EU trade agreements: delivering for Europe's businesses

Brussels, 12 November 2020

The 4th Annual Report on the Implementation of the European Union’s Trade Agreements in 2019 published today shows the benefits of our expanding global trade network. Despite tensions in the global trade arena, the report shows that EU trade agreements continued to facilitate fair and sustainable trade and solidify the framework of international rules.

Trade with the 65 preferential partners covered in the report grew by 3.4% in 2019, while the EU's total external trade grew by 2.5% overall. The EU's trade agreements with Canada and Japan have especially boosted trade, by nearly 25% and 6%, respectively, since their entry into force.

"At a time when the European economy is in crisis, international trade is more essential than ever. Our trade agreements make it easier for EU companies to grow by trading outside the internal market. Tariff cuts boost trade, and we see this borne out in our growing trade with Canada and Japan," said Executive Vice-President and Commissioner for Trade Valdis Dombrovskis. "We are taking many steps to ensuring all EU businesses – big and small – can really take advantage of our trade agreements. This is why we just launched a new 'Access2Markets' website to help them do just that. We are also promoting international standards such as on worker’s rights and the environment in our trade agreements."

The EU's trade agreements cover a third of the bloc's external trade with third countries and were worth €1,345 billion in 2019, according to the report. The agreements contributed €113 billion to the EU's overall trade surplus of €197 billion and proved particularly important for European SMEs that trade outside the EU – whose number grew by an average of 6% between 2014 and 2017.

In a nutshell, the 2019 report shows:

- **EU agri-food** exports to trade partners increased by 8.7% compared to the previous year. Exports of agri-food products to Japan even rose by 16%.

- **EU industrial goods** exports grew from +1.9% in 2018 to +3.7% in 2019. The top three categories, including machinery, chemicals and transport equipment, saw growth rates of 1.5%, 6.3% and 5.7%, respectively. EU exports of machinery and pharmaceuticals to Canada saw an impressive growth of 15% and 18%, respectively.

In addition, the report looks in more detail at the first year of implementation of the **EU-Japan Economic Partnership Agreement** and shows that the agreement:

- boosted bilateral trade in goods by 6% across all sectors compared to 2018;

- particularly favoured EU exports in categories with big tariff cuts, such as textiles, clothing and footwear, which grew by 10% on average, and;

- supported a 16% surge in EU agri-food exports, which make up 12% of total EU exports to Japan.

The report also shows that in 2019, during its second year of entry into force, the **EU-Canada agreement (CETA):**

- increased bilateral trade by almost one quarter (24.5%) compared to pre-CETA trade between 2015-2017;

- helped industrial goods like machinery and pharmaceuticals increase by 15% and 18% over the past year alone, and;

- moved Canada up from the 9th to the 8th largest market for EU agri-food exports. Increased access to the Canadian market under CETA tariff-free quotas saw the value of EU cheese exports to Canada increase by 15% in 2019, compared to 2018.

Finally, the report analyses the progress of the implementation of "**Trade and Sustainable Development**" (TSD) chapters, which are part of all modern EU trade agreements. With the implementation of these chapters, the EU aims to maximise the leverage of increased trade and
investment to achieve progress on key issues, like the promotion of decent work and environmental protection or the fight against climate change. While the report notes that there are challenges to the implementation of these chapters, the Vietnam agreement is mentioned as a successful example of how the EU's engagement with its partners before entry into force can yield tangible progress on these issues, notably on labour commitments.

The European Parliament and Member States' representatives, as well as other EU institutions and stakeholders, will now discuss the report with the Commission.

Background

At present, the EU has in place the largest trade network in the world, with 45 applied trade agreements covering 77 partner countries. The 4th Annual Report, which covers the period of 1 January-31 December 2019, covers 36 major preferential EU trade agreements which applied for a substantial period in 2019 with 65 different partners.

More Information on the report and related topics

- Key facts
- 4th FTA implementation report (EN)
- Foreword by DG TRADE Director-General Sabine Weyand
- Brochure on the report
- Staff Working Document
- Preference utilisation on EU imports
- Preference utilisation on EU exports
- FAQ on preference utilisation

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