



EDA Trade & Economics Committee

Trade Task Force

EDA offices, Brussels (Be)

7 March 2023 – 16:00 – 18:00



Trade Task Force

EDA Antitrust & Data Protection Statement

- Participants are reminded that they cannot and should not enter into any discussion or engage in any conduct that may amount to an infringement of any relevant competition law.
- In particular and by way of example, the participants will not disclose or discuss any commercially sensitive information on prices, on customers and or investments.
- Participants agree that EDA processes their personal data within the remit of the mission of EDA as an European trade association.
- There data are kept within the EDA secretariat.
- Participants acknowledge that they can ask EDA by email to share their respective personal data set with them and that they can ask for deletion.

Trade Task Force

Agenda

- 1) Opening and Welcome
- 2) Anti-trust and data-protection statement
- 3) Approval of the agenda and the minutes of last meeting (action points) (ref: 2022/037/EDA/Trade/ILT)
- 4) Ongoing multilateral, bilateral and regional negotiations
 - Agreements in principle: Mercosur – Mexico – Chile
 - Status on ongoing negotiations: Australia – Indonesia – India
 - Suspended negotiations: Thailand – Malaysia – Myanmar
- 5) Ongoing discussions and market access issues
 - China: COMM comparison of Chinese and EU standards (dairy products), recipe approval
 - India: Health certificates, requirements of registration of foreign food manufacturing facilities, COMM comparison of Indian and EU standards
 - Egypt: Halal certificate dairy products
 - U.S.: Food Safety Modernization Act
 - Serbia: Registration of warehouses
 - EU – UK: Northern Ireland Protocol
- 6) EDA TRADE DAY 2023 (May 24, suggestions for countries/regions/speakers welcome)
- 7) Key trade messages for the Commission
- 8) AOB – Date of next meeting

Trade Task Force

European trade issues
Update March 2023

Commission trade chief: EU cannot only trade with 'like-minded countries'

By Jonathan Packroff | EURACTIV.com Feb 28, 2023



"The west against the rest" would not be a solution, she said, as the "club of liberal democracies is just too small" - there would simply not be enough trading partners. [Bogdan Hoyaux/European Commission]

EURACTIV is part of the Trust Project >>>

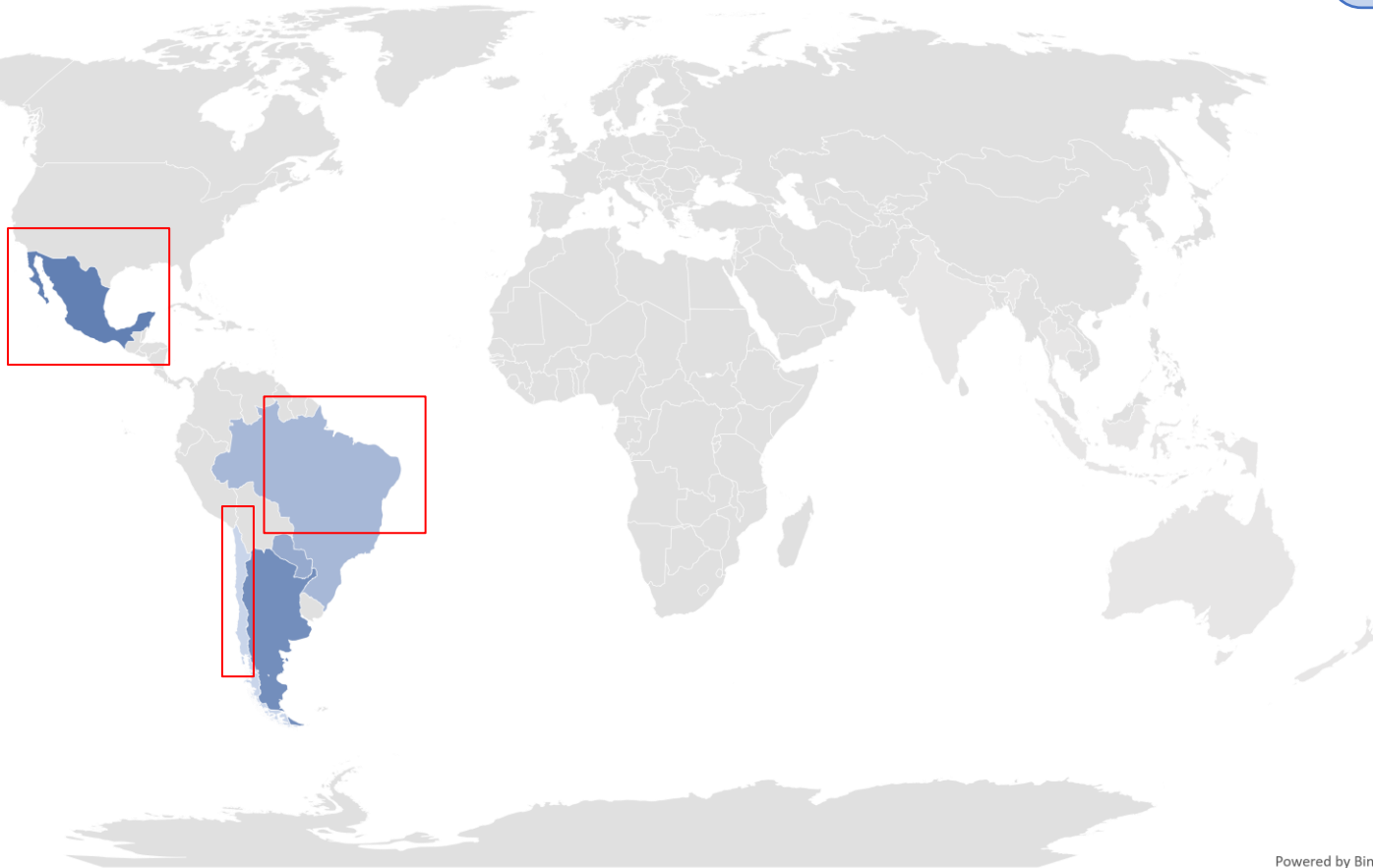


Europe must strengthen its network of free trade agreements (FTAs) beyond liberal democracies, Sabine Weyand, head of the European Commission's trade unit (DG TRADE) said in Berlin on Tuesday (28 February).

It is not only security policy that has gone through a 'Zeitenwende' - or turning point - but also trade policy, Weyand said.

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European trade issues Update March 2023



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MERCOSUR:

The agreement in principle between the EU and the Mercosur countries is still being delayed due to political resistance. EU negotiators are travelling to Argentina this week, as momentum is building up. France's opposition to the deal seems to become less vocal. The agreement has been declared a priority for the Spanish EU.

Chile:

The EU and Chile concluded negotiations to modernise the existing EU-Chile Association Agreement on 9 December 2022. The existing tariff rate quotas for EU cheese will remain temporarily in place, but will be ultimately liberalised under the new agreement, at the latest seven year after entry into force of the modernised agreement.

Mexico:

The EU-Mexico Agreement is finalised, and EU COM Valdis Dombrovskis said that the agreement will be signed at an upcoming bilateral summit, which is still expected in 2023. We updated our "EU – Mexico Dairy Trade Focus" in support of the agreement.

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India:

On 17 June 2022, the EU relaunched negotiations with India for a Free Trade Agreement. In November / December 2022 the 3rd round of negotiations took place. Indians look very open but are tough negotiators. EDA shared our offensive interests with the EU Commission and organized first meetings with the EU civil servants in charge. A conclusion of this FTA can – at best - be expected under the next EU Commission (2024 – 2029).

Indonesia:

A Free Trade Agreement is being negotiated since July 2016. The 13th round of negotiations on an EU-Indonesia Free Trade Agreement took place in February 2023. An Indonesian Delegation is planning a Regulatory Dialogue Visit on EU food safety. EDA is invited to provide input on outstanding issues. A conclusion of this FTA can – at best - be expected under the next EU Commission (2024 – 2029).

Australia:

A Free Trade Agreement is being negotiated since May 2018, till February 2023 14 rounds of negotiations took place. We have seen a more than generous EU market offer to AUS (basically full cheese liberalization). Australia made it very clear throughout the process that they are not at all ready to accept the EU's demands on the protection of geographical indications for cheese names. A 15th round of negotiations is planned at the end of April (24-28). Rumours suggest that Commission chief Ursula von der Leyen is expected to travel to Australia in July to sign the accord with the country's Premier Anthony Albanese. EDA keeps providing input for the discussions on market access.

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Thailand:

Negotiations for an EU-Thailand FTA were launched in March 2013 and put on hold in 2014 following the military take-over in the country. In 2019, EVP Dombrovskis met with Deputy PM of Thailand on 25 January to discuss the possible relaunch of negotiations. Both sides expressed a willingness to restart trade negotiations.

Malaysia:

Negotiations for an FTA between the EU and Malaysia were launched in 2010 and put on hold after seven rounds in 2012 at the request of Malaysia. A stocktaking exercise took place in 2016-17 to assess the prospect to resume negotiations. The current Malaysian government is positive about the possible resumption of the negotiations. The EU and Malaysia signed a Partnership and Cooperation Agreement (EU-MY PCA) in December 2022.

Myanmar:

The EU and Myanmar launched negotiations for an investment protection agreement in 2014, which were since then put on hold. EU sanctions on (Cambodia and) Myanmar – over human rights abuses – ensure that bilateral trade deals have a better chance than a EU-ASEAN FTA

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Update March 2023

EXECUTIVE SUMMARY

Dialogue is sought with the Royal Thai Government on selective and appropriate reductions on Most Favoured Nation (MFN) tariff rates for key dairy ingredients that are critical feedstocks for Thai industry.

- Tariff imbalances are creating destabilising and compounding vulnerabilities in the Thai dairy sector that jeopardize the sector's integrity and producers' current investments in and future commitment to Thailand as a food manufacturing hub.
- Tariff disparities have soared as high as 213%, a consequence of bilateral free trade agreements maturing in isolation and deliberate exclusions under recent multilateral free trade agreements. Producers invested in Thailand are accordingly denied a commercially competitive diversity of supply.
- This has deepened a destabilising bias in supply to Thai industry exclusively favouring Australia and New Zealand. Industry is now acutely exposed to external and global supply chain shocks as well as imminent commercial challenges by competing regional production hubs. This may encourage an assessed 40% of the largest producers to reduce investments or exit the market. This will have politically and economically consequential implications for the Kingdom.
- International food and beverage producers are demonstrating a preference to close and reduce operations in Thailand that has long term implications for the Kingdom's food-hub credentials and 'Kitchen of the World' ambitions. Compounded by the global inflationary environment, the situation has deteriorated substantively in the past 12 months. Immediate and urgent action is required. Awaiting agreement to and full implementation of any future free trade agreement is no longer viable.
- Thai industry must be enabled to develop redundancy through commercially competitive diversity of supply that will also serve to amplify and accelerate the growth of Thai dairy's exports across the Asia-Pacific (APAC).
- Reduction of just 2-5% on selected MFN tariff rates are considered an appropriate and reasonable mechanism to ensure an adequate and commercially competitive diversity of supply to industry, while preserving full concessions for any future trade agreement(s).
- Sought through this dialogue are MFN reductions in the following key commodities:
 - UHT & Past. Plain Milk HSC 0401.20.10
 - Cream HSC 0401.50.10
 - Skimmed Milk Powder (SMP) HSC 0402.10.41
 - Whole Milk Powder (WMP) HSC 0402.21.20
 - Butter Milk Powder (BMP) HSC 0403.90.10
 - Whey HSC 0404.10.10
 - Anhydrous Milk Fat (AMF) HSC 0405.90.10

Refer to Tables 1 and 2 for current and targeted MFN rates as well as a comparison of rates against TAFTA, TNZCEPA and AANZFTA.

This dialogue is coordinated by Landmark Public Affairs and the EU ASEAN Business Council (EUABC) on behalf of industry partners. Consultation is being undertaken with multiple commercial, industry, and trade office representative parties trading under MFN rates and representing dairy producers in Thailand.

For further information contact: Mr. Oliver J. Fall: ofall@landmarkpublicaffairs.com, and Mr. Chris Humphrey: chris.humphrey@eu-asean.eu

“Dialogue is sought with the Royal Thai Government on selective and appropriate reductions on Most Favoured Nation (MFN) tariff rates for key dairy ingredients that are critical feedstocks for Thai industry.”

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Ongoing discussions and market access issues

China: COMM comparison of Chinese and EU standards (dairy products), recipe approval

India: Health certificates, requirements of registration of foreign food manufacturing facilities, COMM comparison of Indian and EU standards

Egypt: Halal certificate dairy products

U.S.: Food Safety Modernization Act

EU – UK: Northern Ireland Protocol

U.S.: Food Safety Modernization Act

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EDA Trade day 2023, May 24

Suggestions for countries/regions/speakers welcome

- **EU COM: Mr John CLARKE, Director international DG AGRI?**
- **Indonesia?**
- **India?**
- **U.S.?**
- **Australia?**

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Ongoing discussions and market access issues

KEY TRADE MESSAGES FOR EU COM



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Next meeting: May 2023

Thank you for your attention