EU-MERCOSUR NEGOTIATIONS:

Ensuring the best trading conditions for fresh produce

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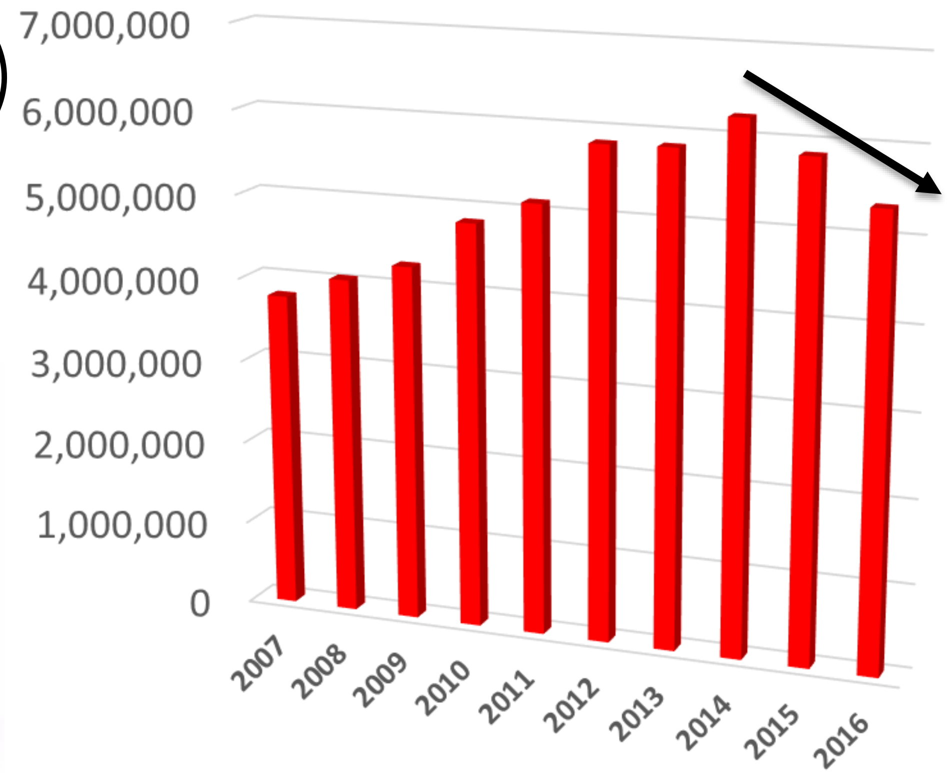
Freshfel Europe

- The representative association of the general interests of the European fresh fruit and vegetables sector
- From production to trade and retail
- More than 200 members across the EU
- Chair of Export Committee: Mr P. Borras (Anecoop, ES)

Trading realities in an ever uncertain environment

EU global exports declined by **14,3% in volume** from 6,23 mio. T (2014) to 5,34 mio. T (2016)

EU Exports of Fresh Produce: Volumes in T



...an orchestra of reasons...

Necessity of bilateral negotiations: MS by MS, product by product

Impact of the Russian embargo

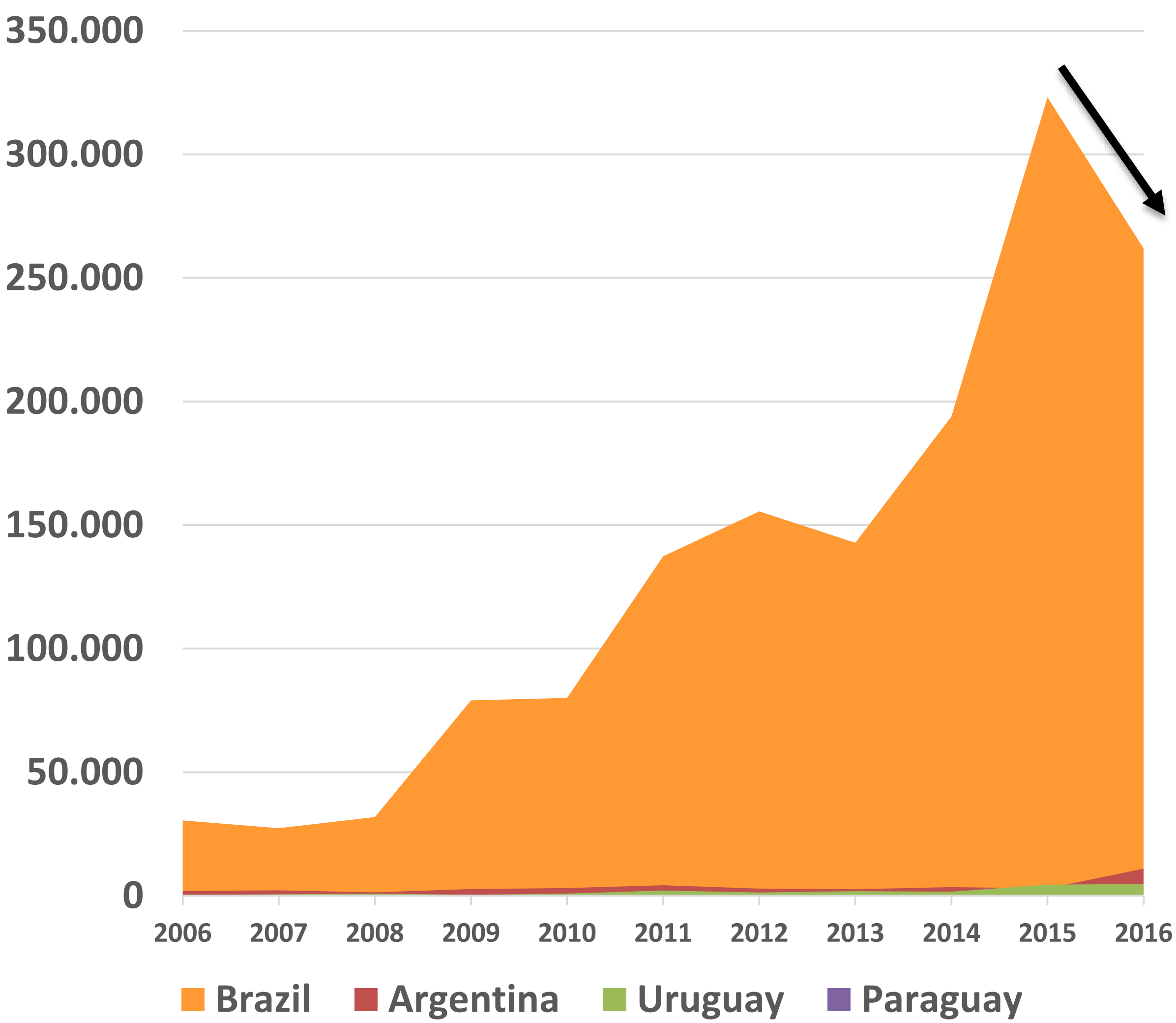
Open vs. Closed plant import systems

Lengthy Pest Risk Assessment procedures

Rising SPS & technical barriers

Complex requirements and opaque application procedures

EU export of fruit and vegetable to Mercosur – 2006 to 2016



- **Total Exports: 277.673 T**
- **Total Value: € 233 million**
- **Main trading partner: Brazil 262.000 T worth € 218 million**
- **Exports in fruit continue to grow → from 129.000 T to 179.000 from 2015 to 2016**
- **Driving growth commodity: apple**
- **Major decline in onions and shallots**
- **Challenging currency environment**

Leading EU exporters & commodities

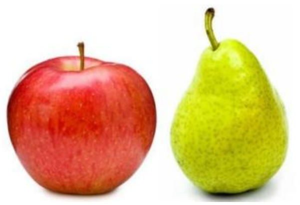
Leading EU exporters

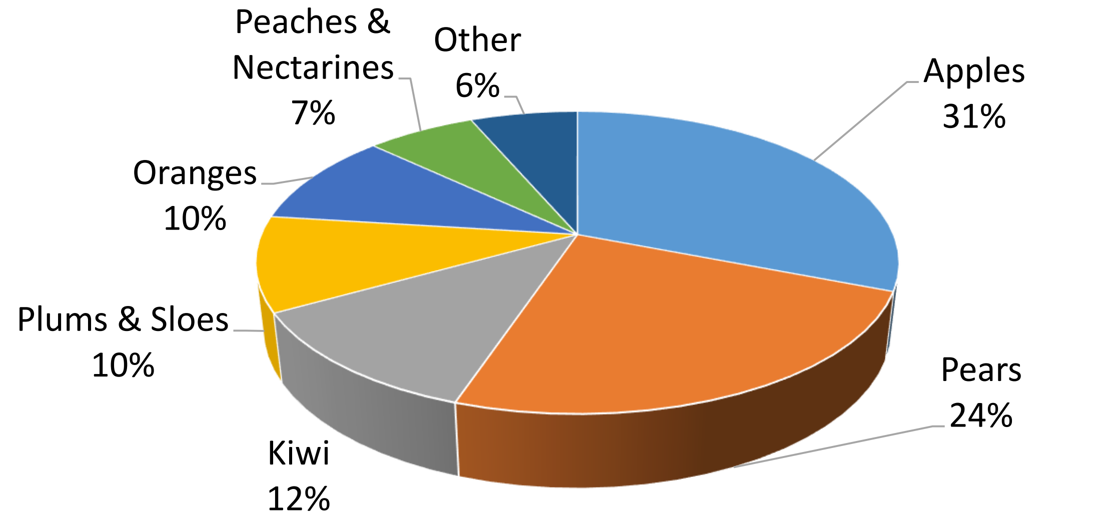
Spain:
110k T / € 116 million

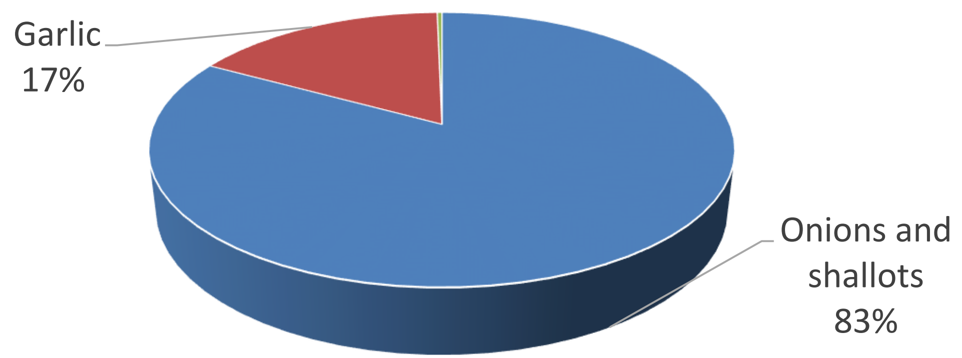
Italy:
50k T /€ 50 million

Netherlands:
73k T / € 22 million

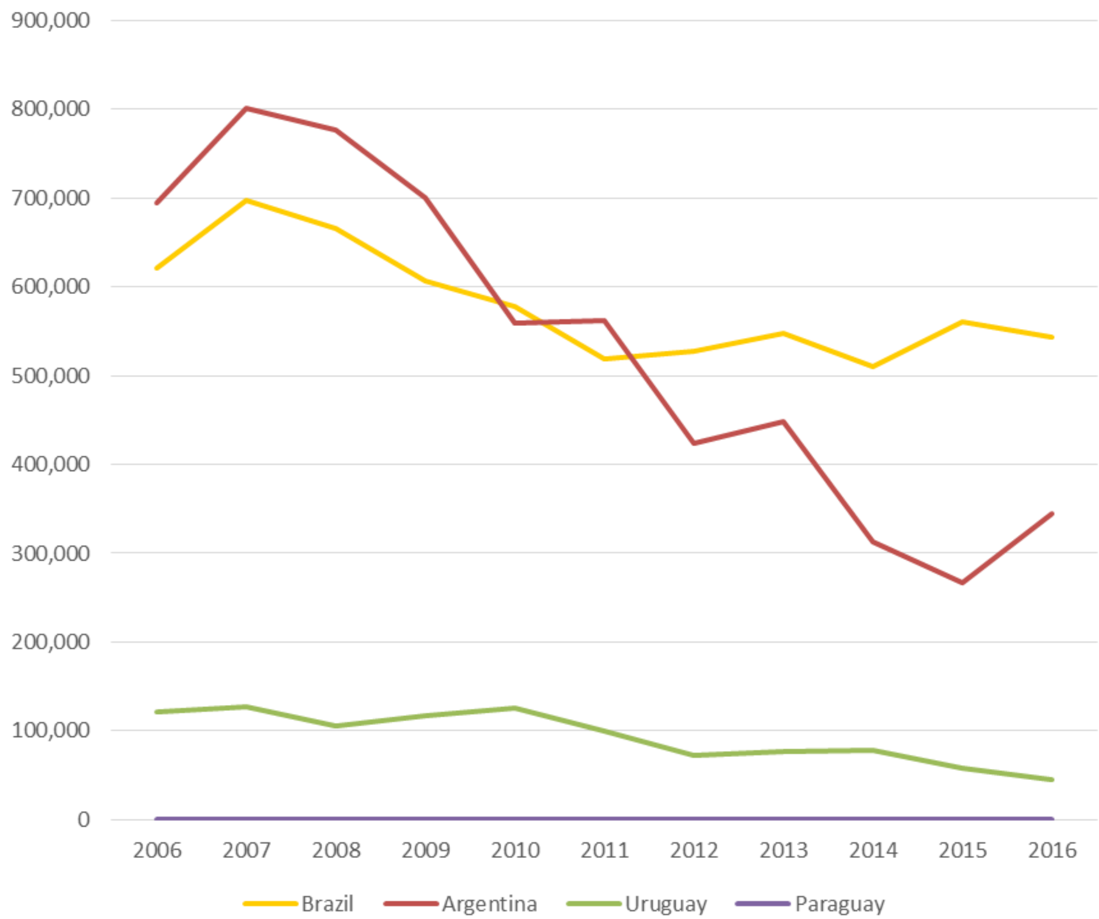
Portugal:
41k T/ € 41 million







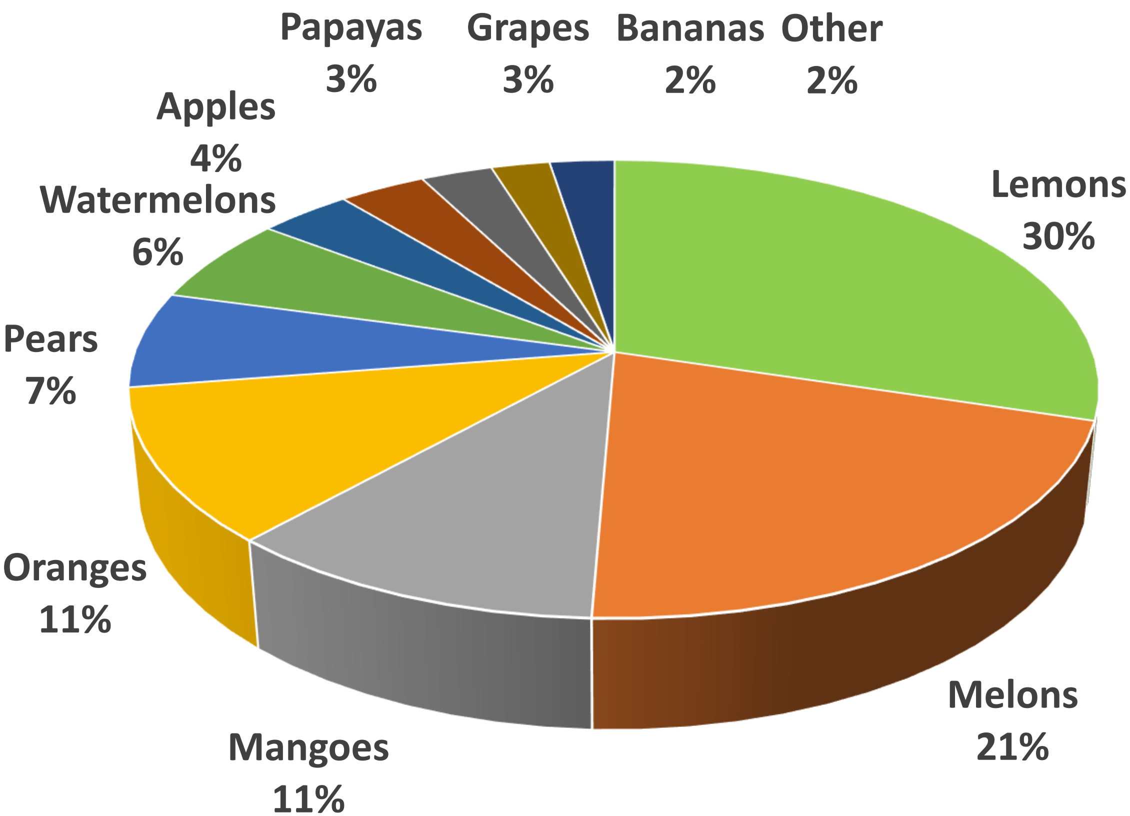
Mercosur exports of fruit and vegetable to the EU – 2006 to 2016



- **Biggest recipients: NL, Spain, U.K, Italy**
- **Trading relations with 26 MS**
- **In 2016: 931.500 T worth € 1.15 billion**
- **Drop of exports driven by a variety of reasons**
- **Loss of market in all major categories (pear, apple, orange, mandarins, grapes…)**

Mercosur fruit and vegetable exports to the EU

… mainly fruits (Volume in T)

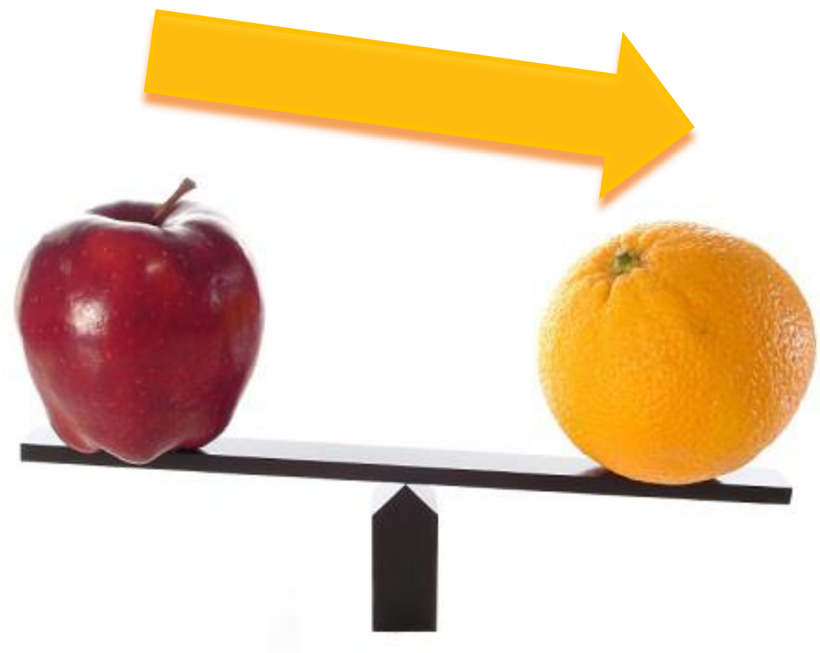


A current trade surplus for Mercosur, but...

2005: 1,46 mio. T

... slightly declining

2016: 931.500 T



Why?

EU losing attraction as destination

Plant health issues vs. EU pesticide requirements

EU preferential agreements with competitors of Mercosur on a zero duty for many products

(Non)-regulatory barriers

Exchange rate

Competitiveness in the market...

EU-Mercosur relations in a global perspective:

- Strong trade relations
- EU: Most important trading partner
- Complementarity of assortments
- Experience to built upon
- Growing economic region / market potential

YES, BUT …

...some hurdles have to be tackled:

SPS

- Lack of reciprocity in the export conditions: Import to EU as one vs. Bilateral Protocol for every country and every commodity
- Long application procedures up to 4 years while Pest Risk anaylsis is concluded
- Procedures and requirements differ from country to country

Tariffs:

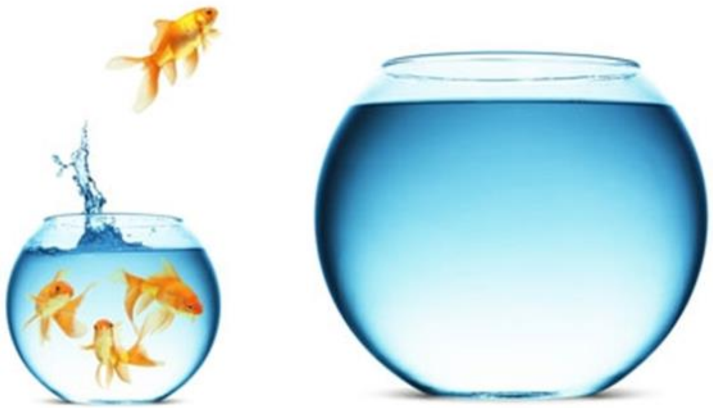
- Tariffs as political tool to counterweight economic fluctuation

Overall Political Situation :

- Exchange-rate volatility
- Lack of trust → How sustainable is the political change?

Administrative Hurdles:

- Complicated, intransparent application procedures for new commodities
- Lack of capacity within the Mercosur-NPPOs



What we would like to see:

Priority I

Simplified and accelerated market access

- SPS as part of the offer
- Harmonization of application & PRA procedures in the four particpating countries for EU applicants
- Simplified and accelerated process for authorization for fruit and vegetable
- Systems recognition

Priority II

Removal of adminstrative and tariff hurdles

- Removal of tariffs & additional taxes
- Abolishment of administrative custom procedures
- Harmonization of product standards
- Improvement of the overall dialogue between EU-Mercosur NPPO's

Pending European applications…

…mainly to Brazil…

- ❑ Germany
- ❑ Belgium
- ❑ Netherlands
- ❑ Poland

- ❑ Belgium

- ❑ Spain

- ❑ Portugal

- ❑ Portugal

- ❑ Italy

- ❑ France

Why not…

…extending the SPS chapter with a paragraph on concrete, harmonized application procedures for market access?

- ✓ *Fixing & harmonizing the same procedural steps and requirements for all 4 Mercosur partner countries with regard to the application procedure of F&V*
- ✓ *Including fast-track approval procedures for priority fresh produce (apples, pears, citrus, kiwi, grapes, stone fruit)*
- ✓ *Fixed timings for handling priority products*
- ✓ *Defining SPS access conditions for priority products on basis of existing protocols, fixed potentially in the Annex*

EUROPEAN FRESH PRODUCE ASSOCIATION

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