



Some comments on  
“The Use of the EU Free Trade Agreements”

National Board of Trade Sweden and UNCTAD

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# The Use of the EU's Free Trade Agreements

- An excellent and deep dive into the use of EU FTA preferential rates by both EU exporters to partner countries and Partner exports to the EU.
- Find fairly high utilization rates, particularly by Partner exporters to the EU, a bit less by EU exporters to partners.
- Why isn't there 100% utilization and are there areas where underutilization is concentrated?
- Very useful to understand these forces.
- Can efforts in transparency help?
  - EU Trade Helpdesk? <http://trade.ec.europa.eu/tradehelp/>
  - Global Trade Helpdesk (ITC, WTO, UNCTAD)? <https://www.helpmetrade.org/>



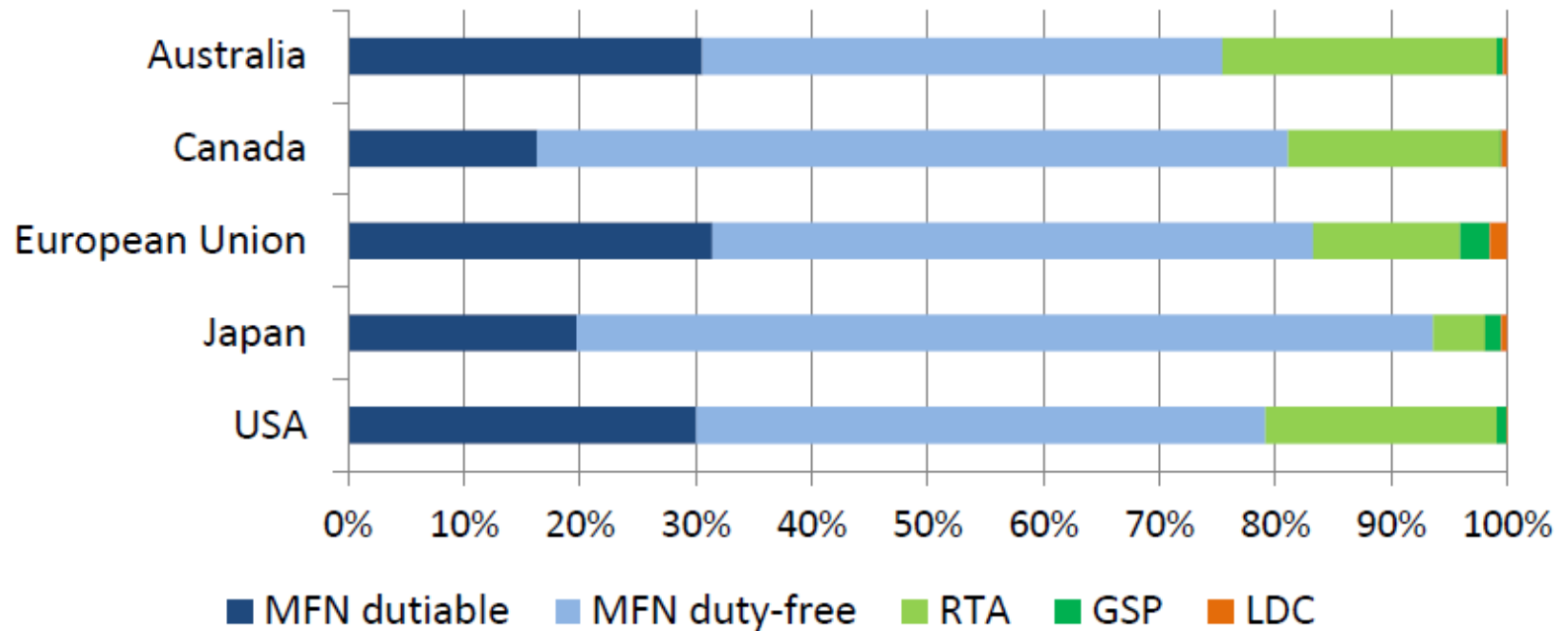
# Some WTO work on preference utilization

- The WTO perspective is - at least to some extent - a development perspective: GATT, Cotonou, Waivers, S&D, PTA Transparency Mechanism, Nairobi decision and link to Rules of Origin, etc.
  - Contribution to a chapter of the forthcoming "World Bank Group Handbook on PTAs" (co-authored by Thomas Verbeet and Jurgen Richter).
  - The technical annex of the World Tariff Profiles 2018, pp. 212-223 (August 2018) ([https://www.wto.org/english/res\\_e/booksp\\_e/tariff\\_profiles18\\_e.pdf](https://www.wto.org/english/res_e/booksp_e/tariff_profiles18_e.pdf))
  - A recent note for the Committee on Rules of Origin (G/RO/W/179 of 10 October 2018)  
<https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=q:/G/RO/W179.pdf>
  - A WTO staff working paper *New evidence on preference utilization*, ERSD-2012-12, by Alexander Keck  
([https://www.wto.org/english/res\\_e/reser\\_e/ersd201212\\_e.pdf](https://www.wto.org/english/res_e/reser_e/ersd201212_e.pdf))



# Most trade occurs as MFN duty free or dutiable, but preferences still important

Figure 2: Total imports by utilized duty categories, 2016



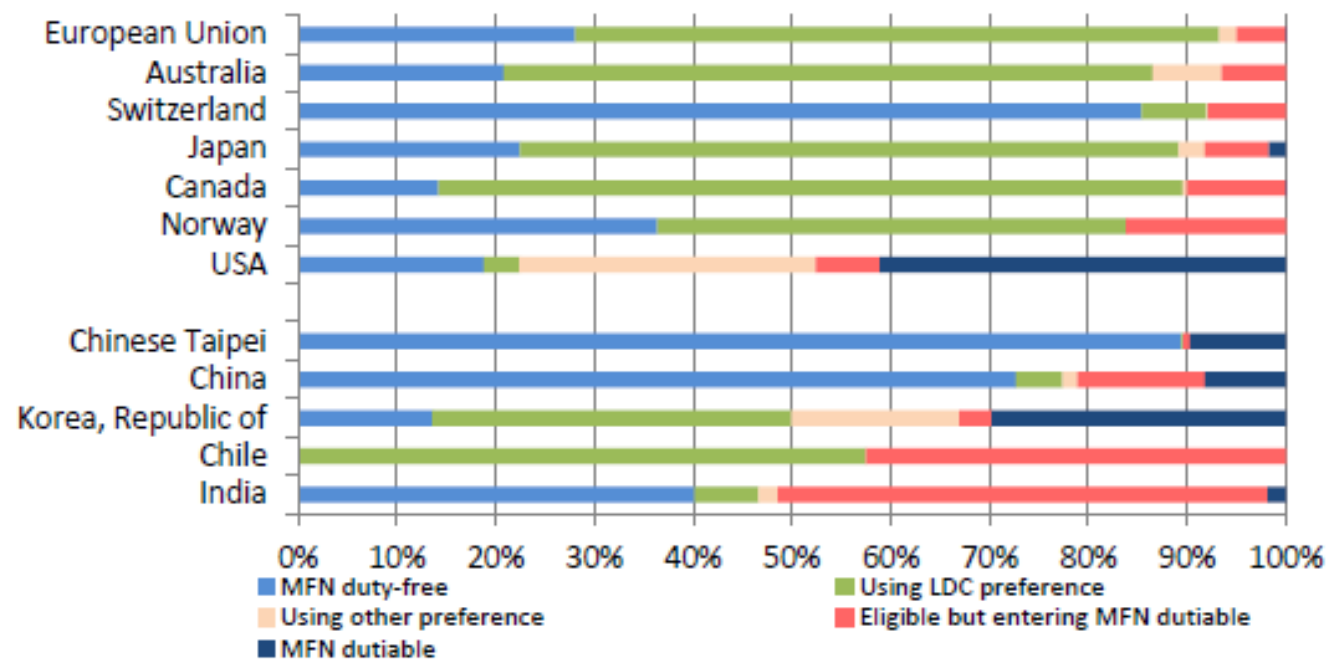
Source: WTO Integrated Database, 2018

From Verbeet and Richtering



# LDC preferences important and varied.

Figure 3: Imports from least developed countries by duty categories, 2016 (or latest available year)



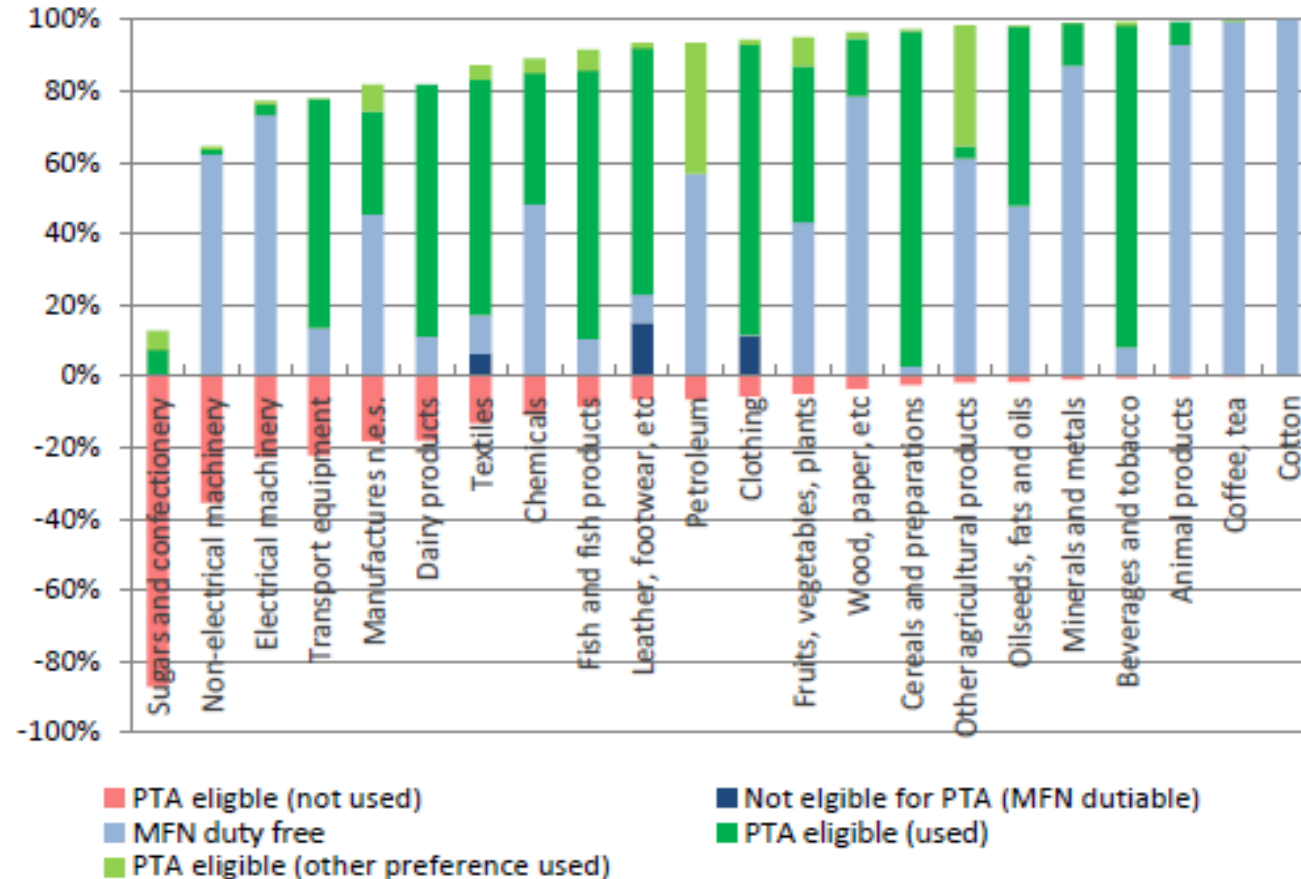
Source: WTO Integrated Database, 2018

From Verbeet and Richtering



# Utilization varies by product!

Figure 4: Utilization of the LDC duty schemes in developed markets by product and duty categories, 2016



Source: WTO Integrated Database, 2018

From Verbeet and Richtering



# Conclusions

- Congratulations to Kommerskollegium and UNCTAD for an excellent report.
- Much work remains to understand what drives preference utilization and to enhance its use.
- But we can see that preferences **ALREADY MAKE A DIFFERENCE**.
- Understanding what can help improve preference utilization can help many firms and countries engage in more trade.
- Of course, lower MFN tariffs would make things just that much easier.