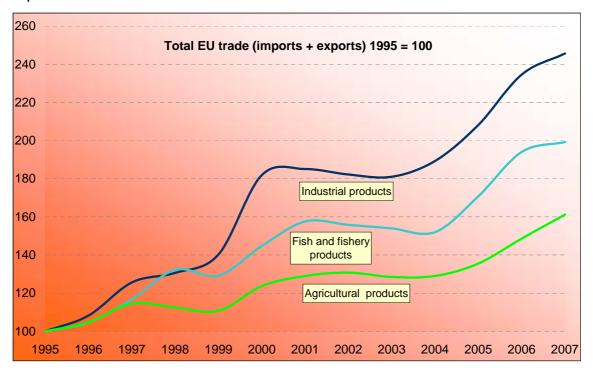
EU Trade in Agriculture

NOTE: The two new Member States, Romania and Bulgaria, are included in the statistics from the date of their accession (January 2007). Trade between the EU25 and these two countries is no longer included in the EU's external trade statistics and trade of these two countries with third countries is now included.

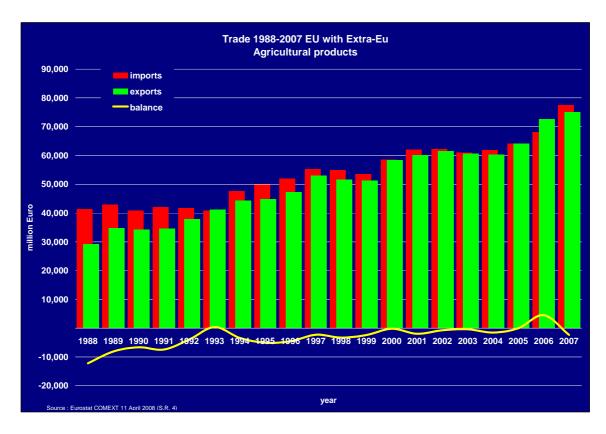
Trade and agriculture – an overview of EU imports and exports

In 2007, trade in both raw and processed agricultural products accounted for approximately 6% of total EU trade in goods with non-EU countries. This figure compares to a 9% share in 1995 and underlines the steady decline of its importance in total EU trade.

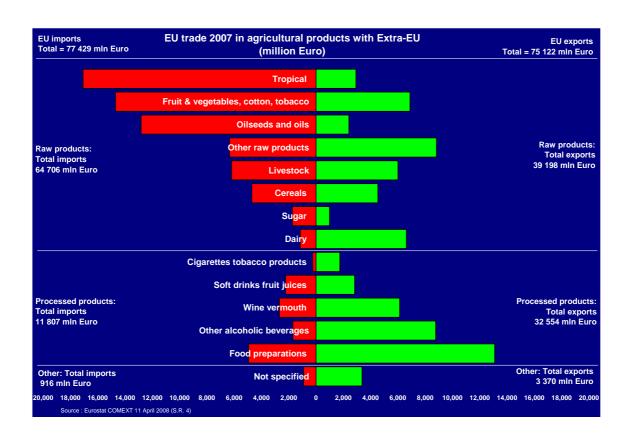


This development is primarily due to the dynamic increase (almost 150%) in trade in industrial products during the last twelve years, compared to a relatively modest 60% increase for agricultural products over the same period. Trade in fish and fish products lies somewhere in between.

In absolute terms, total trade in agricultural products amounted to almost €153 billion in 2007, split between EU imports from third countries of €77.4 billion and exports of €75.1 billion. Since the enlargement to EU15, imports have increased by 55% and exports by 68%. Over the years, the trade deficit has been reduced from more than €10 billion in 1988 to €5 billion in 1995 with an all time low in 2005, when it amounted to only €27 million. In 2006, for the first time, the EU had a trade surplus of €4.5 billion but the trade balance went back again to negative in 2007 (€2.4 billion). The EU is currently the largest global importer and exporter of agricultural products. It is also the first importer from developing countries.



For many years the EU has been a net food importer. In fact, food security was one of the main reasons for the development of the Common Agricultural Policy in the 1960s. Even if today the EU's overall trade is in fairly close balance, for many product groups the EU still remains a substantial importer.



As shown in the above graph, with some exceptions in specific categories, the EU is a **net importer of raw products**, with a global trade deficit of about €25 billion. **Tropical products** are the most significant contributors to this deficit (around €14 billion) with **oilseeds and oils** (€10.4 billion deficit) and **fruit & vegetables** (€7.8 billion) ranking second and third. On the other hand, the EU trade in both **livestock and cereals** turns out to be quite balanced, while the **dairy** sector registers a trade surplus.

The EU is a **net exporter of processed products**, with a total surplus of €20.7 billion in 2007 that almost offsets the net deficit in raw products. **Food preparations and other alcoholic beverages** (mainly spirits) are the sectors showing the highest balance (more than €7 billion in both cases).

Imports by trading partner

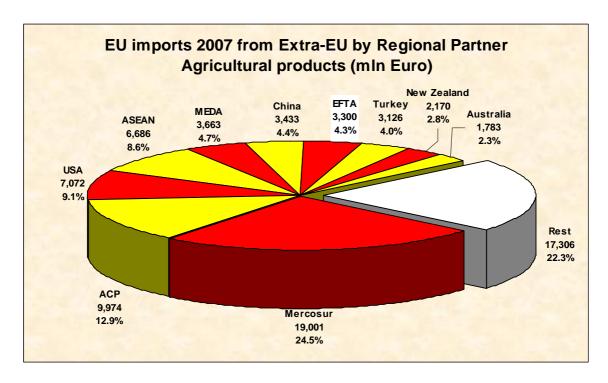
In 2007, the 10 largest suppliers to the EU accounted for 55% of total imports of agricultural products into the EU. **Brazil** ranked first with €12 billion (16%) followed by the **US** (9%) and **Argentina** (8%).

The US and Australia were the only countries where imports grew at a lower than average rate (3.7%) with a corresponding loss in market share. In the case of the US, the average annual growth rate for the period 1995-2007 was negative with an important decline in its market share from 16% in 1995 to 9% in 2007.

EU imports	Agricultural products				Average
Main trade partners	million Euro		% of total		annual
Top 10 2007	1995	2007	1995	2007	growth
Extra-EU	49,863	77,429	100%	100%	3.7%
Brazil	4,522	12,152	9%	16%	8.6%
Usa	7,942	7,072	16%	9%	-1.0%
Argentina	2,682	6,038	5%	8%	7.0%
China	1,306	3,433	3%	4%	8.4%
Turkey	1,560	3,126	3%	4%	6.0%
Switzerland	1,233	2,787	2%	4%	7.0%
New Zealand	1,353	2,170	3%	3%	4.0%
Indonesia	1,159	1,971	2%	3%	4.5%
South Africa	818	1,956	2%	3%	7.5%
Australia	1,385	1,783	3%	2%	2.1%
Rest	25,903	34,943	52%	45%	2.5%

Source: Eurostat COMEXT 11 April 2008 (S.R. 4)

In 2007, the 50 LDCs accounted for €2 billion (2.5%) of total EU imports. EU imports from ACP countries (including South Africa) totalled €10 billion (13%).



Exports by trade partner

The EU's ten most important customers for agricultural products accounted for 56% of total exports. The **US** was the largest customer, absorbing some 19% of EU exports, followed by **Russia** and **Switzerland** (10% and 7% respectively).

EU exports	Agricultural products				Average
Main trade partners	million Euro		% of total		annual
Top 10 2007	1995	2007	1995	2007	growth
Extra-EU	44,805	75,122	100%	100%	4.4%
Usa	5,425	14,114	12%	19%	8.3%
Russia	3,562	7,682	8%	10%	6.6%
Switzerland	2,897	4,972	6%	7%	4.6%
Japan	3,032	4,006	7%	5%	2.3%
Norway	946	2,431	2%	3%	8.2%
Canada	841	2,131	2%	3%	8.1%
Saudi Arabia	1,113	1,913	2%	3%	4.6%
St,P.Extra	259	1,773	1%	2%	17.4%
Turkey	848	1,745	2%	2%	6.2%
China	679	1,642	2%	2%	7.6%
Rest	25,201	32,712	56%	44%	2.2%

Source: Eurostat COMEXT 11 April 2008 (S.R. 4)

China and India together account for more than one third of the world's population. In 2007, China was in the Top 10 of EU export destinations. India, however, only ranked 41st with barely €283 million imports of EU agricultural products.

