



European
Commission



The Russian invasion of Ukraine: consequences for EU trade policy

*Workshop «Crisi globale e crisi commerciale: quali implicazioni per l'agroalimentare italiano?»
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The EU trades with...?



EU trade in goods by partner, 2020 (billion EUR, %)

Total trade				Exports			Imports		
Rank	Partner	Value	Share	Rank	Value	Share	Rank	Value	Share
	Extra-EU27	3 646.5	100%		1 932.2	100%		1 714.3	100.0%
1	China	586.9	16.1%	3	202.9	10.5%	1	384.0	22.4%
2	USA	556.5	15.3%	1	353.5	18.3%	2	203.0	11.8%
3	United Kingdom	445.1	12.2%	2	277.7	14.4%	3	167.4	9.8%
4	Switzerland	251.0	6.9%	4	142.4	7.4%	4	108.6	6.3%
5	Russia	174.0	4.8%	5	79.0	4.1%	5	95.0	5.5%
6	Turkey	132.3	3.6%	6	69.9	3.6%	6	62.4	3.6%
7	Japan	110.1	3.0%	7	55.2	2.9%	7	54.9	3.2%
8	Norway	90.7	2.5%	8	48.6	2.5%	9	42.1	2.5%
9	South Korea	89.4	2.5%	9	45.3	2.3%	8	44.1	2.6%
10	India	65.2	1.8%	11	32.2	1.7%	11	33.0	1.9%
11	Canada	53.9	1.5%	10	33.5	1.7%	16	20.4	1.2%
12	Brazil	52.7	1.4%	14	27.7	1.4%	13	25.0	1.5%
13	Mexico	51.0	1.4%	12	30.6	1.6%	15	20.4	1.2%
14	Taiwan	49.3	1.4%	20	22.9	1.2%	12	26.4	1.5%
15	Vietnam	43.2	1.2%	32	8.8	0.5%	10	34.4	2.0%
16	Singapore	41.1	1.1%	17	24.0	1.2%	18	17.1	1.0%
17	Saudi Arabia	40.4	1.1%	16	24.9	1.3%	21	15.5	0.9%
18	Ukraine	39.6	1.1%	18	23.1	1.2%	19	16.4	1.0%
19	Australia	35.8	1.0%	13	28.9	1.5%	35	6.8	0.4%
20	Malaysia	35.3	1.0%	28	10.6	0.5%	14	24.8	1.4%
	Other partners	703.1	19.3%		390.7	20.2%		312.4	18.2%

Source: Eurostat (Comext, Statistical regime 4).

EU – Russia trade



PRODUCTS	EXPORTS (January 2022)	%change (2021-2022)		PRODUCTS	IMPORTS (January 2022)	%change (2021-2022)
Total merchandise trade	7.144.011	26%		Total merchandise trade	19.441.840	94%
Non-Agricultural products (NAMA)	6.488.559	26%		Non-Agricultural products (NAMA)	19.219.502	94%
84 Machinery and mechanical appliances	1.461.609	27%		27 mineral fuels, mineral oils	12.789.953	114%
87 Motor vehicles	719.840	15%		99 Other products	2.521.811	59%
30 Pharmaceutical products	676.874	5%		72 Iron and steel	956.381	96%
Agricultural products (WTO UR AoA)	655.452	26%		71 Pearls, precious stones, precious metals	410.035	24%
85 Electrical machinery and equipment	613.394	24%		31 Fertilisers	365.989	186%
39 Plastics	384.934	41%		74 Copper and articles thereof	262.889	149%
90 Optical, medical or surgical instruments	274.195	30%		28 Inorganic chemicals	252.775	205%
38 Miscellaneous chemical products	177.226	5%		44 Wood and articles of wood; wood charcoal	239.670	39%
33 Essential oils and resinoids; perfumery	167.722	13%		75 Nickel and articles thereof	236.197	32%
88 Aircraft, spacecraft, and parts thereof	163.609	439%		Agricultural products (WTO UR AoA)	222.338	62%
29 Organic chemicals	136.703	16%		76 Aluminium and articles thereof	203.177	39%
48 Paper and paperboard	125.822	23%		29 Organic chemicals	170.151	93%
73 Articles of iron or steel	120.921	35%		39 Plastics	116.654	169%
22 Beverages, spirits & vinegar	113.005	15%		26 ores, slag and ash	105.901	-5%
40 Rubber	110.853	20%		40 Rubber	92.110	30%
62 Apparel and clothing, not knitted or crocheted	103.517	38%		23 Residues and waste from food industry	69.810	32%
32 Tanning or dyeing extracts; paints; inks	100.304	33%		48 Paper and paperboard	56.310	65%
61 Apparel and clothing, knitted or crocheted	99.049	43%		73 Articles of iron or steel	51.381	56%
12 Oil seeds & oleaginous fruits	82.873	39%		Fishery products	49.898	37%

Trade policy in the light of Russia's invasion of Ukraine



The multilateral framework (WTO) remains the basis for stability in international trade. The EU should prepare the ground for the WTO reform

- Restoring a functioning dispute settlement system
- New agenda for the TRIPS
- Updating of the rules on both agriculture and industrial subsidies
- A role for the WTO on the Food security

(but discussion on fisheries subsidies and e-commerce moratorium)

Trade policy in the light of Russia's invasion of Ukraine



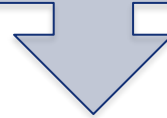
The time has come to create a new consensus in the EU on how to advance our Free Trade Agreements (FTAs) in order to effectively pursue EU geopolitical, economic and sustainability objectives.

The EU have continued to strengthen our bilateral relationships including by advancing bilateral negotiations (e.g. **NZ, technical conclusion of Chile**), resuming talks (e.g. **India**), preparing to put our negotiated outcomes on the books. Other examples: conclusion of Comprehensive Agreement on Investment (**CAI**), conclusion and entry into force of the Trade and Cooperation Agreement with the **UK**, launch of negotiations for a Sustainable Investment Facilitation Agreement with **Angola**...

Trade policy in the light of Russia's invasion of Ukraine



The EU is facing a world where already by 2024, 85% of global economic growth will be generated outside the EU.



- Digital trade will play an increasingly important, notably the digital partnership negotiations with Japan, Korea and Singapore.
- Specific emphasis on Africa: 6th EU-African Union Summit (17-18 February) will provide a roadmap to deepen trade relations

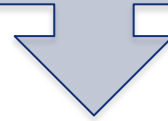


- ❑ The needs to ensure access to the goods and raw materials (i.e. GCC?)
- ❑ reinforcing the Trade and Sustainable Development (TSD) chapters in the EU FTAs (overall labor rights and environmental issues)

Trade policy in the light of Russia's invasion of Ukraine



The world trade, supply chain and productions network changed since the '90. COVID and Russian invasion also influenced such framework



- (i) the importance of continuing the work on open strategic autonomy/resilient supply chains (from the pandemic days) (i.e. a fair and transparent system of subsidies)
- (ii) the need to find export markets to replace Russia as destination (i.e. India?)
- (iii) to secure access to vital intermediates/inputs (i.e. new FTAs and modernization of the ones already in place)



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Thanks