

IPC Alert

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EU AND U.S. FTA NEGOTIATION PROVIDES AN OPPORTUNITY FOR A PARADIGM SHIFT IN TRADE RELATIONSHIP

“In negotiating a comprehensive transatlantic trade and investment agreement, we have the opportunity to explore ways to find common ground on approaches to food safety and other issues,” comments Carlo Trojan, IPC’s chair. **“A fresh look at the trade-related impacts of these policies from experts as well as the high-level officials with responsibility for the negotiations, could lead to a shared approach and foundation for improved trade.”**

While the EU and U.S. are important agricultural trading partners for each other, exports are hampered by differing perspectives and policies on sanitary and phytosanitary matters as well as regulatory process uncertainty, and the relationship has been characterized by decades-long disagreements. The negotiation provides the opportunity for a paradigm shift in the trade relationship going forward.

Understanding the essential nature and key factors in the EU-U.S. relationship in agricultural trade policy will be crucial for working with the sharply divergent positions of the two sides as the negotiations begin. For this purpose IPC has produced a discussion paper, “Achieving a Successful Outcome for Agriculture in the EU-U.S. Transatlantic Trade and Investment Partnership Agreement,” which was released on February 27, 2013. It provides perspective on the commercial relationship between the two in agricultural trade, discusses the historical positions each has taken in agricultural negotiations both multilaterally and in other free trade agreements, reviews how domestic agricultural policy and market access positions will affect these negotiations, and examines the priorities of the constituencies in the U.S. and EU.

The paper was written by James Grueff, principal for Decision Leaders, with contributions from IPC Member Stefan Tangermann, professor emeritus, University of Göttingen, Germany, and formerly with the OECD. It was made possible through the support of the Royal Netherlands Embassy, Washington, D.C.

A. Ellen Terpstra, IPC president, introduced the paper today at a seminar hosted by the Royal Netherlands Embassy in Washington, D.C., “Finding Common Ground in a EU-U.S. Trade and Investment Agreement with a focus on agriculture and high-tech industries.” At the seminar, Terpstra suggested, **“For this agreement to be ground-breaking, for example, in the area of SPS Plus,**

the question is if it can achieve such ambition that provides new, more efficient mechanisms to prevent problems or will it simply somewhat improve the conditions for trade on products over which there long has been disagreement.”

The paper suggests that success in the agricultural negotiations will be more likely if there is high-level agreement on the objectives and a firm commitment to achieving them, as well as a structure for regular reporting to high-level officials by the lead negotiators. Additionally, thought should be given to a SPS working group consisting of the counterpart regulatory agencies to deepen discussions. In order to increase understanding of the issues and their impacts as well as potential solutions, consideration should be given to establishing a special U.S. advisory group for the negotiations, as well as ways to involve NGOs with social or environmental objectives.

The paper, “**Achieving a Successful Outcome for Agriculture in the EU-U.S. Transatlantic Trade and Investment Partnership Agreement,**” is available on IPC’s website at <http://www.agritrade.org/Publications/AgricultureintheEU-USFTA.html>.

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About IPC

The International Food & Agricultural Trade Policy Council promotes the role of trade in creating a more open, equitable, productive and sustainable global food & agricultural system. IPC makes pragmatic trade policy recommendations to help solve the major challenges facing the global food & agricultural system in the 21st century—the need to promote global food security, to sustainably increase productivity, and to contribute to economic growth and development.

IPC convenes influential policymakers, agribusiness executives, farm and civil society leaders, and academics from around the world in order to clarify complex issues, foster broad stakeholder participation in policy deliberations, and build consensus around pragmatic policy recommendations. More information about the organization and its membership can be found on our website: www.agritrade.org.