



Promoting alternative markets for EU agri-food exports

Preliminary results of an explorative exercise

6 November 2014

Diversification of promotion activities

In August 2014 the Russian government adopted a list of agricultural products and foodstuffs originating from the EU, US, Norway, Canada and Australia to be banned for imports into Russia. Identifying and opening-up alternative export destinations for the products concerned will help to mitigate the impact of the ban on EU markets. Furthermore, diversification of export destinations can be an effective strategy to reduce the risk of future disruptions in trade relations and to benefit from up-coming opportunities in third country markets.

Through its reshaped promotion policy for agricultural products, the EU has a valuable tool to support such activities. So far Russia, China and Norway account for 50% of the promotion efforts in third countries which have been co-financed by the EU. This percentage increases to 66% if USA and Ukraine are included. These figures clearly show that there is plenty of room for diversifying destinations for promotion activities.

Exploring opportunities in third countries

Following the Russian ban, DG AGRI, together with the EEAS, has launched an exercise to explore the potential of EU agri-food exports to selected third countries, which have not previously been in the focus of promotion campaigns co-financed by the EU. The selection of countries¹ is purely indicative and was made on an explorative base to test the approach.

EU delegations in the selected countries were invited to report back to Brussels about their ideas, comments and suggestions regarding promotion of EU agri-food products, taking into account possible customs restrictions and barriers to trade, the challenge of finding adequate supply and distribution chains, and the opportunities in other cities than just the capital of the country.

Summary of feedback from EU delegations

The replies provided by the EU delegations, in some cases after close exchange with Member States diplomatic representatives, provide interesting insight in prospects and challenges for EU agri-food exports to these countries. Overall, the feedback received from delegations pointed out the potential of increasing EU exports to these countries. However, in some cases import tariffs are seen as an economic obstacle for market access. But even with preferential tariffs for the EU or generally low tariffs, sanitary and phyto-sanitary (SPS) barriers were referred to frequently.

The Commission Directorate-General for Trade, together with the Directorates-General for Health and Consumers and for Agriculture and Rural Development, is already organising regular meetings of the SPS

¹ The countries selected for this exercise are Algeria, Colombia, Egypt, Ethiopia, Indonesia, Mexico, Morocco, Nigeria, Peru, Saudi Arabia, South Africa, Thailand, Tunisia, Turkey, Ukraine, United Arab Emirates, Uzbekistan and Vietnam



market access working group with Member States and stakeholders. Activities have now been reinforced to identify specific priorities in light of the Russian ban. Annex 1 of this document provides an overview of priority alternative markets/commodities for SPS market access activities. These priorities identified in cooperation with Member States and stakeholders cover a wider range of countries than this explorative exercise on promotion. As expected, the comments on SPS problems received from delegations which have been selected for the promotion exercise are substantially in line with the priorities identified in general. Moreover, some first successes in improving market access have already been achieved, e.g. the opening-up of the Canadian market for pears from Belgium.

Another bottle neck referred to for several countries is the availability and the cost structure of distribution channels for European products. Here a close cooperation along the food supply chain, including the retail sector, seems to be essential for successful campaigns.

Concerning promotion activities, several examples and suggestions for activities, trade fairs, cooperation among chambers of commerce etc were mentioned. Moreover, suggestions for promotion activities outside capitals and big cities were also highlighted.

A summary table with reactions sent by the EU delegations is provided in annex 2. This summary intends to provide an input for more comprehensive reflections on export opportunities to these countries and as a template to assess opportunities for other countries which could not be covered by this initiative.

This document will be distributed to promotion experts of the EU Member States, stakeholders represented in the Civil Dialog Groups for international aspects of agriculture and for quality and promotion, as well as to EU delegations which have participated. Additional comments and suggestions by all of them will be highly appreciated.

The next deadline for the submitting proposals to Member States is **28 February 2015**. More information about EU promotion programmes for agricultural products can be found here: http://ec.europa.eu/agriculture/promotion/index_en.htm

Annexes 1 Priority alternative markets for SPS market access activities
 2 Summary tables of delegation replies

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