

The Use of the EU's Free Trade Agreements

Lunch Seminar at the WTO, November 19, 2018

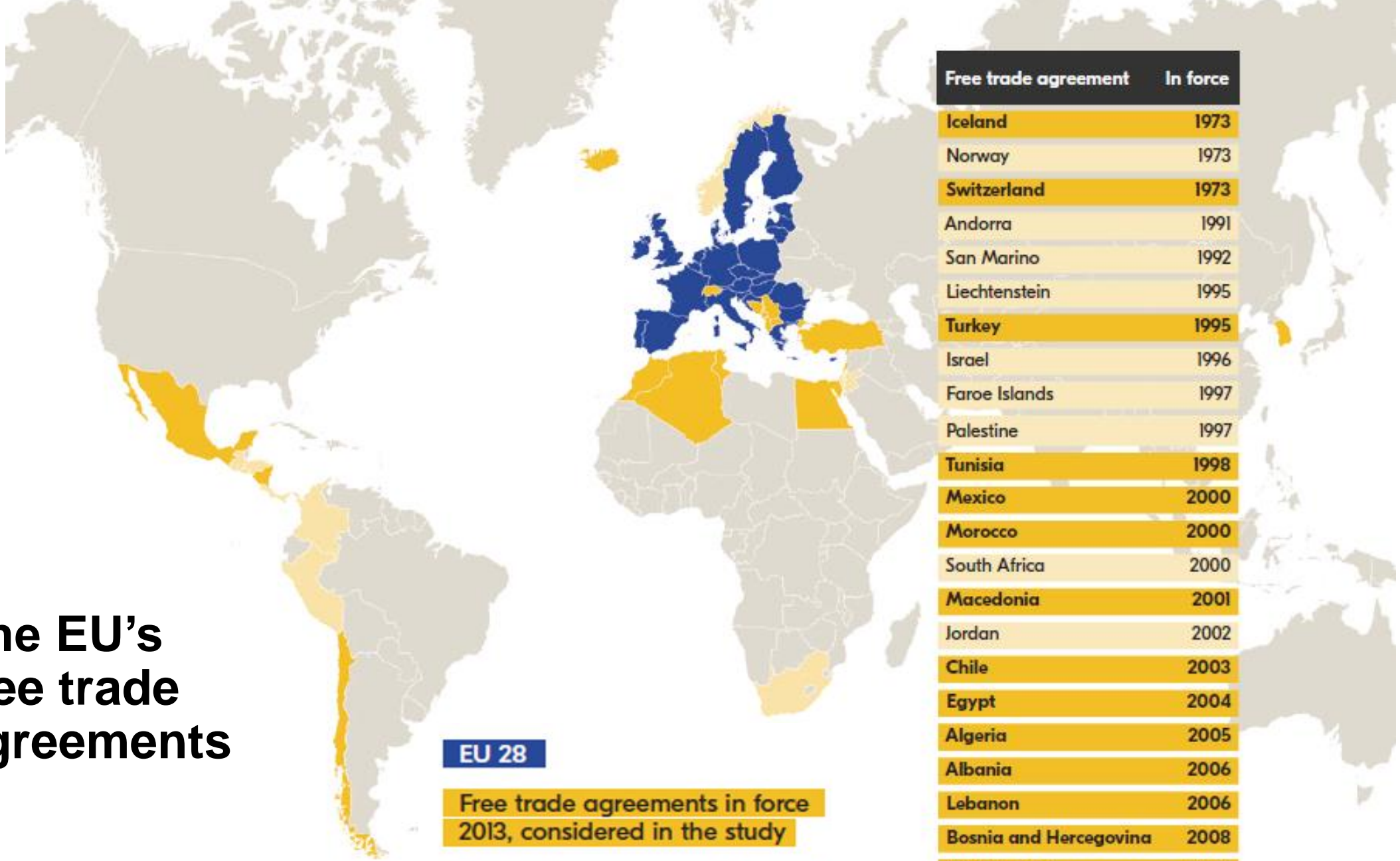
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The EU's free trade agreements



EU 28

Free trade agreements in force 2013, considered in the study

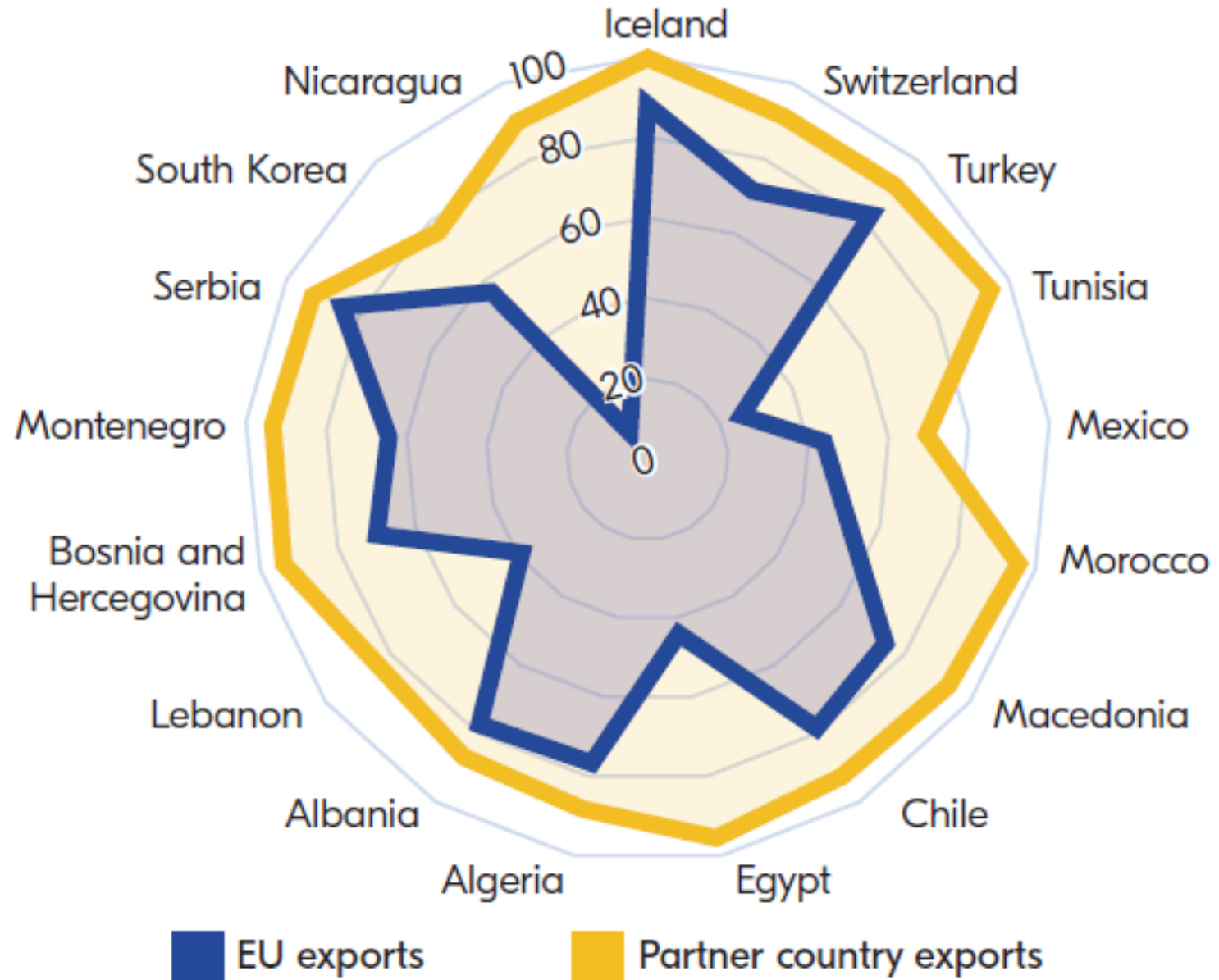
Free trade agreements in force 2013, excl. EPA

Free trade agreement	In force
Iceland	1973
Norway	1973
Switzerland	1973
Andorra	1991
San Marino	1992
Liechtenstein	1995
Turkey	1995
Israel	1996
Faroe Islands	1997
Palestine	1997
Tunisia	1998
Mexico	2000
Morocco	2000
South Africa	2000
Macedonia	2001
Jordan	2002
Chile	2003
Egypt	2004
Algeria	2005
Albania	2006
Lebanon	2006
Bosnia and Hercegovina	2008
Montenegro	2008
Serbia	2010
South Korea	2011

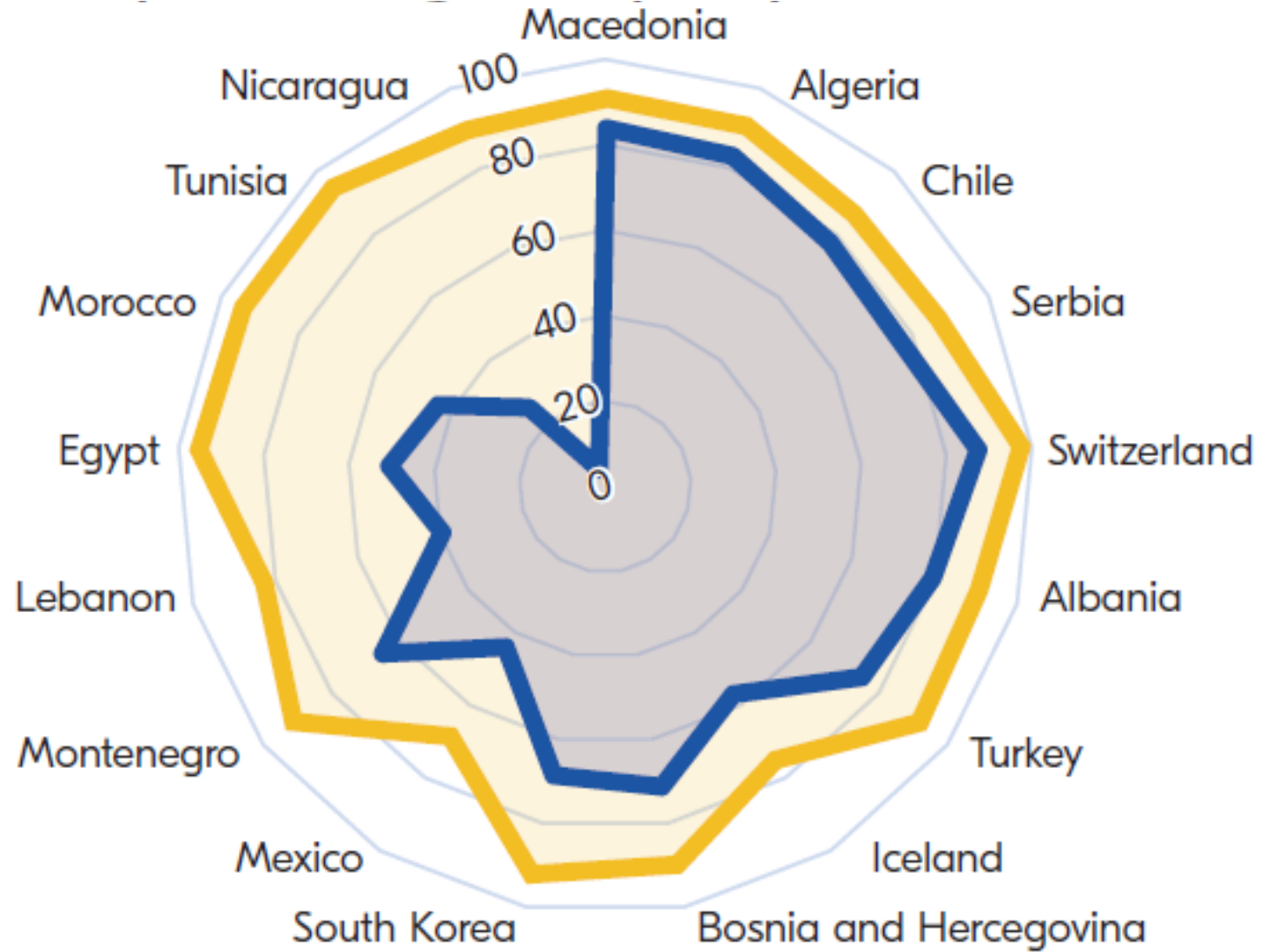
**Are the EU's free trade agreements
being used?**



The EU's free trade agreements are being **used** to about 60% by EU exporters



Source: Based on European Commission and Eurostat data

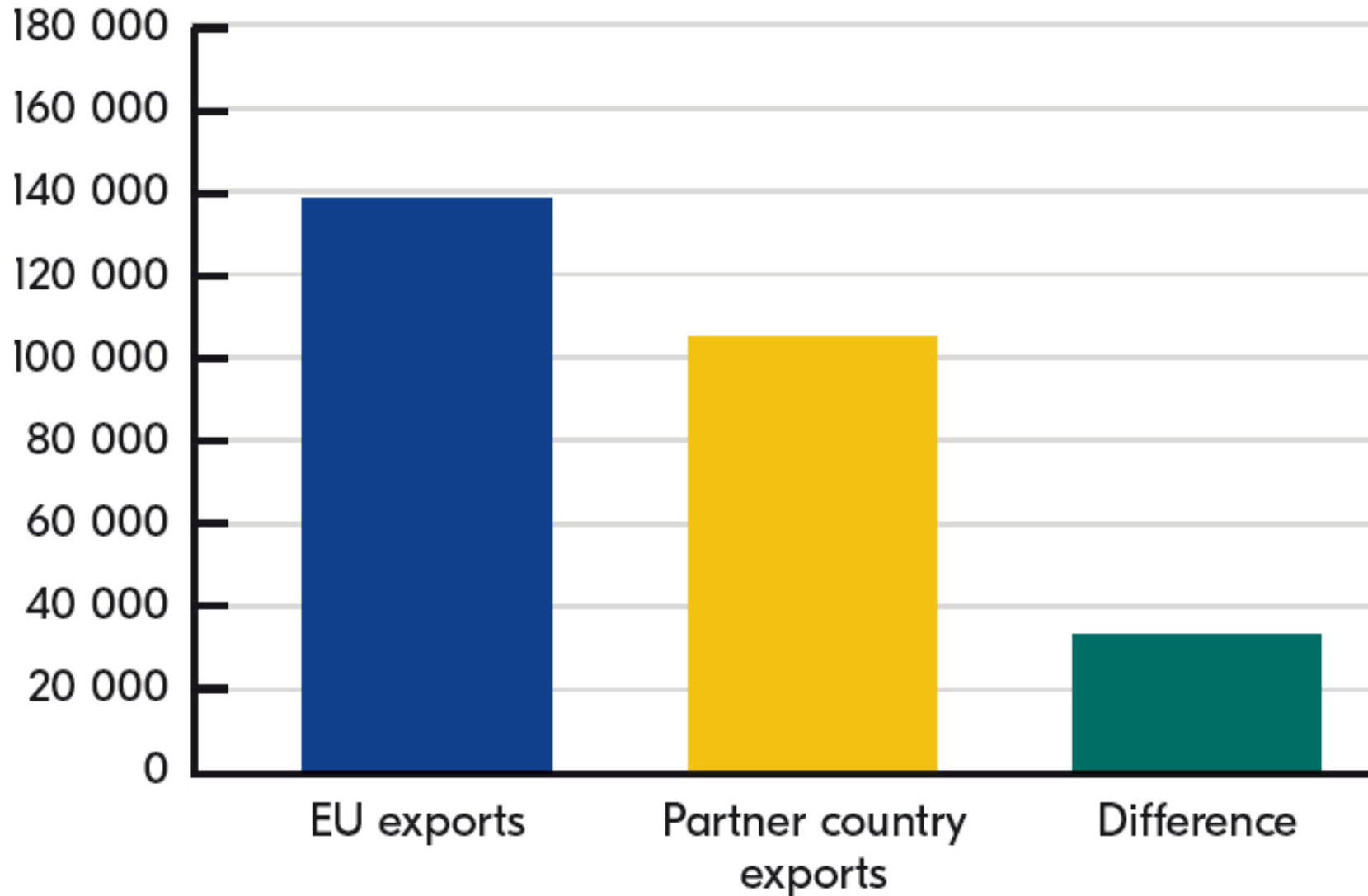


The degree of **under-utilisation** varies among the EU's free trade agreements

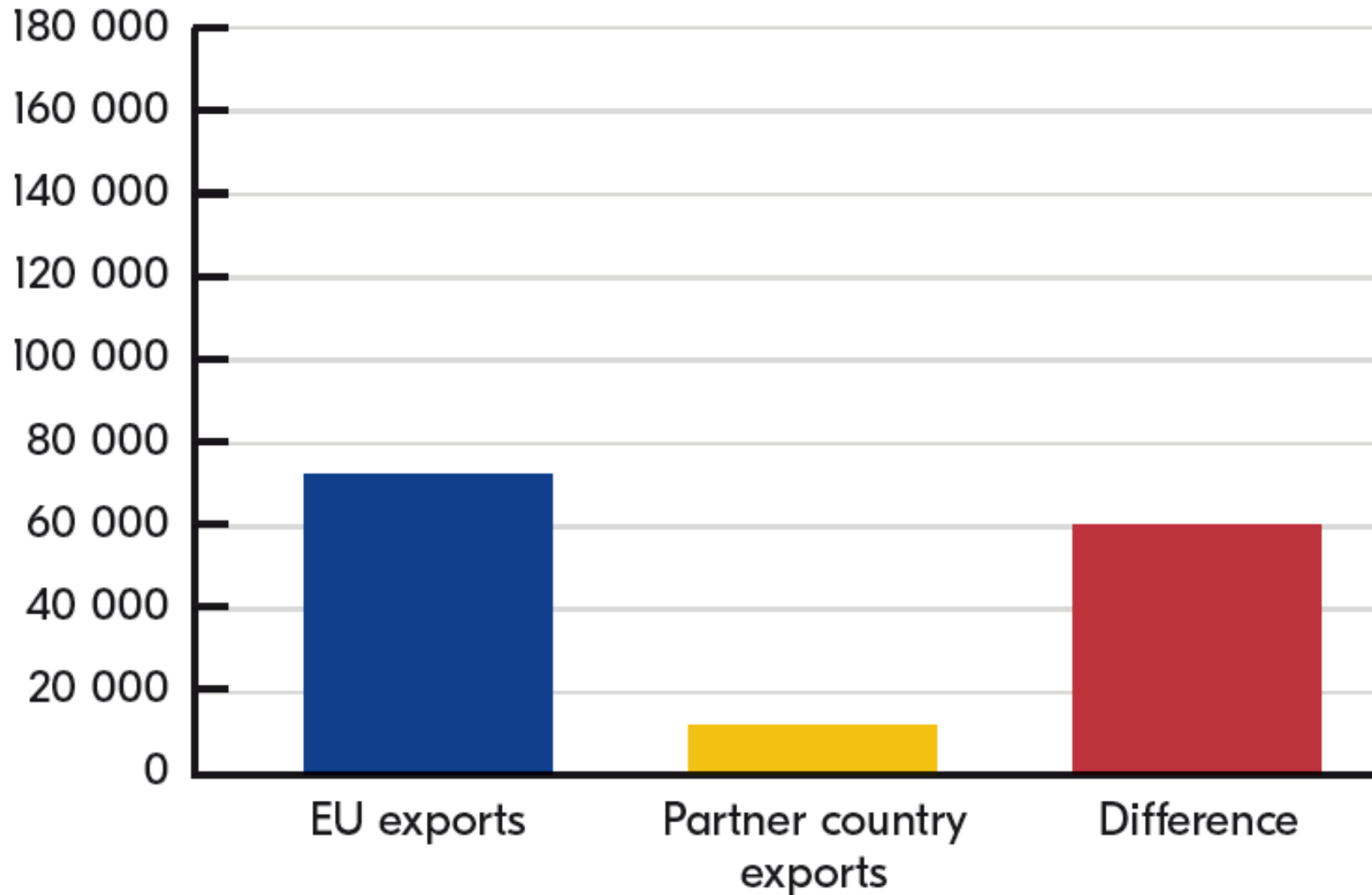
■ EU exports ■ Partner country exports

Source: Based on European Commission and Eurostat data

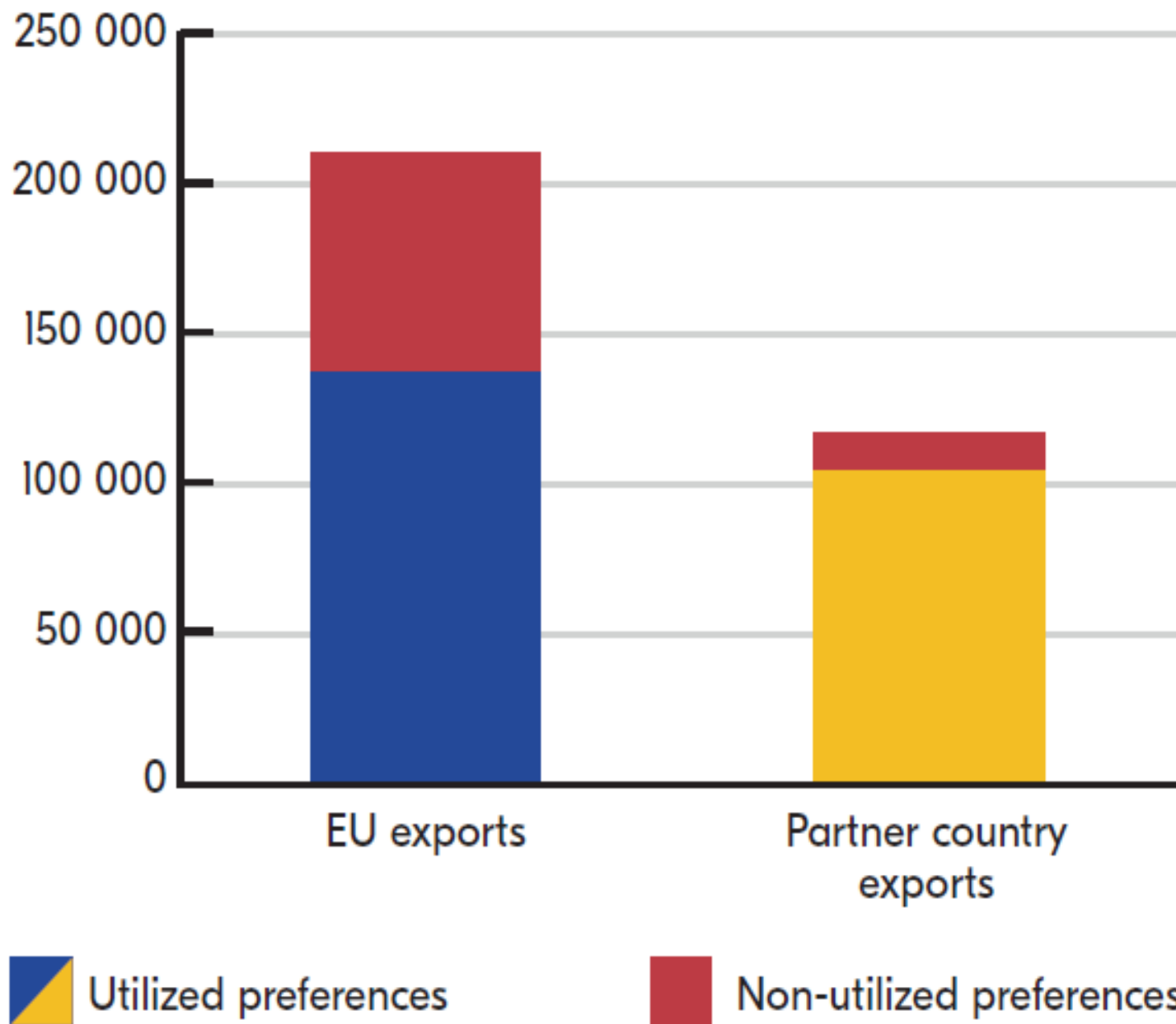
The value of exports where the EU's free trade agreements are **used** (million euros)

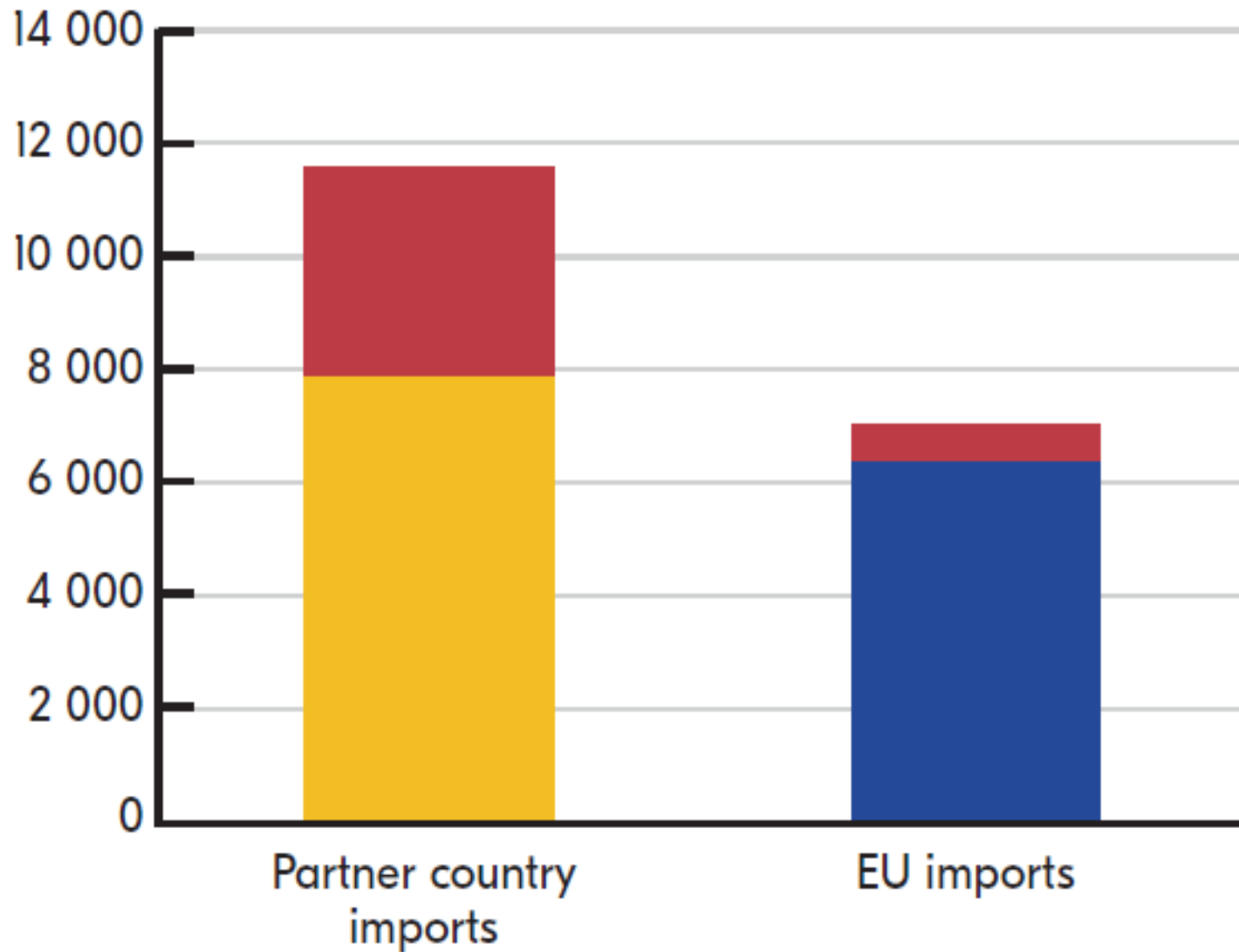


The value of exports where the EU's free trade agreements are **not used** (million euros)





The value of exports where the EU's free trade agreements are **used** and **not used** (million euros)



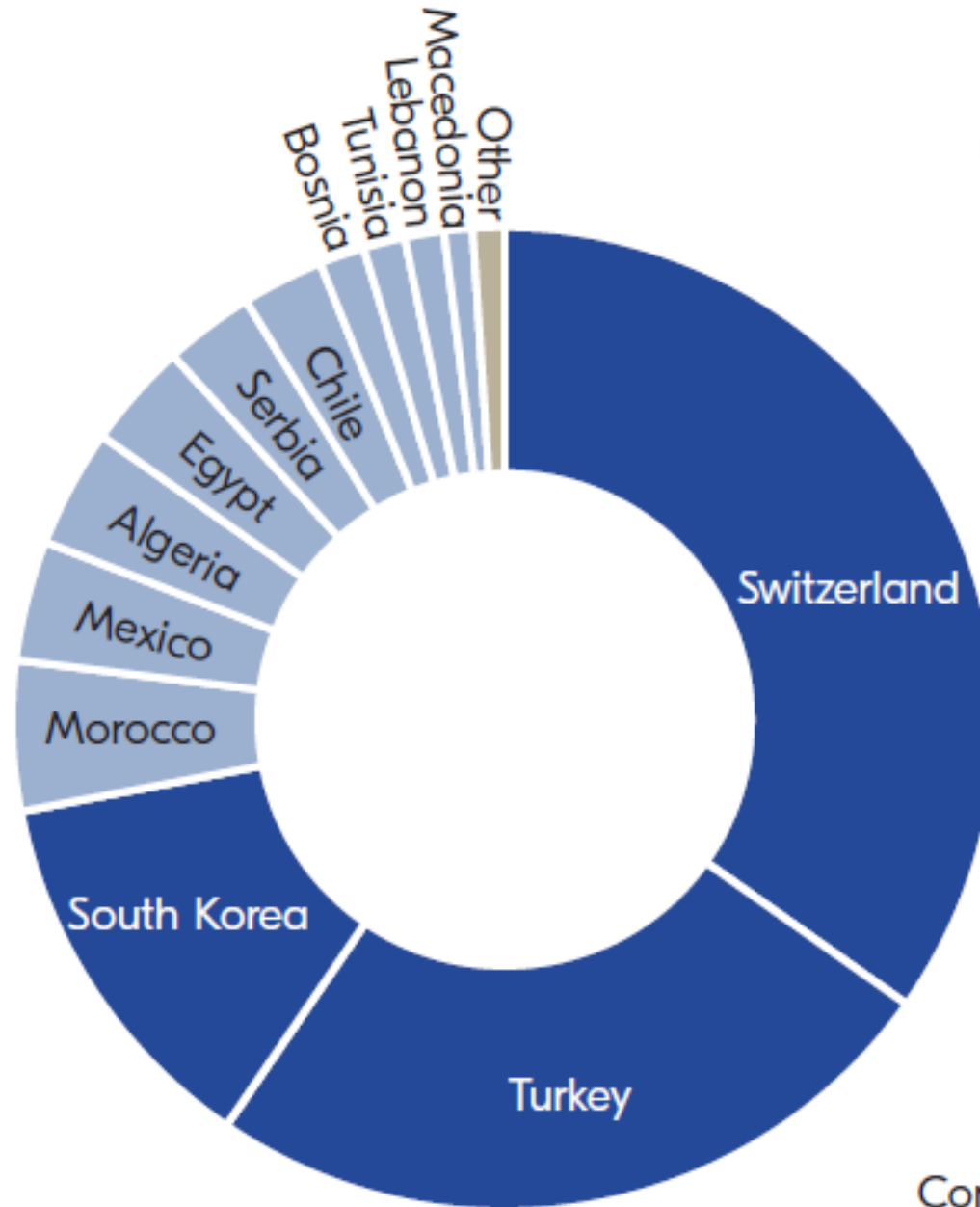


The **duty savings** and **duty costs** of using and not using the EU's free trade agreements (million euros)

 Preferential duty savings

 Preferential duty costs

The free trade agreements that are **used** to the highest export values by EU exporters

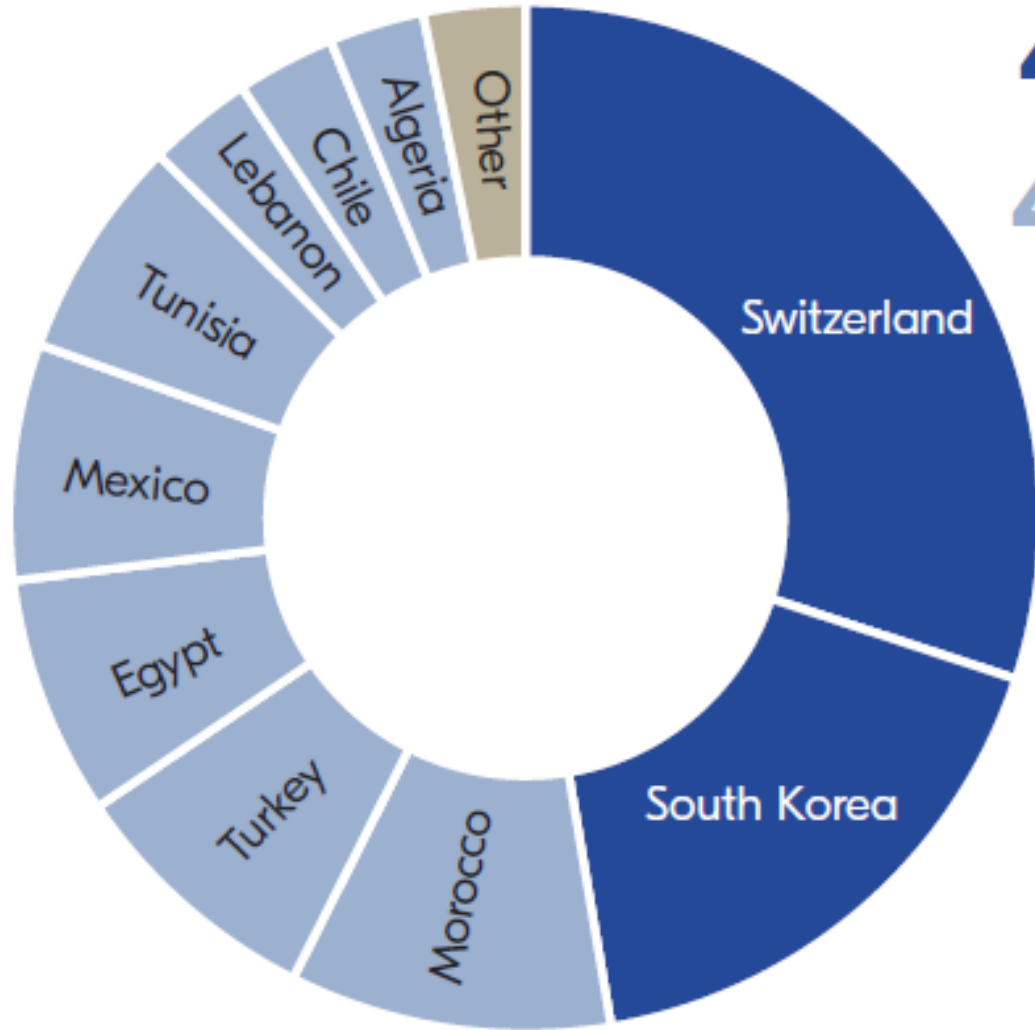


72% Large free trade agreements

27% Medium-sized free trade agreements

1% Small free trade agreements

Source: Based on European Commission and Comtrade data



47% Large free trade agreements

49% Medium-sized free trade agreements

3% Small free trade agreements

The free trade agreements that are **not used** to the highest export values by EU exporters

Source: Based on European Commission and Comtrade data

Figures to remember

- 60%: The FTA use by EU exporters
- 90%: The FTA use by partner country exporters
- 85 billion euros: The under-utilisation by EU and partner country exporters
- 40-70 percentage points: The under-utilisation by partner country importers in certain markets



- Partner country imports are 8 billion euros cheaper
- EU's imports are 6 billion euros cheaper



- Partner country imports could be 12 billion euros cheaper
- EU's import could be 7 billion euros cheaper



Free trade agreements reduce costs of trade

8 EU exports
billion euros



**DUTY SAVINGS
TODAY**

12 EU exports
billion euros



**POTENTIAL
FUTURE
DUTY SAVINGS**



