JRC
EUROPEAN COMMISSION

EU/Asia Agro-food Trade Trends and Prospects

13 May 2010, Tokyo
Changing Demand in Emerging and Developing Countries

Preparation: **Stephan Hubertus Gay**
Institute for Prospective Technological Studies (IPTS)
European Commission, Joint Research Centre (JRC)

Presentation: **Bence Tóth**
European Commission, Directorate General Agriculture and Rural Development

JRC
EUROPEAN COMMISSION

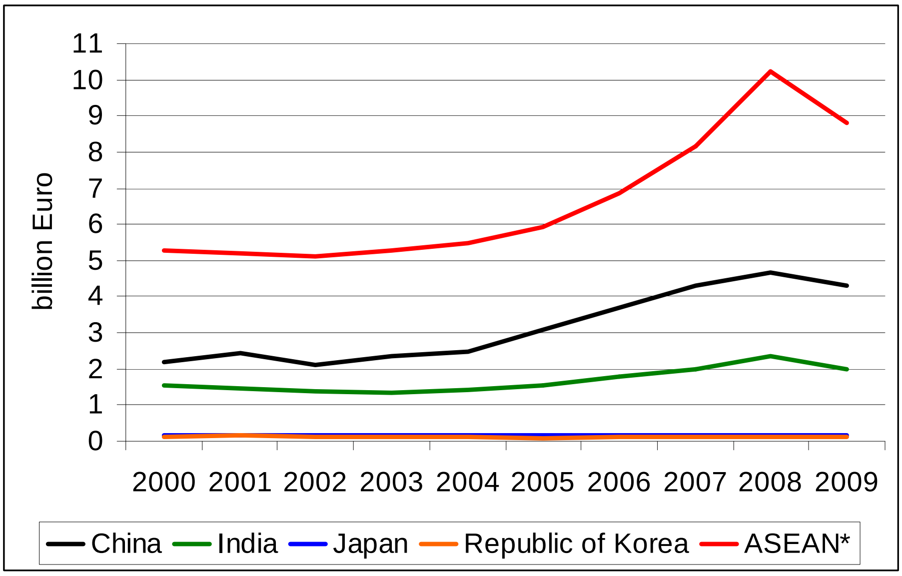
EU/Asia Agro-food Trade Trends and Prospects

- Trends in trade over the last ten years
- Important product groups
- Agricultural tariffs
- Multilateral and bilateral trade agreements
- Related publications

EU agro-food imports from Asia

- China, Japan, India, Rep. of Korea and ASEAN together account for more than 17% of extra-EU agro-food imports (sum of Harmonised System (HS) 01 to 24)
- Faster rising than overall EU agro-food imports for China and ASEAN but stagnating for Japan and Rep. of Korea in 2000-2009
- A clear curb due to the economic crises in 2009 can be observed
- Most important product groups (HS2) are animal and vegetable fats and oils (20% in 2009); fish and seafood (19%); and coffee and tea (10%)
- The first two product groups also belong to the fastest growing Asian agro-food exports to the EU

EU agro-food imports from Asia

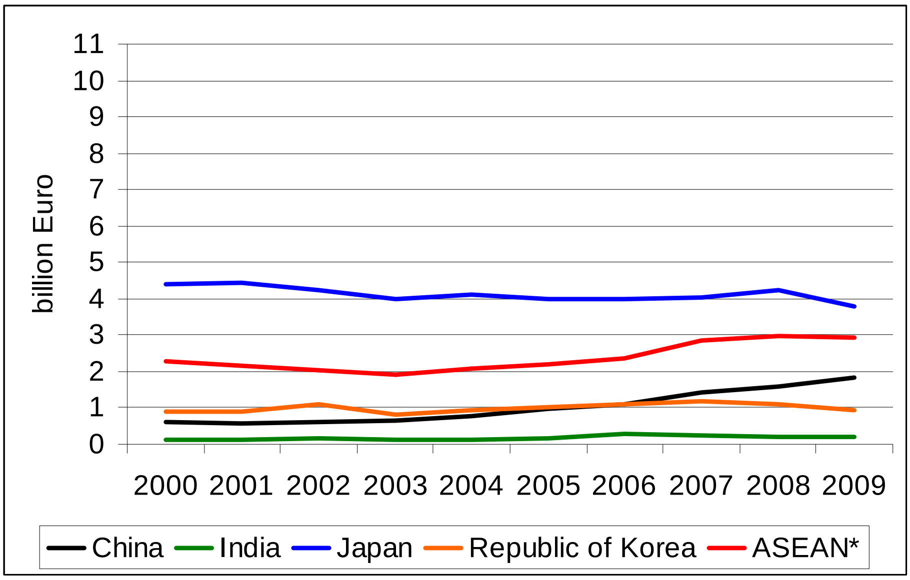


Source: eurostat; * includes Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam

EU agro-food exports from Asia

- China, Japan, India, Rep. of Korea and ASEAN together account for more than 13.7% of extra-EU agro-food exports in 2009
- Faster rising than overall EU agro-food exports in case of China and India but declining exports to Japan in 2000-2009
- Generally EU agro-food exports are less dynamic than imports
- Most important product groups (HS2) are beverages and spirits (25% in 2009); meat (12%); and dairy products (7.6%)

EU agro-food exports to Asia



Source: eurostat; * includes Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam

Future of EU agro-food trade with Asia

- Agro-food trade with Japan and the Rep. of Korea is important but no major shifts have occurred and are to be expected in the near future
- Regarding China, ASEAN and India the development in the last decade have been much more dynamic and it is expected to remain so
- Prepared food, beverages, dairy and to a lesser extent meat are the focal exports from the EU to theses countries in the coming years
- Palm oil, fish and seafood, prepared food of meat and fish are the dynamic imports, tea and coffee will remain important

Average agricultural tariffs

- Average agricultural tariffs taking bilateral agreements and Generalised System of Preferences (GSP) into account are considerably lower than Most Favoured Nation (MFN) tariffs
- EU average tariffs are similar to China, New Zealand and Philippines but higher than Australia, Malaysia, United States and Indonesia
- Especially, Rep. of Korea and India have high average agricultural tariffs
- The following table presents the data for 2006, more information is available in “EU Agricultural Trade Relations with Asian Countries”

Average agricultural tariffs by country pair (2006)

	Australia	China	EU	India	Indonesia	Malaysia	New Zealand	Philippines	South Korea	Thailand	United States	Vietnam
Australia		1.1	1.1	1.1	1.1	1.1	0.2	1.1	1.1	0.2	0.2	1.1
China	15.0		15.0	14.7	7.7	7.6	15.0	10.5	14.7	6.8	15.0	8.9
EU	14.0	9.3		9.3	9.3	14.0	14.0	9.3	14.0	9.3	14.0	9.3
India	38.0	37.9	38.0		37.9	37.9	38.0	37.9	34.3	37.4	38.0	37.9
Indonesia	8.0	5.6	8.0	8.0		3.7	8.0	3.7	8.0	3.7	8.0	3.7
Malaysia [a)]	2.4	2.4	2.4	2.4	1.5		2.4	1.5	2.4	1.5	2.4	1.5
New Zealand	11.8	13.0	13.1	13.0	13.0	13.1		13.0	13.1	11.5	13.1	13.0
Philippines	10.0	10.0	10.0	10.0	3.3	3.3	10.0		10.0	3.3	10.0	3.3
South Korea [b)]	48.9	48.5	48.9	48.5	48.9	48.9	48.9	48.9		48.9	48.9	48.9
Thailand	25.1	25.1	25.1	25.1	6.0	6.0	25.1	6.0	25.1		25.1	6.0
United States	4.2	5.4	8.1	5.4	5.4	8.1	8.1	5.4	8.1	5.4		5.4
Vietnam	27.4	20.4	27.4	27.4	7.5	7.5	27.4	7.5	27.4	7.5	27.4	

- Rows are the partner levying tariffs on countries in columns
- Source: TRAINS (2005). [a)] only 1996 data on AVEs available; [b)] 2004 AVE data.

Multilateral and bilateral trade agreements

- The Doha Development Round of the WTO will have implications for agro-food trade but it remains an open issue
- Negotiations on a region-to-region Free Trade Agreement (FTA) between the EU and ASEAN countries had been launched in 2007
- In addition, bilateral talks have been started between the EU and Singapore and the EU and Vietnam in 2010
- The FTA between the EU and the Republic of Korea has been initialled on 15th October 2009
- Negotiations on a EU-India FTA were launched in 2007

Recent EU publications on EU-Asia trade

- Issues presented are based on EU publications published by
- the Directorate General for Agriculture and Rural Development
- the Joint Research Centre

Monitoring Agri-trade Policy (MAP)

MAP publications focused on Asian countries:
- "China: Out of the Dragon's Den?" (01/08 - May 2008)
- "India's role in world agriculture" (03/07 - December 2007)

In addition, current developments in EU agricultural trade are discussed.

http://ec.europa.eu/agriculture/publi/map/index_en.htm

EU Agricultural Trade Relations with Asian Countries

Authors: David Abler, Martin Banse, Marijke Kuiper, Pim Roza and Federica Santuccio

EUR Number: 24065 EN

Publication date: 10/2009

This report was prepared by the JRC-IPTS to investigate the possible effects of a Free Trade Area between the European Union and three main trading partners: India, South Korea and the Association of South East Asian Nations (ASEAN) countries following the adoption of official negotiating mandates for new Free Trade Agreements (FTA) for the European Commission in April 2007.

http://ipts.jrc.ec.europa.eu/publications/pub.cfm?id=2741

Thank you!