.5c/kg	14%	6.4%-8%		
<b>Canada</b>	4.94 CAD/t	4.94 CAD/t	6%	6%	x	
<b>Egypt</b>	MFN: 2%; EU: 0%	MFN: 5%; EU: 0%	MFN: 5%; EU: 0%	MFN: 20%; EU: 10%	x	x
<b>Morocco</b>	MFN: 2.5%; EU: 0%	MFN: 40%; EU: 24%	MFN: 25%; EU: 15%	MFN: 10-25%; EU: 0-20%	x	x

\*Phasing-out of duties still taking place towards zero

## Latin America: A protected market opening up to the EU

- **Mexico** is an old agreement which parties are considering a review. Potatoes is one of the sectors that could gain the most from a review of trade concessions.
- **Chile** was the second agreement in the region and duty-free access to EU exporters contributed to strong growth
- Recent agreements with **Colombia, Peru** are fully dismantling tariff duties on potatoes. **Central America** will liberalise fry potatoes.
- July's 2014 deal with **Ecuador** will pave the way for liberalisation within 10 (fry potatoes) to 15 y(ware potatoes)
- Negotiations with **Mercosur**: potatoes important EU offensive interest, as Brazil constitutes single most important market after Russia; process evolving slowly.

## Latin America: strongest growing export market for EU

### EU 28 exports in T

	EXPORT	EXPORT	EXPORT	EXPORT	EXPORT	EXPORT	EXPORT	EXPORT	EXPORT	EXPORT
	Total potatoes	Total potatoes	Total potatoes	Total potatoes	070110 - Seed potatoes	070110 - Seed potatoes	070190 - Fresh potatoes, excl.seed	070190 - Fresh potatoes, excl.seed	200410 - cooked potatoes, frozen	200410 - cooked potatoes, frozen
	2005	2012	2013	growth 13/05	2005	2013	2005	2013	2005	2013
Extra-EU	1,328,191	2,249,277	2,112,115	59%	365,445	657,956	579,111	502,491	374,705	943,811
Europe*	317,480	390,892	344,655	9%	24,948	46,169	236,484	177,040	53,826	120,203
Africa*	281,929	538,695	507,189	80%	170,902	351,331	99,348	121,663	9,982	33,895
Latin America*	58,101	225,985	258,992	346%	2,751	6,400	1,294	276	54,046	251,749
Central America	9,642	19,512	17,579	82%	1,357	3,016	393	96	7,893	14,467
Colombia	1,478	11,412	10,319	598%			27	23	1,451	10,019
Ecuador	4,041	5,618	6,520	61%					4,041	6,520
Peru	2,592	11,834	16,925	553%					2,592	16,925
Brazil	34,770	131,820	151,562	336%	1,394	3,384	140	157	33,225	147,995
Chile	5,578	45,789	56,088	906%			735		4,843	55,825
Middle East*	187,417	370,806	388,480	107%	67,019	146,297	12,178	24,928	105,870	215,408
Southeast Asia and Oceania*	41,716	140,448	126,425	203%	2,315	3,743	8,907	18,027	30,408	104,464

\*key destinations only

Data source: Eurostat

## Africa: world's fastest growing market opens up (partially) to EU potato exports

- **Northern Africa** is key outlay for EU exports, with countries such as Egypt and Morocco providing preferential access to EU exporters
- **West Africa** EPA will provide liberalisation of seeds potatoes five years after the entry into force (expected 2016)
- TDCA (2000) offered duty-free access to **South Africa** market. **EPA SADC** will enlarge these conditions to other Southern Africa countries. **But:** safeguards until 2016
- EPA SADC timing: negotiations concluded in July 2014. Expected entry into force 2016.



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## Africa trade: Northern Africa is the main market for EU seed potatoes; West Africa relevant for ware potatoes, despite high import duties

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	2005	2012	2013	growth 13/05	2005	2013	2005	2013	2005	2013
<b>Extra-EU</b>	<b>1,328,191</b>	<b>2,249,277</b>	<b>2,112,115</b>	<b>59%</b>	<b>365,445</b>	<b>657,956</b>	<b>579,111</b>	<b>502,491</b>	<b>374,705</b>	<b>943,811</b>
Europe*	317,480	390,892	344,655	9%	24,948	46,169	236,484	177,040	53,826	120,203
<b>Africa*</b>	<b>281,929</b>	<b>538,695</b>	<b>507,189</b>	<b>80%</b>	<b>170,902</b>	<b>351,331</b>	<b>99,348</b>	<b>121,663</b>	<b>9,982</b>	<b>33,895</b>
Morocco	36,702	41,934	61,397	67%	23,734	51,768	9,057	42	2,359	9,545
Algeria	48,463	167,581	127,424	163%	48,406	122,890	1	2,311	40	2,223
Tunisia	26,919	29,191	29,604	10%	24,881	28,036	1,513	4	416	1,529
Egypt	73,220	131,411	174,334	138%	70,778	147,622	600	25,312	1,842	1,208
Mauritania	28,612	37,838	27,853	-3%	46	225	28,561	27,521	4	107
Senegal	63,039	99,478	70,443	12%	3,059	791	59,251	66,473	712	3,155
South Africa	4,973	31,261	16,134	224%	0	0	365	0	4,609	16,129
Latin America*	58,101	225,985	258,992	346%	2,751	6,400	1,294	276	54,046	251,749
Middle East*	187,417	370,806	388,480	107%	67,019	146,297	12,178	24,928	105,870	215,408
Southeast Asia and Oceania*	41,716	140,448	126,425	203%	2,315	3,743	8,907	18,027	30,408	104,464

\*key destinations only

Data source: Eurostat



## **Southeast Asia: Active trade agenda can unlock potential of a market with high price**

- Duties remain the major obstacle to EU exports to **Thailand** and **India**, for all potatoes types, and an important economic hurdle impeding higher exports to **Japan** and **Vietnam** of fry potatoes.
- **EU-Vietnam** talks progressing towards end game, with negotiations expected to be concluded in forthcoming months. Potatoes not a sensitive product for Vietnam.
- **EU-Japan** negotiations in intermediate step. Still no conclusion in view, agriculture remains key stumbling block
- **India's** new government not yet prepared to resume talks. As the world's third largest potato producer, the country follows a very defensive stance.
- FTA talks with **Thailand** currently on hold, after coup

## Southeast Asia and Oceania trade: exports concentrate on fry potatoes and have grown fast

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	2005	2012	2013	growth 13/05	2005	2013	2005	2013	2005	2013
<b>Extra-EU</b>	<b>1,328,191</b>	<b>2,249,277</b>	<b>2,112,115</b>	<b>59%</b>	<b>365,445</b>	<b>657,956</b>	<b>579,111</b>	<b>502,491</b>	<b>374,705</b>	<b>943,811</b>
Europe*	317,480	390,892	344,655	9%	24,948	46,169	236,484	177,040	53,826	120,203
Africa*	281,929	538,695	507,189	80%	170,902	351,331	99,348	121,663	9,982	33,895
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<b>Southeast Asia and Oceania*</b>	<b>41,716</b>	<b>140,448</b>	<b>126,425</b>	<b>203%</b>	<b>2,315</b>	<b>3,743</b>	<b>8,907</b>	<b>18,027</b>	<b>30,408</b>	<b>104,464</b>
<b>Thailand</b>	7,327	30,031	33,925	363%	2,069	3,731	2,559	12,388	2,698	17,803
<b>Malaysia</b>	23,368	33,817	32,511	39%	246	11	6,321	5,599	16,757	26,901
<b>Japan</b>	6,076	23,501	26,933	343%			0	18	6,033	26,734
<b>Australia</b>	4,946	53,099	33,056	568%	0	0	26	23	4,920	33,025

\*key destinations only

Data source: Eurostat

## Europe: Mixed winds ahead

- 6th August's **Russian ban** initially stopped all fresh and uncooked frozen potatoes. But as of 20th August seed potatoes have been authorised.
- Russia is traditionally the main partner for ware potatoes (banned). However trade had been declining in face of SPS measures that had been adopted prior to establishing sanctions.
- **Ukraine's DCFTA** enters into force on 1 November 2014, pending UKR Parliament ratification next week (15<sup>th</sup> Sep).
- Most potato trade will be liberalised within 3 years. Sliced fry potatoes would be subject to partial liberalisation.

## Europe: The largest market for ware potatoes

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	2005	2012	2013	growth 13/05	2005	2013	2005	2013	2005	2013
Extra-EU	1,328,191	2,249,277	2,112,115	59%	365,445	657,956	579,111	502,491	374,705	943,811
Europe*	317,480	390,892	344,655	9%	24,948	46,169	236,484	177,040	53,826	120,203
Norway	22,105	61,453	53,801	143%	1,189	148	20,316	52,520	584	583
Turkey	9,461	22,076	11,719	24%	6,815	9,467	428	3	915	2,221
Switzerland	14,467	6,029	38,898	169%	9,128	5,096	4,543	32,591	723	1,065
Ukraine	6,876	17,827	17,341	152%	280	1,826	447	738	6,101	14,762
Russia	262,275	262,961	188,342	-28%	6,675	23,997	210,728	70,198	44,091	93,683
Serbia	2,296	20,545	34,554	1405%	861	5,635	23	20,990	1,412	7,889
Africa*	281,929	538,695	507,189	80%	170,902	351,331	99,348	121,663	9,982	33,895
Latin America*	58,101	225,985	258,992	346%	2,751	6,400	1,294	276	54,046	251,749
Middle East*	187,417	370,806	388,480	107%	67,019	146,297	12,178	24,928	105,870	215,408
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Data source: Eurostat

## North America: large producer and main competitor

- The key competitors of the EU in the world market remain largely a closed also due to SPS problems
- But relevant import duties remain an obstacle for fry and frozen potatoes, particularly in the **US**. Next negotiating Round will take place on week of 29 September.
- **EU-Canada** negotiations expected to be wrapped up this month. Bilateral potatoes trade would be immediately liberalised upon entry into force (expected end 2016).

## Conclusion

- The outlook for EU exporting industry is a positive one.
- As the EU market consumption stagnates, external trade will be the driver of future growth.
- EU active trade policy supportive of unlocking new markets, in particular across Asia and Latin America.
- These agreements also provide for a toolkit which can facilitate and speed up the solving of SPS-related problems.

**Many thanks!**

## EU 28 trade in 1000 EUR

	Total potatoes			070110 - Seed potatoes			070190 - Fresh potatoes, excl.seed			200410 - cooked potatoes, frozen		
	2005	2012	2013	2005	2012	2013	2005	2012	2013	2005	2012	2013
<b>Import</b>	177,464	133,819	180,922	364	427	485	173,124	128,494	174,708	3,331	4,695	5,454
<b>Export</b>	404,519	1,106,406	1,170,287	127,630	336,796	332,547	83,936	146,874	173,893	189,155	617,923	658,449
<b>Balance</b>	227,054	972,586	989,366	127,266	336,369	332,062	-89,188	18,380	-815	185,824	613,228	652,994

Data source: Eurostat

## EU 28 trade in T

	Total potatoes			070110 - Seed potatoes			070190 - Fresh potatoes, excl.seed			200410 - cooked potatoes, frozen		
	2005	2012	2013	2005	2012	2013	2005	2012	2013	2005	2012	2013
<b>Import</b>	616,846	352,706	459,278	1,084	729	975	611,676	349,005	454,590	3,456	2,722	3,407
<b>Export</b>	1,328,191	2,249,277	2,112,115	365,445	643,408	657,956	579,111	604,232	502,491	374,705	993,137	943,811
<b>Balance</b>	711,345	1,896,571	1,652,837	364,361	642,680	656,981	-32,565	255,227	47,901	371,249	990,415	940,404

Data source: Eurostat

Unit values	Total potatoes			070110 - Seed potatoes			070190 - Fresh potatoes, excl.seed			200410 - cooked potatoes, frozen		
	2005	2012	2013	2005	2012	2013	2005	2012	2013	2005	2012	2013
<b>Import</b>	0.29	0.38	0.39	small quantities			0.28	0.37	0.38	small quantities		
<b>Export</b>	0.30	0.49	0.55	0.35	0.52	0.51	0.14	0.24	0.35	0.50	0.62	0.70