

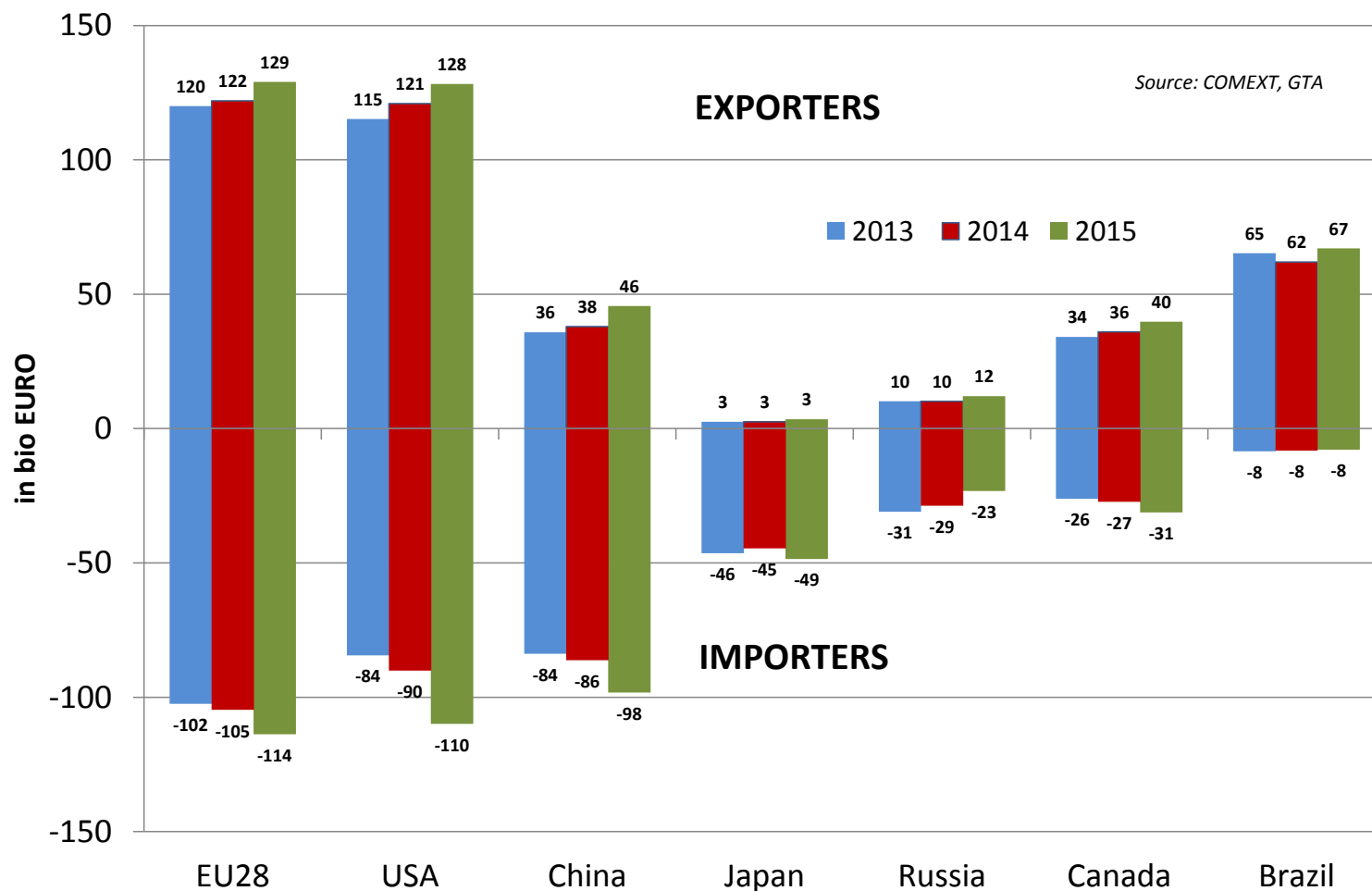


Bilateral Relations

**Civil Dialogue Group
International Aspects of Agriculture
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World trade grows with EU-US in lead



EU-US TTIP: update (1)

- 12 Rounds took place, latest in February 2016 in Brussels
- European agricultural model and EU domestic policy preferences (GMOs, hormones) not negotiable under TTIP
- TTIP will not lead to complete liberalization of trade in agriculture
 - not possible for most sensitive agricultural sectors (e.g. meats)
- Parallelism between various areas key: market access (tariff aspects, non-tariff issues, procurement and services), regulatory issues and rules, including geographical indications (GIs)

EU-US TTIP: update (2)

- October 2015 tariff offer foresees liberalisation of 97% of tariff lines, for both sides
- In EU offer, remaining 3% all about agriculture
- EU offensive interests in tariffs: dairy, processed meat products, sugar confectionery, chocolate or olive oil
- US tariffs already low on average. Non-tariff barriers of regulatory nature, also in SPS area, substantially hinder trade
- On GIs, US showing unwillingness to move towards EU requests
- Prospect: political commitment towards ambitious, balanced, outcome, respectful of the sovereign rights of both parties



EU-Vietnam FTA

- December 2015 – Official conclusion of FTA negotiations. Entry Into Force expected end 2017/ early 2018
- Market with opportunities (90 million consumers with a growing middle class)
- Tariffs: Full liberalization for EU offensive sectors (W&S (7y), dairy (3-5y), meats (3-10y), F&V(3-5y), PAPS (5-7y)). EU sensitive sectors covered by TRQs (rice, starch, sugar, sweetcorn, ethanol, mushrooms, garlic, eggs)
- GIs: 169 EU GIs protected with a high level of protection directly through the agreement. Solutions for 5 conflicts (Asiago, Fontina, Gorgonzola, Feta and Champagne)



EU-Japan FTA

- **Process:**

- Link to TPP outcome

- **Substance:**

- EU: aiming at ambitious outcome in agriculture, including on non-tariff measures
- MA: EU offensive interest vs. Japan sensitive products
- GIs: protection of EU GIs; amendment to Japanese GIs law for foodstuff
- ambition and time important; commitment of both parties to progress towards conclusion



EU-Mercosur negotiations: update

Process

- 1995: start of negotiations
- 2004: exchange of tariff offers. Negotiations suspended thereafter
- 2010: negotiations resume, without registering substantive progress
- Parties met several times at Ministerial level; last one in June 2015 to re-iterate political commitment to negotiations
- November 2015: FAC Trade Council discussed possible new exchange of offers
- February 2016: European Council reiterated EU commitment

Substance

- Challenging negotiation for EU agriculture, as Mercosur much more price-competitive on wide range of products, in particular in meats (beef, also pork and poultry), sugar and ethanol
- 20 billion € trade deficit without FTA
- EU offensive interests: SPS issues, geographical indications



Upcoming negotiations 1

Philippines

- Launch of negotiations announced in Dec 2015
- EU very offensive on agri-food products (promising market)

Australia, New Zealand

- Impact assessment and scoping ongoing in 2016
- Negotiating directives not expected before early 2017
- Agriculture sensitivities very high



Upcoming negotiations 2

- **Modernisation of the EU-Mexico 1997 FTA**
 - June 2015: EU-Mexico summit announced the conclusion of the scoping exercise (Joint Vision Report): common understanding on scope and level of ambition of a modernised agreement
 - Commission Impact Assessment very advanced
 - March 2016: Council negotiating directives
 - Formal negotiations to start soon after
- **Modernisation of the EU-Chile 2002 FTA**
 - 2015/early 2016: 2 working group meetings registered convergence of parties' ambitions towards modernised FTA
 - To be followed by a scoping exercise



Sub Saharan Africa

- *Economic Partnership Agreements:*
 - Signature and provisional application needed by 1.10.2016 to avoid withdrawal of duty-free, quota-free from non-LDCs;
 - Provide secure basis for investment in agri-food sector
- *Demographics: concerns on migration and food security*
- *Development shifting to responsible private sector investment and growth, especially in agri-food sector*
- *Opportunities for EU investors in partnership with African agri-business*
- *Goal: #ZeroHunger2030*



Neighbourhood countries

SOUTH

- **Tunisia** : DCFTA negotiations launched in October 2015, 1st round mid-April, ATMs for olive oil for 2016 and 2017
- **Morocco** : tense relations after General Court ruling: partial annulment of Decision on Agricultural agreement

EAST

- **Ukraine**: DCFTA provisionally entry into force 1/01/16
- **Russia**: Russian ban prolonged until 6/08/2016
- **Armenia**: negotiations on non preferential agreement



Economic diplomacy

Diversification of exports to complement trade deals and boost EU agri-food exports:

- Promotion visits in 2016 in 6 countries (South-America, Asia) led by Commissioner
- Resolving SPS barriers
- EU delegations contribute

G7/G20: EU priorities in agriculture

- Implementation of Agenda 2030 (zero hunger but also SDGs on no poverty, gender balance and women's empowerment, climate change - sustainable consumption and production etc.)
- Agri-food responsible investment to address poverty/food security challenge – root causes of migration
- Access to finance and agri-food investment notably in developing countries
- Promote research and innovation, knowledge transfer, access to ICT and vocational training
- Balanced rural-urban development (Habitat III)
- Farmers' participation in local, national and global food value chains (FVCs)



G7/G20 process

G7 Japan Presidency

Agriculture Ministerial - 23-24 April 2016 in Niigata

Main themes:

- revitalizing rural areas
- increasing farmer's incomes and improving agricultural productivity
- sustainable agriculture and forestry

G20 China Presidency

Agriculture ministerial - 3 June 2016 in Xi'an

Main themes:

- innovation driven agriculture
- improve world food and agriculture governance
- contribute to Agenda 2030
- 1st G20 Agricultural Entrepreneurs Forum