



Study on the cumulative effects of FTA negotiations on the EU agricultural sector

Alberto D'Avino - Unit B2: Analysis of Trade and International Policies



Why a study? - Context and objectives

- *Increasing number and role of bilateral trade deals*
- *Consistency of EU trade policy agenda for the agricultural sector*
- *Commission commitment to analyse the cumulative effects of ongoing and upcoming trade negotiations on EU agriculture*

What is covered?

- *Pure economic study (no social or environmental impact)*
- *Agreements considered*
 - Ongoing and upcoming negotiations (agreements not yet in force)
 - 12 agreements: Canada, Vietnam, USA, Mercosur, Japan, Australia, New Zealand, Thailand, Philippines, Indonesia, Turkey, Mexico
 - Most significant agreements, balanced mix of offensive and defensive negotiations

How? - Methodology

- *Two economic models*
 - 1) General equilibrium: overall changes in EU bilateral agri-trade flows
 - 2) Partial equilibrium: more detailed and disaggregated impacts for specific agricultural commodities
- *Trade scenarios*
 - final outcome of the negotiations unknown (except Canada & Vietnam)
 - ambitious / conservative scenario (% lines liberalised, % partial cut)

Expected results

- *Overall effect of trade agreements on EU agriculture: change in trade, production, prices - compared to the status quo scenario (=without agreements)*
- *Commodity level*
- *EU level only*
- *No analysis of non-tariff barriers*
- *Results of the study expected around November*