

Agricultural Trade to 2030: Open Trade or Protectionism?

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Agrifood Trade Performance In the last decade

- EU world's 1st exporter for 10 yrs
- Trade surplus of EUR 70 bn in 2023
- Diversification – of markets, sources of supply, product range



Factors Behind Successful Export Performance

- Common Agricultural Policy (CAP) market orientation
- CAP payments to farmers
- Demographics – global population growth and dietary changes
- Europe's reputation for quality and safety
- Trade policy – keeping markets open, reducing trade barriers, creating new markets especially through FTAs



Will These Same 5 factors prevail in future?

- Demographics



- Quality and safety



- CAP market orientation
& CAP payments



- Trade policy



Repurposing of EU Trade Policy – Sustainability & Strategic Autonomy

Sustainability

- Sustainable development chapters in FTAs
- Green Deal regulations affecting trade/imports: Renewable Energy Directive, CBAM, Deforestation Regulation, Forced Labour, CS3D etc...
- Growing resistance from 3rd countries & risk of disputes

Strategic Autonomy

- Economic Security vs open trade (cf Macron, Draghi report)
- Need to de-risk or de-couple esp from China in critical technologies
- Investment Screening, International Procurement Instrument, Foreign Subsidies Regulation, AntiCoercion Instrument, AntiDumping & Safeguard measures...

Future Trends and Expectations for EU agritrade policy

- WTO agricultural reform will fail.
- EU FTAs quite successful – 40 agreements, 80 countries, 50% EU trade now preferential.
- But FTAs reaching their limits – cf Australia, India, Indonesia – EU will have to reduce ambitions
- No FTA prospects with US, China and Russia
- Mercosur the canary in the mine for future FTA policy



EU Trade Policy Trends in the Next Five Years: « Known Unknowns »

- A trade or tariff war under Trump 2.0?
– likelihood and consequences?
- Navigating the US- China relationship.
- Open trade and diversification -
essential to resilience and economic
security.
- But an ambivalent mandate of new
Commission: reduce dependencies,
reduce imports, reduce agri inputs,
introduce mirror clauses to level the
playing field... two edged sword.



Agri-Trade Policy under the 2024-29 Commission – some positives

- Complete the FTA agenda, reform the WTO...
- Work with 3rd countries to ensure compliance with EU import rules
- Prioritise evidence and science-based regulatory decision making
- All EU legislation to undergo an ex ante competitiveness check & Trade Agreements to have impact assessments
- Stakeholder dialogues – more open to heeding the voice of producers



Thanks for listening... and follow up

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