

# Agricultural Trade to 2030: Open Trade or Protectionism?

Presentation to BordBia, Naas, Ireland 17 January 2025

John Alistair Clarke

Former EU Commission Director for International Relations & Head of the EU Delegation to WTO and UN. Fellow, Maastricht University & Fellow of the Royal Asiatic Society

# Agrifood Trade Performance In the last decade

- EU world's 1<sup>st</sup> 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

Contact me at:

[johnaclarke.eu@gmail.com](mailto:johnaclarke.eu@gmail.com)

WhatsApp: +32 498 950 048

X and LinkedIn: JohnAClarkeEU

