



Brussels, 1 February 2021

Eucolait welcomes the publication of an updated JRC study on the cumulative economic impacts of trade agreements on EU agriculture

Eucolait warmly supports the findings of the updated Joint Research Centre study, underlining the role of an open trade strategy in supporting the EU agri-food sector. The report is a timely and appropriate pro-trade message in advance of the publication of the Commission's trade strategy (centred on 'open strategic autonomy') which is expected in the coming weeks.

Following on from the initial study published in 2016, the new edition looks at agreements concluded in recent years or currently under negotiation between the EU and twelve trading partners. While it cannot be denied that opening access to third country partners will increase competition in certain sectors on the EU market, the gains would appear to far outweigh the risks. For instance, under both the conservative and ambitious scenarios examined in the study, a pro-trade agenda will lead to approximately 150,000 extra tonnes of cheese shipped from the EU by 2030. The potential for gains is clear to see – overall dairy exports from the EU would be expected to increase by 7.3% in this next decade if the ambitious approach is taken. The report further confirms that trade supports European milk production – of which some 15% is exported – as well as milk prices in Europe. It is therefore absolutely crucial for EU exporters to benefit from good access conditions to key third country markets where the growth opportunities lie.

Eucolait urges policy makers to take heed of the message presented and to keep the facts at the forefront of their mind when crafting the EU's new trade strategy, when debating the ratification of concluded agreements and when negotiating new ones. The ongoing pandemic and adverse geopolitical developments such as Brexit or the aircraft tariff dispute with the US have created significant economic challenges in recent times. The scenarios presented in this study are a real opportunity for progress and to keep the milk moving!