

Report: EU trade agreements in place deliver tangible benefits

The EU has today published a report assessing the implementation of its existing trade agreements. This horizontal report is the first of its kind and sheds light on what happens after trade agreements are negotiated and have entered into force.

The publication is another step towards a fully transparent and inclusive trade policy, in line with the Commission's commitments set out in the EU's 2015 'Trade for All' strategy.

Commenting on the report, Commissioner for Trade Cecilia **Malmström** said: *"The success of EU trade policy is measured not only by striking new trade deals but also by ensuring that our existing agreements actually deliver. The report published today confirms that our trade agreements are a boost for the European economy: they have meant significant increases in exports, benefitting EU firms and their employees. We are also on the right track when it comes to engaging concretely with our partners on labour and environmental standards. In addition, this report has valuable lessons about what we can do better when putting new agreements in place."*

Overall, EU agreements are shown to lead to more EU exports and growth, with major export increases to, for example:

- Mexico (+416% since 2000),
- Chile (+170% since 2003),
- South Korea (+59% since 2011)
- Serbia (+62% since 2013).

The report shows that it is often the EU agricultural and motor vehicles' sectors that benefit the most. For example, exports of cars to South Korea have increased by 244% since 2011, and in the case of the agreement with Colombia and Peru there was a 92% and 73% increase, respectively, in the exports of EU agricultural goods.

The report investigates also the impact of the provisions included in the 'Trade and Sustainable Development' (TSD) chapters, covering environment protection and labour rights, present in the newer agreements. While it is too early to draw general conclusions on the implementation of sustainable development goals included in the EU trade agreements, given this is a relatively recent practice, there are already numerous examples of positive collaboration on issues going beyond trade liberalisation that have been made possible thanks to these agreements. The EU could for instance engage on issues such as freedom of association, violence against members of trade unions, child labour, labour inspections, collective bargaining, tripartite consultation, and health and safety at work.

The first lessons highlighted in the report in relation to the implementation

of sustainable development chapters will fit into the Commission's broader debate on how to improve the effectiveness of sustainable development rules in our trade agreements, launched with a discussion paper in July of this year.

The report also identifies areas for improvement to increase the benefits of existing agreements. Despite the overall positive impact of trade agreements for EU exports, EU companies do not take full advantage of the opportunities offered. For example, the extent to which EU businesses are using tariff reductions is lower on the EU side than that of our partners. For exports to countries where there are newer trade deals in place, EU companies make use of available duty rebates for around 70% of their eligible exports, whereas our partners use that duty rebate in around 90% of cases.

Also, for some sensitive products, instead of full liberalisation, the EU and its partners agree on limited market openings through tariff-free allowances, known as Tariff Rate Quotas (TRQs). The report shows that these possibilities are often underused by EU exporters: for cheese, only 4.3% of the total quota was used for exports to Peru, 7.9% to Colombia and 44% to Central America. The same is true for the use of some the TRQs conceded by the EU on some sensitive products, despite these issues being amongst the most controversial during the negotiations.

The report highlights an increasing need to raise awareness amongst EU companies – particularly small and medium-sized ones – about the opportunities that these deals offer, to expand their exports and grow their businesses.

The report will now be subject to discussion with Members of the European Parliament and Member States' representatives in the Council. Commissioner **Malmström** will present the report to Member States' Ministers at the Council meeting on Friday, 10 November. It will also be a basis for discussion with civil society, the next occasion being the upcoming EU Trade Policy Day on 5 December in Brussels.

More information

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