



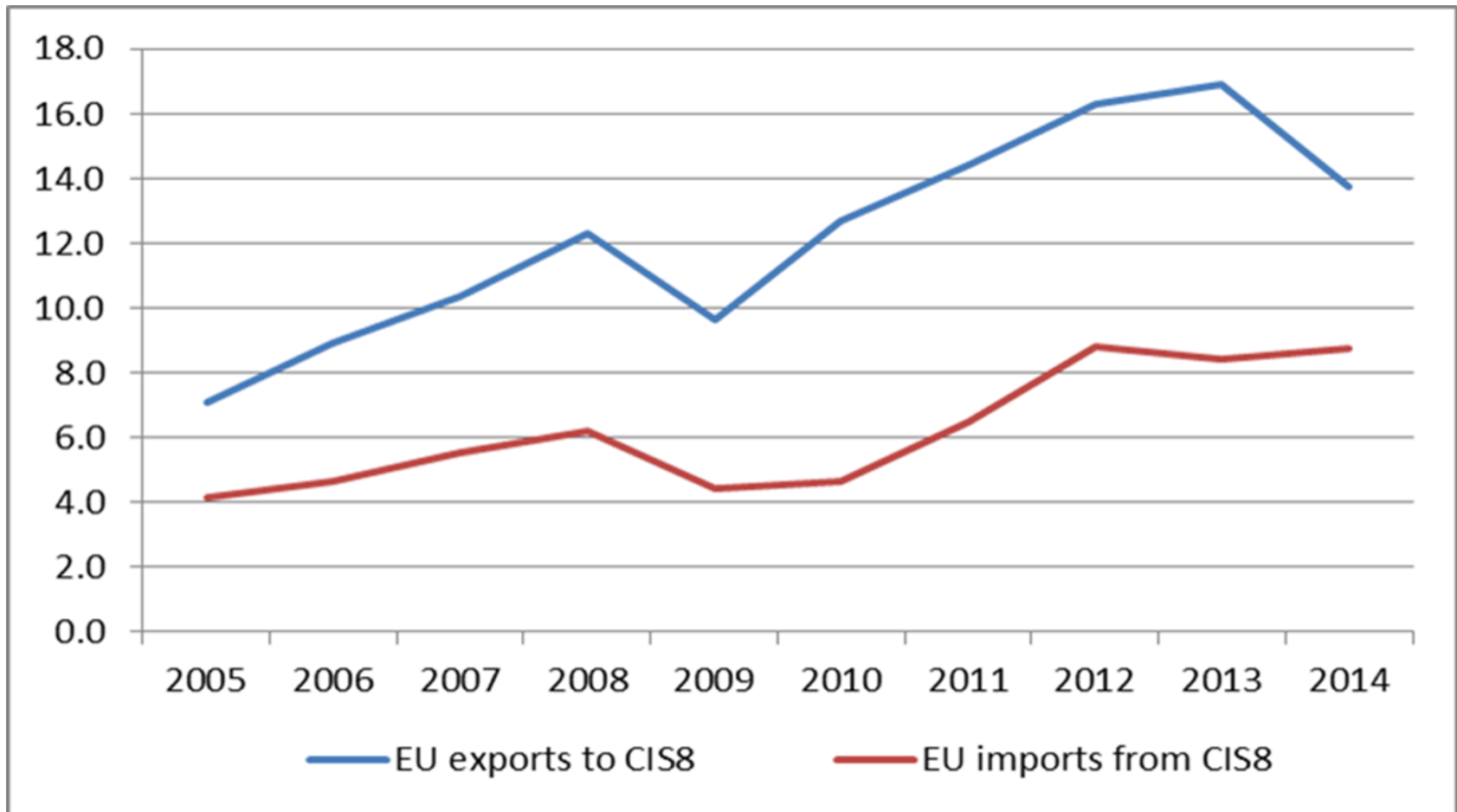
EU Agricultural Trade Relations with the Eastern Neighbours

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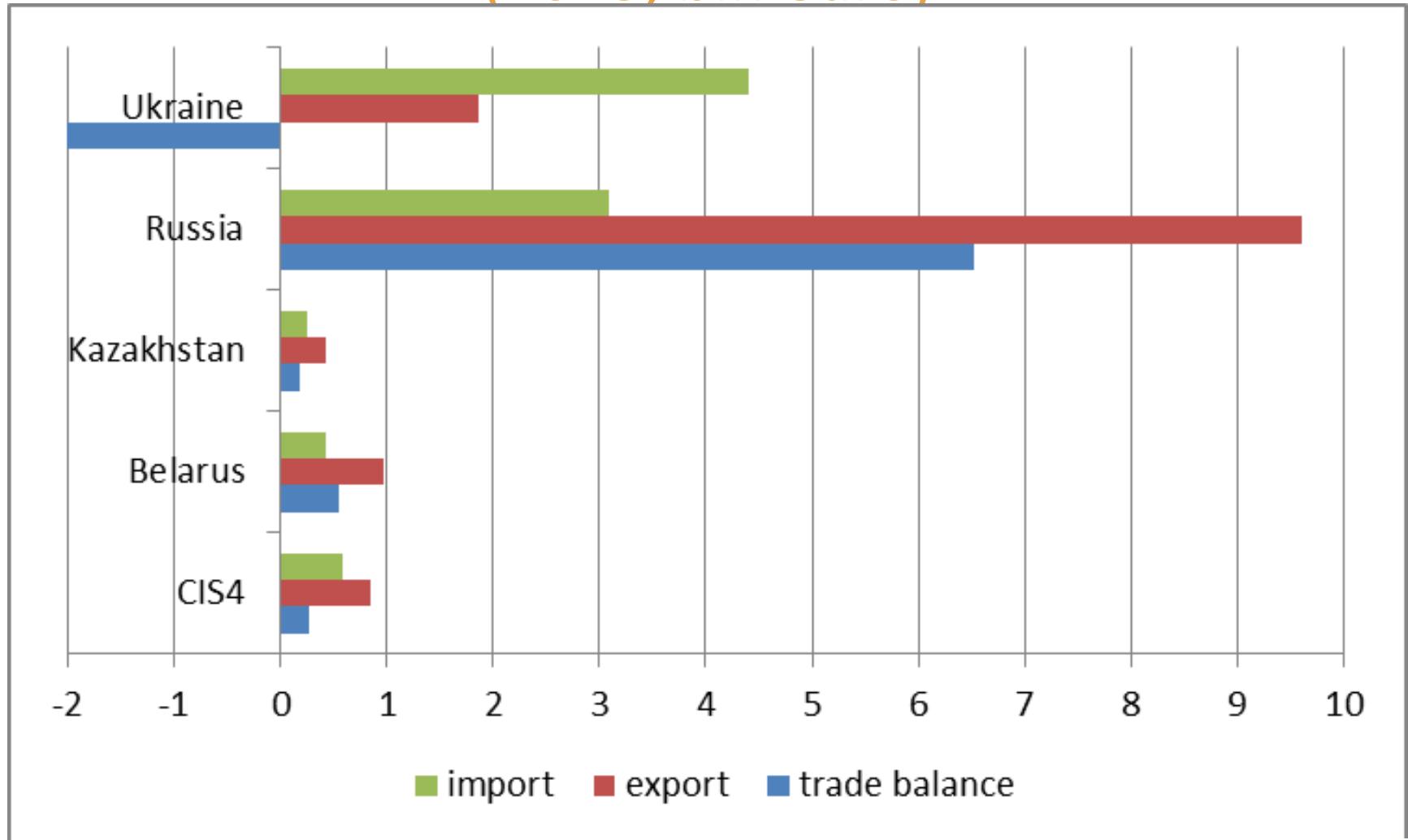
LEI Wageningen UR

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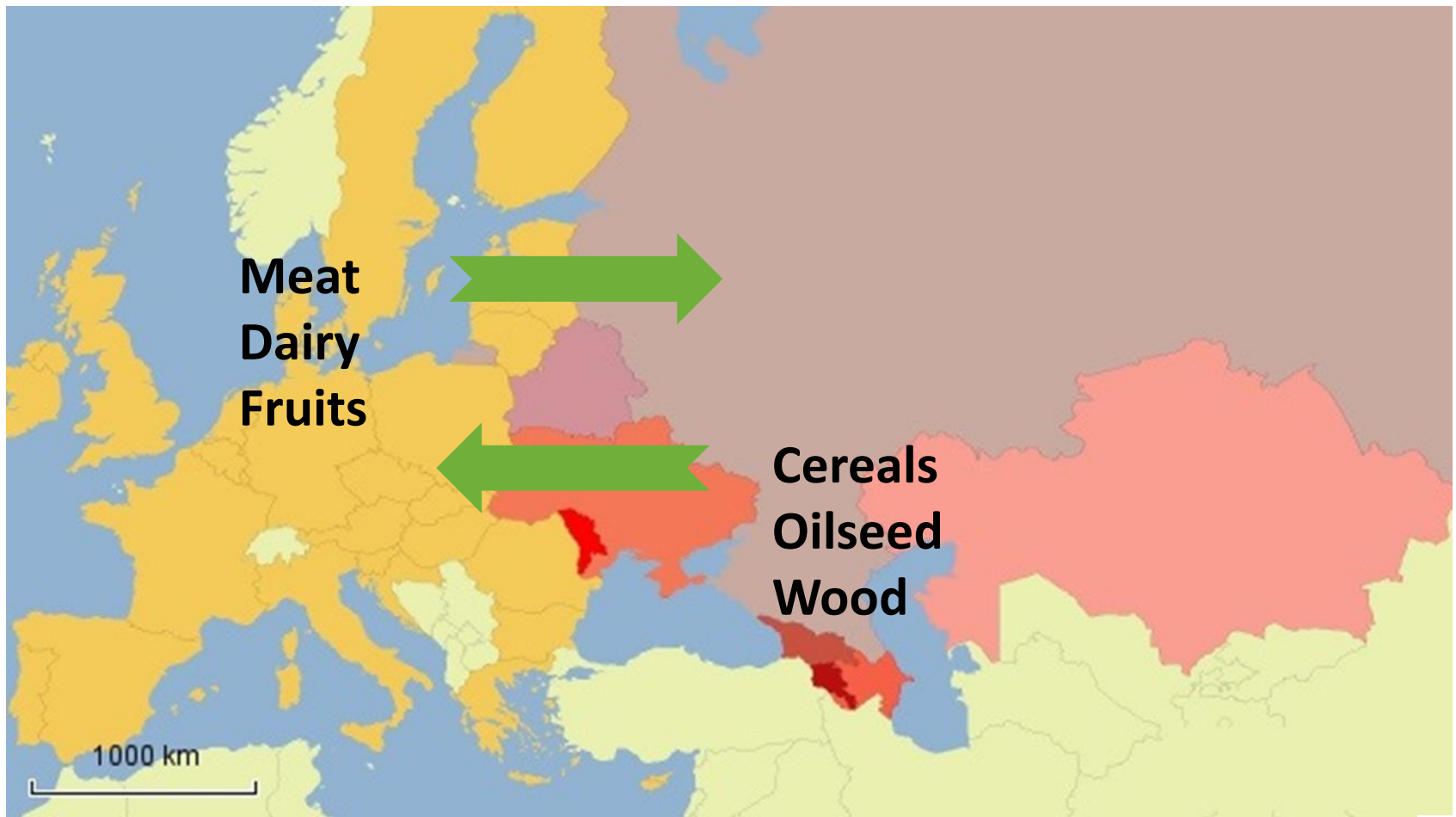
EU agricultural trade with CIS8, 2005-2014 (billion euro)



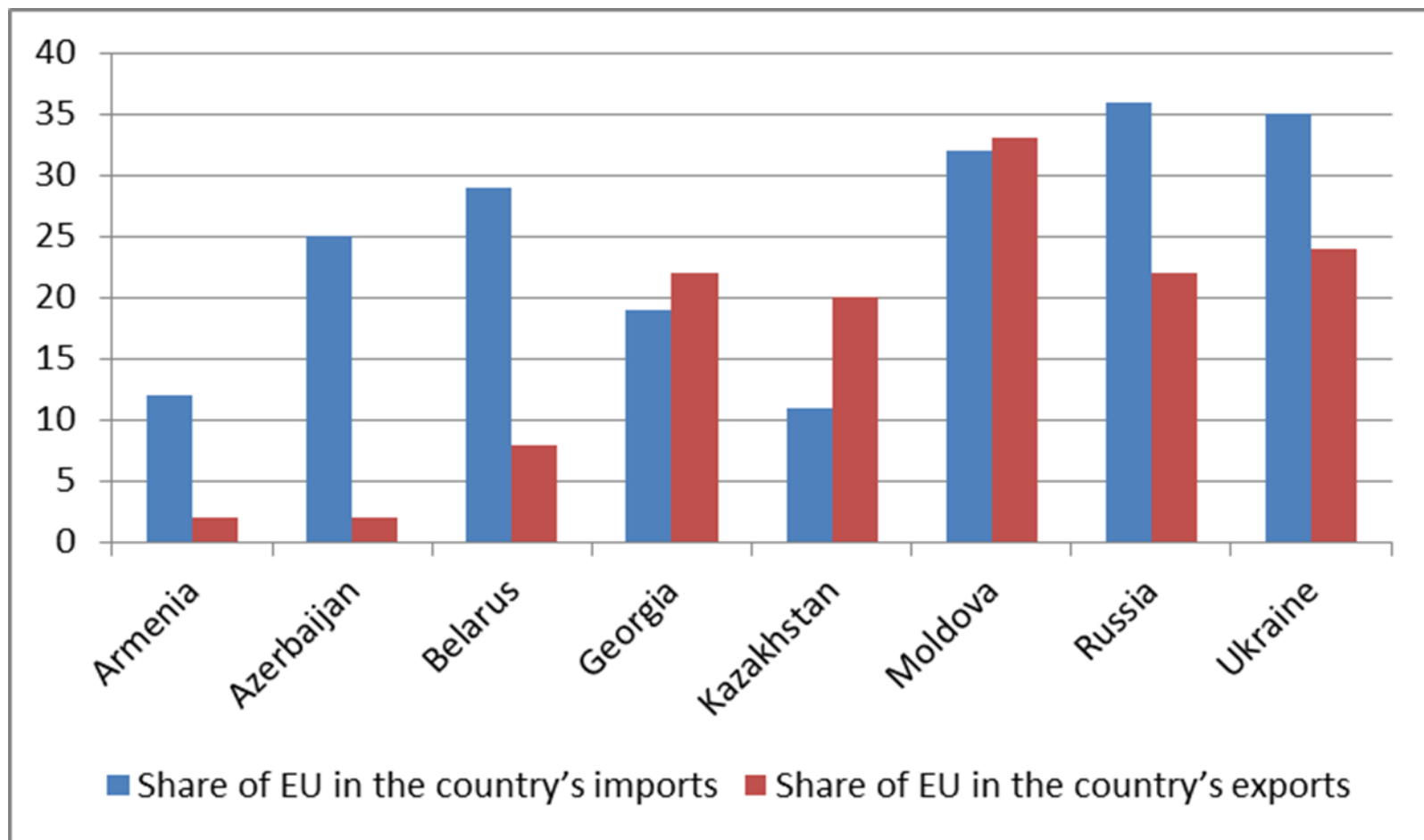
EU's Agricultural trade balances (2013, bln euro)



Trade flow directions between the EU and its Eastern Neighbours



Importance of EU in CIS' agritrade relations (2012, %)



Policy framework

- European Neighbourhood Policy (ENP)
- Eastern Partnership (EaP): bilateral and regional co-operation
- bilateral Actions Plans or Association Agendas: agenda for reforms in 3 to 5 years
- Aimed at bringing ENP partners closer to EU standards of governance and opens perspectives for further economic integration by an AA (in which a DCFTA is one part)

State of affairs in bilateral policy relations

country	EU bilateral agreement
Armenia	DCFTA negotiations completed in July 2013, not implemented following Armenia's decision to join the Customs Union of Russia, Belarus and Kazakhstan in August 2014
Azerbaijan	PAC since 1999; lost GSP status in 2014, no DCFTA negotiations started yet
Belarus	PAC since 1995, no DCFTA negotiations started as Belarus is not a WTO member not started
Georgia	DCFTA negotiations concluded and AA signed on 27 June 2014
Kazakhstan	PAC since 1999; not included in the ENP
Moldova	DCFTA negotiations concluded and AA signed on 27 June 2014
Russia	PAC since 1997, not included in the ENP
Ukraine	DCFTA/AA negotiations completed in 2012, signed on 27 June 2014

Why a DCFTA?

- Benefits of a DCFTA: economic growth through economic integration – access to a larger market, more business opportunities, more variety of goods at lower costs, more efficient resource allocation
- Regulatory approximation reduce transaction costs of trade
- Impacts of regulatory alignments difficult to measure – but do include adaptation costs

Most recent developments: what are the implications?

- Relationship EU-Russia may delay process of transnational market integration, as:
 - EU's trade with Russia stagnates
 - Trade is redirected: e.g Russian food imports from (some) CIS countries, China, Brazil, other countries
- Future? A further divide is possible, which means that the EU loses connection with a region with high agrifood production potentials *and* an important market for animal products and F&V