



What cumulative impacts will trade agreements have on the European agri-food sector?



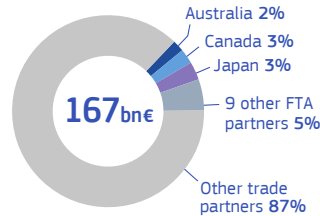
The European Commission's Joint Research Centre has analysed the cumulative effects of 12 free trade agreements (FTAs) on the agri-food sector by 2030.

The study includes trade results for the agricultural sector as a whole and sector-specific impacts on trade, producer prices and production volumes.

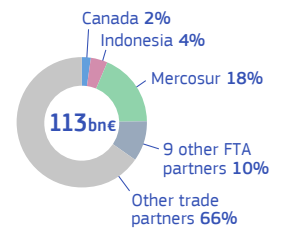


The baseline: agri-food trade 2030 in the absence of the 12 FTAs

EU EXPORTS 2030



EU IMPORTS 2030



Two trade policy scenarios are studied (conservative and ambitious):

- In both scenarios, the five concluded FTAs are modelled as per the negotiated outcome, including the tariff rate quotas.
- Scenarios are compared to a baseline of business as usual by 2030.
- Not considered in the analysis: COVID-19 impact, post-BREXIT trade friction, Green Deal implementation.

The seven not concluded FTAs are modelled with theoretical tariff cuts:

CONSERVATIVE SCENARIO

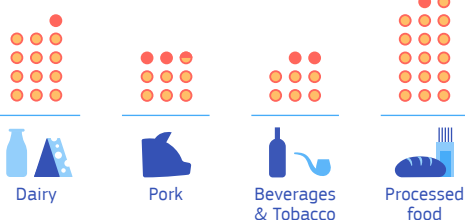


AMBITIOUS SCENARIO



Main results: cumulative impact of free trade agreements on EU trade in 2030

Main sectors benefitting from INCREASED EXPORT OPPORTUNITIES:



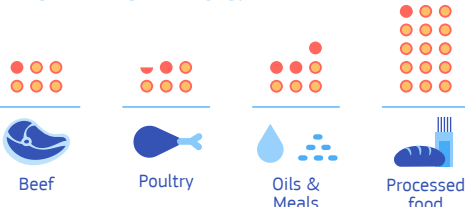
+4.7 bn€

CONSERVATIVE SCENARIO

+5.5 bn€

AMBITIOUS SCENARIO

Sectors with highest INCREASE IN IMPORT VALUES:



+3.7 bn€

+4.7 bn€

Results show that FTAs lead to a significant growth in EU exports, while EU trade partners also gain market access in the EU.

Overall, the net impact on the EU agri-food trade balance is positive.



● — 100 m€ ●+● — sum up to ambitious scenario



Dairy and pork meat

Impacts of the trade agreements are positive in terms of exports, production and producer prices.



Beef, sheep and poultry meats, sugar and rice
The study confirms trade agreement sensitivities.

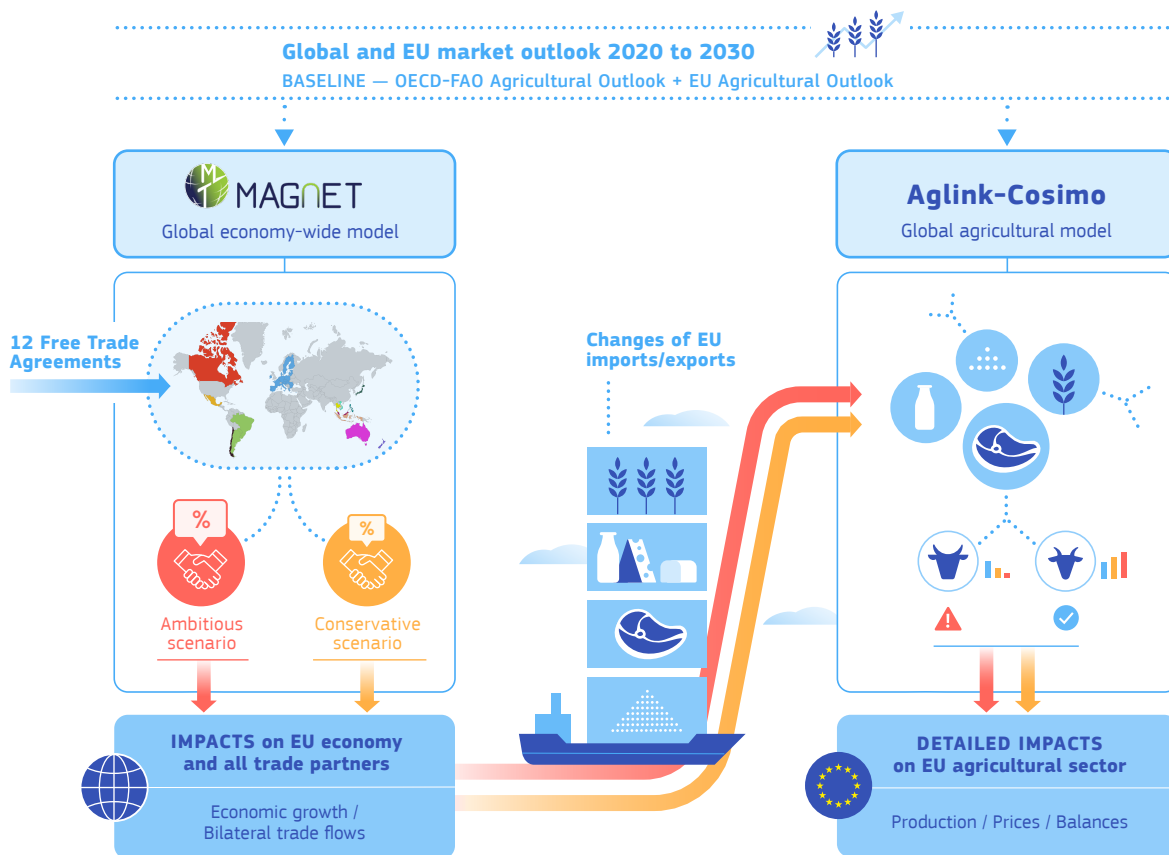
Two models combined:

1 — General equilibrium model MAGNET

Provides the changes in trade flows, in value, for the EU and all trade partners.

2 — Partial equilibrium model AGLINK-COSIMO

Provides detailed results for specific agricultural sectors, such as prices, trade volumes and production volumes.



Conclusions

- The study confirms that the EU trade agenda has the potential to benefit the EU economy and the agri-food sector.
- It also highlights the vulnerability of specific agri-food sectors, supporting the EU approach to keep a firm line on limited access for those sensitive.

- The report confirms that tariff rate quotas are an appropriate tool to increase market access for sensitive products while limiting negative impacts on the sector concerned.
- An ambitious future Common Agricultural Policy, supporting innovation and the competitiveness of the EU farming sector can also contribute to limiting negative impacts while reinforcing the positive ones.

Find out more!

More details on the economic assessment are available in the report, including information about the methodology and caveats.

- ▶ *Cumulative economic impact of trade agreements on EU agriculture – 2021 update* — doi.org/10.2760/501873
- ▶ *Interactive dashboard* — europa.eu/!tn68xP

