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**CONQUERING THE EU MARKET  
WITH “NEW” TRADE AGREEMENTS  
ISSUES OF FREE TRADE AGREEMENTS  
BETWEEN THE EU AND PARTNER COUNTRIES**

Marie-Luise Rau

Agricultural Economics Research Institute (LEI)  
Wageningen University and Research, The Hague, The Netherlands

Kontaktautor: [marieluise.rau@wur.nl](mailto:marieluise.rau@wur.nl)



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**„Wie viel Markt und wie viel Regulierung  
braucht eine nachhaltige Agrarentwicklung?“**

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# Conquering the EU market with “new” trade agreements – Issues of free trade agreements between the EU and partner countries

Marie-Luise Rau (marieluise.rau@wur.nl)  
Agricultural Economics Research Institute (LEI)  
Den Haag, the Netherlands



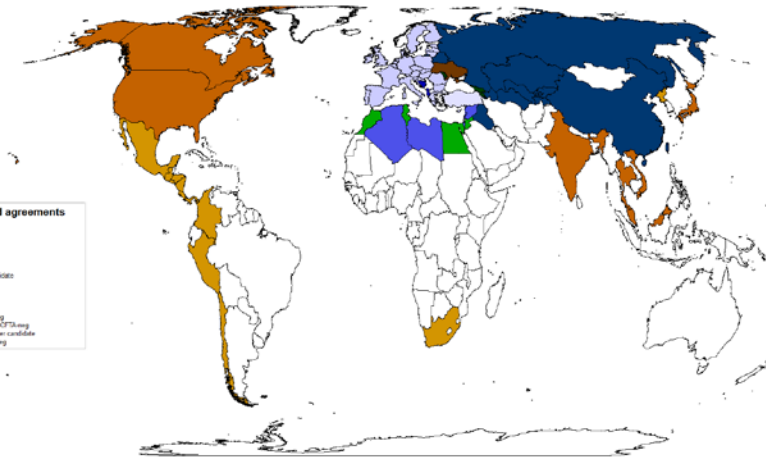
## Different types of EU agreements with a trade relation

The EU foresees enhanced engagement and cooperation via various types of agreements (see map for a geographical illustration):

- Partnership and Cooperation Agreement (PCAs),
- Stabilisation and Association Agreement (SSAs) (Western Balkan),
- Association Agreements (AAs) (Mediterranean Countries),
- Customs Union (CU) (Turkey, Andorra);

↓ Degree of integration increases

Recently, the EU has launched Deep and Comprehensive Trade Agreements (DCFTAs) with the countries in the Southern Caucasus Region (Armenia, Georgia: concluded DCFTA in July 2013), MED countries (Egypt, Morocco, Tunisia, Mandate to launch DCFTAs in March 2011), Ukraine (signature expected in November 2013), Moldavia (DCFTA negotiations completed in June 2013)



Map of different types of agreements between the EU and partner countries with a trade relation

## Provisions of Deep and Comprehensive Free Trade Agreements (DCFTAs):

- Market Access: Duty and quota free trade - Tariff liberalisation to reciprocally improve market access for the EU and trade partner countries
- Regulatory issues: Elimination of non-tariff measures (NTMs) “behind the border measures” - Aligning regulatory difference by either harmonisation or mutual recognition, DCFTAs show a clear orientation towards EU standards and norms
- Rules and cooperation: Dispute settlement mechanisms, dealing with intellectual property rights as well as technical support for the adoption of standards, for example.

## Implication for impact analysis of trade

Modelling DCFTAs is not straightforward. In addition to tariff liberalisation (modelled by price wedges in simulation models) NTMs should be depicted. NTMs are commonly modeled by the “iceberg cost” approach, whereby the elimination of NTMs is assumed to reduce trade costs. The magnitude of the NTMs are generated by gravity estimation.

## Free Trade Agreements with other third countries

- EU-US: launch of negotiations for Transatlantic Trade and Investment Partnership in June 2013 (main issues for agri-food trade: GMO, precautionary principle versus scientific evidence)
- EU-Canada: negotiation started in May 2009
- EU-Japan: launch of negotiation in April 2013 (main issue: SPS)
- EU-Thailand: negotiation started in March 2013, EU-Vietnam: negotiations started in June 2012, EU-Malaysia: negotiations started in September 2010, EU-Singapore: FTA completed in December 2012
- EU-Korea: FTA + since June 2011
- EU-India: negotiations started in 2007 (main issues: SPS, TRIPS, investment)
- EU-Colombia: completed in June 2012, EU-Peru: FTA since March 2013, EU-Mexico FTA + since October 2000, EU-Chile FTA + since February 2003