



Latest update: February 2016

Bilateral agricultural trade relations

EU agricultural trade with Australia

Australia is an important trading partner for the EU. Over the last 5 years the EU has been constantly increasing its exports to Australia. In 2010, the EU switched from being a net importer to a net exporter. In 2011 and 2012 the trade balance in agricultural products returned to slightly below zero, due to a sharp increase in imports of other products of oilseeds (mainly rape or colza seeds). During the last 3 years (2013, 2014 and 2015) the balance of trade was positive in the EU's favour, with a steadily growing trade surplus.

In 2015 EU exports amounted to EUR 2.8 billion compared with imports of just over EUR 2 billion. In 2015, Australia ranked as the EU's 13th export destination for agricultural products. Australia ranks 19th in terms of value of imports into the EU. In terms of share of agricultural trade, Australia accounts for 1,8% of the EU's imports and 2,2% of the EU's exports.

Main imported products from Australia are oil seeds and wines which account together for 50% of Australian agrifood exports to the EU. Other important products include tropical fruits and nuts, meat (beef, sheep and goat) and wheat.

EU exported products are more diversified, with half of its exports made up of chocolate, confectionery and ice cream; spirits and liqueurs; pasta, pastry, biscuits and bread; pork meat; wines and also fruit and vegetable preparations,

Further details of trade in agricultural products can be found by following this link:

http://ec.europa.eu/agriculture/trade-analysis/statistics/outside-eu/countries/agrifood-australia_en.pdf

Given the importance of wine in EU-Australia trade, an agreement governing trade in this product was signed by the two parties in 1994. Further negotiations led to a second agreement which entered into force on 1 September 2010, replacing the previous agreement. The agreement safeguards the EU's wine labelling regime, protects geographical indications, including for wines intended for export to third countries, and includes a commitment by Australia to protect EU traditional expressions. It also provides for the phasing out of the use of a number of important EU names such as Champagne, Port, and Sherry on Australian wines within a year of the agreement coming into force. The agreement is managed by a Joint Committee meeting at least annually.

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Beyond the agreement on wine, the importance of this trade relationship has led to the creation of a permanent mechanism for dialogue and consultation on trade topics related to agriculture, ATMEG (*Agricultural Trade and Marketing Experts Group*). ATMEG is held annually, alternately in the EU and Australia.

Relations between the EU and Australia are now set to develop further, as a process towards an EU-Australia Free Trade Agreement (FTA) is now underway. On 15 November 2015 a Joint Statement was issued by Presidents Juncker and Tusk and Australian PM Turnbull committing "to commence work toward the launch of negotiations for a Free Trade Agreement". Actual FTA negotiations would possibly start in 2017.

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