Economic and Trade Conditions that Foster FTAs

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The Changing Global Context

- Trade, technology, and security now deeply intertwined
- U.S.–China rivalry reshaping global rules
- Dependencies exposed: energy, raw materials
- Shift from multilateralism → protectionism
- Europe must adapt: strengthen foundations & partnerships

Why Trade Agreements Matter

• Secure & diversify market access (44 FTAs / 76 partners) suppliers or regions
• Strengthen economic resilience and autonomy
• Build alliances with like-minded partners
• Promote competitiveness and EU values globally

Key Data:
• +51% exports to Canada since CETA
• €1.3 trillion trade in services with FTA partners
• Agri-food exports +3.6% to FTA markets

Sectoral Impacts

- **Agri-Food**: new markets for olive oil, cheese, wine and processed foods under protected Geographical Indications, eliminating tariffs and SPS barriers, EU food safety and sustainability standards
- **Pharmaceuticals**: Access to ingredients, faster approvals, IP protection
- **Chemicals:** Stable inputs, REACH recognition, green chemistry
- **Plastics:** Circular-economy standards, recyclates, innovation
- **Building Materials**: Lower tariffs, green standards

New Sectoral Instruments

- **Critical Raw Material Partnerships (CRM)**: Secure lithium, copper, rare earths
- **Sustainable Investment Facilitation Agreements (SIFAs):** Simplify permits, attract responsible investment
- **Clean Trade & Investment Partnerships (CTIPs):** Fast 'mini-deals' for clean tech & skills

Business Benefits:

- Reliable inputs for pharma & chemicals
- Investment pipelines for manufacturing & green materials
- Standards alignment for circular plastics & low-carbon cement

Responding to Concerns

- Safeguards & transition periods for sensitive sectors
- Binding labour & environment chapters
- Transparency & stakeholder dialogue
- Europe sets, not follows, global standards

Keys to Success & Roles

- Coherence – Align with EU goals
- Balance – Openness + protection
- Implementation – Enforce & monitor (44 barriers removed in 2024)
- Inclusiveness – Engage business & society
- Sustainability – Link to green & digital agendas

Roles:

- Member States shape & ratify
- Stakeholders provide expertise
- SMEs facilitation (Access2Markets: 12M users)

Challenges & Europe’s Response

- Reduce dependencies: energy, raw materials, technology
- Simplify regulation; strengthen Single Market
- Diversify partners: Latin America, Africa, Indo-Pacific
- Build Single Market, including for Defence & dual-use industries
- Improve data-sharing for trade defence

Conclusions

- FTAs are strategic instruments — not just trade deals
- Secure autonomy through cooperation
- Make in Europe or Make with Europe
- Collaboration across governments, business & society is key

- Trade = power → Europe must wield it wisely