

Brussels, 2<sup>nd</sup> September 2020

## CELCAA contribution to the public consultation 'A Renewed Trade Policy for a Stronger Europe'

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### Introduction

CELCAA welcomes the consultation launched by Trade Commissioner Phil Hogan 'A renewed trade policy for a stronger Europe'. This reflection comes timely, considering the impact of the pandemic Covid-19 on the EU economy and the contraction of global and EU trade, the rise of unilateral protectionism, the impasse at WTO- to name a few challenges.

International trade plays a crucial role in supporting economic growth, creating value for the EU economy and globally, and supporting livelihoods. 36 million jobs in the European Union depend directly or indirectly on the EU's ability to trade with the rest of the world. EU exports support 20 million jobs outside the EU, including many in developing countries<sup>1</sup>. Before reflecting on the future EU trade policy, the first step is to take stock of these achievements and recognise the value of trade for the EU and the global economy.

The role of international trade in agri-food is set to become even more important in the future in light of a number of global challenges affecting food provision: the impact of climate change on ensuring food supply; higher food demand due to the growing population; and increasing consumers' requirements worldwide for high-quality products etc. All these elements will further emphasise the role played by the agri-food trade to match food supply and demand worldwide.

CELCAA has reflected on the concept of 'open strategic economy'. It is worth underlying that the EU is not self-sufficient when it comes to feeding its population, meeting the demands from farmers for agro-supply, for feed materials and the food industry for food-ingredients while at the same time, the world's top exporter of agri-food products. It is important to remember that food security means local production, supported by trade (both imports and exports). The Commission statistics show that the EU is world's top exporter of food & agro-supply worldwide, and second largest importer of agri-food commodities, representing €151.2 billion and €119.3 billion respectively in 2019<sup>2</sup>. Translated into the EU agri-food trade sector, CELCAA interprets the concept of 'open strategic economy' as promoting trade, securing imports, maintaining and diversifying export destinations whilst safeguarding European agriculture.

Considering the above, CELCAA strongly stands in support of trade and calls on the Commission, while reflecting on the future shape of the EU trade policy, to drive an ambitious and open trade policy.

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<sup>1</sup> Source: DG TRADE Factsheet Exports means Jobs: [https://trade.ec.europa.eu/doclib/docs/2018/november/tradoc\\_157520.pdf](https://trade.ec.europa.eu/doclib/docs/2018/november/tradoc_157520.pdf)

<sup>2</sup> Source : DG AGRI 'Monitoring EU agri-food trade: Developments in 2019' [https://ec.europa.eu/info/sites/info/files/food-farming-fisheries/trade/documents/monitoring-agri-food-trade\\_dec2019\\_en.pdf](https://ec.europa.eu/info/sites/info/files/food-farming-fisheries/trade/documents/monitoring-agri-food-trade_dec2019_en.pdf)



## Executive Summary -

- The trade is playing a crucial role when supporting resilience in agri-food supply chain;
- The EU should maintain an ambitious and open trade policy, supporting diversification of sources of exports and supply, while maintaining its ambition for a dynamic, competitive and green EU agriculture;
- Proper implementation of Free Trade Agreements is key and the EU should not hesitate to make use of governance mechanisms provided in the new generation of FTAs;
- Streamlining information and engaging further with SMEs is essential to increase the utilisation rate of FTA;
- Agri-food sector shall be excluded from any retaliation measures in WTO disputes unrelated to this sector;
- The EU should continue to lead the WTO reform and seek an alternative Dispute Resolution Mechanisms;
- The trend towards digitalisation is an opportunity for trade facilitation, such as electronic certificates and should be promoted.

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### A renewed trade policy for a stronger Europe

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#### Question 1: How can trade policy help to improve the EU's resilience and build a model of open strategic autonomy?

The EU food sector has shown its resilience during this crisis during the ongoing Covid 19 pandemic and despite the difficulties that have affected the agri-food supply chain, Europe has avoided food and feed shortages. The health crisis has not transformed into a food crisis. This resilience can be explained by multiple factors, including a strong and ambitious open trade policy guaranteeing diversification of sources of supply and sources of exports and the facilitation of trade through use of digital processes.

Based on this observation, CELCAA believes that a model of open strategic autonomy should be based on:

- A proper implementation of existing Free Trade Agreements (FTAs); today, 34% of agri-food exports go to preferential partners<sup>3</sup> but there is still room to improve utilization rate of FTAs. Effective enforcement of agreements is essential to ensure that those agreements actually deliver meaningful market access and we invite the EU to be more assertive in the implementation of the FTAs;
- The opening of new market destinations to find new outlets for EU agriculture. As the European demand for agri-food is stagnating, an ambitious offensive trade policy is necessary to find new outlets for the EU products; in parallel, there is rising demand for safe and high-quality food products worldwide, an opportunity that the EU should embrace;
- The strengthening of diversified sources of supply into the EU to satisfy the demand of the EU market and completing the offer of EU production;
- The recognition by trading partners of the EU as a single entity in negotiations on veterinary and plant health aspects; On SPS, trading partners' acceptance of further SPS facilitations and streamlined processes is essential to open new market and facilitate exports of SPS agri-food products abroad;
- Encourage the use of international standards agreed by international organisations to ensure fair trading conditions and prevent the use of SPS as a trade barrier (Codex Alimentarius, World Organisation for Animal Health - OIE-, International Plant Protection Convention-IPPC- etc) and protection of Geographical indications worldwide;
- The contribution to improve acceptance and robustness of international standards by third parties;
- The inclusion of a Trade and Sustainable Development chapter in bilateral Free Trade Agreements;
- The exclusion of agri-food from any retaliation measures imposed in the context of WTO disputes that are unrelated to agri-food issues.

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<sup>3</sup> Third report of implementation of Free Trade Agreements in 2019 <https://www.consilium.europa.eu/media/41263/2019-annual-report-on-the-implementation-of-eu-ftas.pdf>

**Question 2: What initiative should the EU take - alone or with other trading partners- to support businesses, including SMEs, to assess risks as well as solidifying and diversifying supply chains?**

The EU trade policy has the potential to mitigate risks while ensuring greater diversification of supply and exports. A first step in this direction would be the strengthening of the European Commission's network of Free Trade Agreements (FTA). Maintaining solid trade agreements is a key component to diversify supply chains. CELCAA welcomes the nomination of Denis Redonnet as Chief Trade Enforcement Officer, to help identify where efforts on implementation of these FTAs shall be made. CELCAA calls for sufficient resources to be provided so he can adequately perform the tasks.

Traders need to have full information and transparency during FTA negotiations so the agreements are meaningful and support business. CELCAA welcomes DG TRADE website section dedicated to SMEs and the market access database. These portals have proved efficient to provide up-to-date and free information to operators and in particular to SMEs. CELCAA encourages the Commission but also Member States to continue these communication efforts. Likewise, DG TAXUD has been developing a series of guidance documents addressed to the business, such as guidance on rules of origin under specific FTAs. In that context, CELCAA welcomes the initiative of the new Access2markets tool under development and we expect it to for that purpose, be user-friendly and hopefully in all EU languages. CELCAA also in particular welcomes the ongoing dialogue with the Institutions- such as monthly MAAC meetings, SPS MAWG, and the Trade Civil Society Dialogue.

The EU food sector has shown its resilience during the Covid-19 pandemic and despite the difficulties that have affected the agri-food supply chains, Europe has avoided food and feed shortages during this crisis. CELCAA encourages the European Commission to organise an event to discuss with stakeholders in the agri-food chain how they operated during the pandemic, and share best practices. This discussion would help the Commission analysing the measures taken during the crisis which facilitated trade and for which CELCAA supports that they become permanent, like the electronic transmission of trade documents (phyto, certificate for organic inspection, customs documentation, etc.). This exercise would help assess better prepared for the future, like the need for swift crisis-coordination mechanism among Member States to avoid uncoordinated sudden border closures.

**Question 3: How should the multilateral trade framework (WTO) be strengthened to ensure stability, predictability and a rules-based environment for fair and sustainable trade and investment?**

Predictability for the business is of paramount importance to ensure the continuation of trade operations. The World Trade Organisation (WTO) has proven to be the right forum to establish clear and transparent rules for international trade, hence supporting predictability.

The Commission should pursue its leading role in the discussions on the WTO reform to ensure that the organisation remains the core forum to negotiate further liberalisation, establish international trade rules, monitor trade policy developments and resolve trade disputes. The SPS and TBT Committees have proven their importance regarding transparency of measures being adopted by countries that can have an impact on the trade environment. CELCAA supports the reinforcement of the transparency and notification mechanism in these committees. Better enforcement and concrete implementation of existing agreements is essential for agri-food trade, notably in regard to the WTO TBT, SPS, but also the recent Trade Facilitation agreement of 2017, which provides the necessary basis to push for concrete trade facilitating measures which have proven essential to keep goods moving during the pandemic.

The Dispute Settlement Understanding of the WTO is at the core of the organisation and should be preserved at all costs, including the appeal process that has provided predictability to operators. CELCAA supports the efforts of the European Union and other trading partners to find alternative solutions to the Dispute Settlement process of the WTO while the nomination of Appellate Body members remains blocked, to guarantee that there is an alternative mechanism to resolve disputes. While the WTO is under attack, the EU should also explore ways to engage in further talks with trading partners through plurilateral agreements. Finally, any new EU trade policy strategy should seek to strike the right balance between the diplomatic approach and the legal approach when considering launching cases to the WTO Dispute Settlement Body<sup>4</sup>.

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<sup>4</sup> Source: 'CELCAA Position Paper on European Union Trade Policy Strategy' [https://celcaa.eu/wp-content/uploads/2017/12/24062015CELCAAPP\\_EUTRADESTATEGY.pdf](https://celcaa.eu/wp-content/uploads/2017/12/24062015CELCAAPP_EUTRADESTATEGY.pdf)

**Question 4: How can we use our broad network of existing FTAs or new FTAs to improve market access for EU exporters and investors, and promote international regulatory cooperation, particularly in relation to digital and green technologies and standards in order to maximize their potential?**

International standards are a powerful tool to facilitate international trade, as they reduce the need for exporters to comply with different standards in different markets. Raising standards globally, in terms of sustainability or the environment, would guarantee a level playing field amongst trading partners and would protect the competitiveness of European agri-food production and trade. As such, the EU should continue to engage at international level, through Codex Alimentarius, World Organisation for Animal Health (OIE), International Organisation for Wine (OIV) and other agencies.

On bilateral basis, Free Trade Agreements can be used as a way for the EU to promote its standards of food safety, animal welfare and environment through Free Trade Agreements. In that context CELCAA welcomes in the 'Farm to Fork' Strategy the promotion of an ambitious sustainability chapter in any future Free Trade Agreement<sup>5</sup> and encourages the Commission to carry out impact assessments. Where international agreements are missing, parties could negotiate sustainability standards through the Trade and Sustainable Development Chapter.

It is essential that the EU seeks at promoting high environmental standards through this positive engagement and Green Alliances as outlined in the Farm to Fork Strategy, in order to avoid tensions with key partners and potential negative side-effects for EU exports. This could be done by assisting key suppliers to the EU market, particularly developing countries, with technical assistance and training on high safety and sustainability standards. The existing EU Better Training for Safe Food Programme could also be expanded to effectively promote high EU food safety and sustainability standards and know-how abroad, but other tools enabling knowledge transfer and training of the agri food industry and producers should also be considered.

**Question 5: With which partners and regions should the EU prioritize its engagement? In particular, how can we strengthen our trade and investment relationship with the neighbouring countries and Africa to our mutual benefit?**

CELCAA believes that trade relations should be prioritised with the following trading partners:

- USA: The US represents the biggest market for the EU agri-food exports and its main source of supply, representing in 2019 €24.3 billion worth of agri-food exports and €11.8 billion worth of imports<sup>6</sup>. Considering the high value of the US market to EU business operators, the EU should privilege a negotiation approach and seek to avoid trade frictions with USA;
- United Kingdom: Due to its close relationship and geographical proximity, the UK is set to become one of the most important trading partners to the EU. In 2019, EU27 agricultural exports to the UK amounted to €47 billion, being the EU's largest export destination, while the UK imports to the EU reached €19 billion, reflecting the degree of integration and complexity between the EU27 and the UK<sup>7</sup>. A deep and comprehensive EU-UK trade agreement, including zero tariff duties for agricultural products and no quantitative restrictions, should be negotiated as a matter of priority. The agreement should include a strong regulatory chapter including sanitary and phytosanitary aspects, protection of Geographical Indications (GIs), appropriate rules of origin and customs facilitation measures<sup>8</sup>;
- China: the Chinese market constitutes a growing source for EU agri-food exports, representing €15.3 billion in 2019, and for which the EU has achieved the biggest export gains in 2019 (+40% from 2018)<sup>9</sup>. Therefore, one of

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<sup>5</sup> Source: 'CELCAA Preliminary Views of EU Agri-Food Trade on European Commission Communication on Farm To Fork Strategy' <https://celcaa.eu/wp-content/uploads/2020/06/Farm-To-Fork.pdf>

<sup>6</sup> Source 'European Commission Monitoring EU Agri-Food Trade: Developments in 2019' [https://ec.europa.eu/info/sites/info/files/food-farming-fisheries/trade/documents/monitoring-agri-food-trade\\_dec2019\\_en.pdf](https://ec.europa.eu/info/sites/info/files/food-farming-fisheries/trade/documents/monitoring-agri-food-trade_dec2019_en.pdf)

<sup>7</sup> Source 'Eurostat - Extra-EU trade in agricultural goods' [https://ec.europa.eu/eurostat/statistics-explained/index.php/Extra-EU\\_trade\\_in\\_agricultural\\_goods#EU\\_trade\\_in\\_agricultural\\_products\\_surplus\\_of\\_EUR\\_30\\_billion](https://ec.europa.eu/eurostat/statistics-explained/index.php/Extra-EU_trade_in_agricultural_goods#EU_trade_in_agricultural_products_surplus_of_EUR_30_billion)

<sup>8</sup> Source 'CELCAA - EU agri-food chain warns of 'growing risk' of no UK-EU trade deal' <https://celcaa.eu/wp-content/uploads/2020/06/Joint-Statement-EU-UK-trade-negotiations-June-2020-v2-FINAL1242.pdf>

<sup>9</sup> Source 'European Commission Monitoring EU Agri-Food Trade: Developments in 2019' [https://ec.europa.eu/info/sites/info/files/food-farming-fisheries/trade/documents/monitoring-agri-food-trade\\_dec2019\\_en.pdf](https://ec.europa.eu/info/sites/info/files/food-farming-fisheries/trade/documents/monitoring-agri-food-trade_dec2019_en.pdf)

the main objectives of EU trade policy should be to facilitate access to the Chinese market and avoid trade irritants and barriers (such as food legislation on registration / labelling of low risk food products);

- Asia: With its increasing demand for high value goods, the Asian market should also be considered as a priority destination for EU businesses. Exports of EU agri-food products in 2019 amounted to €52.706 million, with an increase of 13% compared to 2018<sup>10</sup>. Asia also represents an important source of supply for several agri-food products and the different seasonal production makes the Asian supply complementary to the EU products;
- Depending on commodities, other markets such as South America, Ukraine, Middle East, North Africa, Mexico, EU neighbouring countries or Russia are also a priority for the EU agri-food trade. Despite the priorities listed above, it should be reminded that the 'strategic autonomy' can only be implemented with diversification, hence the need to look at all markets.

Regarding trade with Africa, CELCAA encourages the EU to promote an international framework that would support additional engagement with the African continent. For example, the 1958 UN Convention on the Enforcement and Recognition of Foreign Arbitral Awards (commonly known as the New York convention) has more than 156 endorsers but not all African countries are signatories. This convention recognizes that arbitral awards handed down in one contracting country (e.g by Gafta, *Chambre Arbitrale*, the ICC, etc) will be recognised in the courts of another signatory country, helping reduce the risk of default in international trade. The EU should promote the benefits of signing up to the New York convention as this provides guarantees to traders and will help increase trade between EU companies and those in Africa. In parallel, CELCAA supports the recent initiative of DG AGRI on an African Union - EU agri-food Task force on Covid-19 to discuss resilience, food and nutrition. This platform should also serve to provide technical support to African partners to comply with EU standards and facilitating the transfer of new technologies and best practices, notably by increasing contacts among EU and African businesses to business exchanges.

#### **Question 6: How can trade policy support the European renewed industrial policy?**

The agri-food sector is a fundamental resource for the EU economy, with the EU's agricultural industry creating gross added value of €181.7 billion in 2018<sup>11</sup>. Agri-food commodities represent a significant proportion of the EU production, with the EU28 agri-food trade value reaching a record of €270.5 billion, with EU exports worth €151.2 billion in 2019<sup>12</sup>. In this sense, an open, free, fair and regulated trade is essential to support the entire European agri-food sector and, in turn, the EU industrial policy, especially in the aftermath of the coronavirus pandemic.

Companies in the agricultural and agri-food trade are essential for maintaining a diffuse economic fabric and strongly contribute to the EU industry and labour market by employing thousands of people in diverse sectors and in various and complementary professions (i.e. handlers, storekeepers, drivers, technicians, salespeople, etc). Trade can also significantly support the supply chain by providing a variety of services to business partners and limiting market inefficiencies by connecting sellers and buyers. Likewise, imports into the EU are essential to provide supply that is not necessarily provided by the home market to the EU industry.

#### **Question 7: What more can be done to help SMEs benefit from the opportunities of international trade and investment? Where do they have specific needs or particular challenges that could be addressed by trade and investment policy measures and support?**

In 2017, SMEs exporting worldwide accounted for more than 50% of the total value of EU agri-food sector<sup>13</sup>. But there is still a large untapped potential for the European economy if more SMEs were targeting international markets outside the

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<sup>10</sup> Source 'European Commission AGRI-FOOD TRADE STATISTICAL FACTSHEET European Union – Asia (all countries)' [https://ec.europa.eu/info/sites/info/files/food-farming-fisheries/farming/documents/agrifood-asia-all-countries\\_en.pdf](https://ec.europa.eu/info/sites/info/files/food-farming-fisheries/farming/documents/agrifood-asia-all-countries_en.pdf)

<sup>11</sup> Source 'Eurostat - Performance of the agricultural sector' [https://ec.europa.eu/eurostat/statistics-explained/index.php/Performance\\_of\\_the\\_agricultural\\_sector#Value\\_of\\_agricultural\\_output](https://ec.europa.eu/eurostat/statistics-explained/index.php/Performance_of_the_agricultural_sector#Value_of_agricultural_output)

<sup>12</sup> Source : DG AGRI 'Monitoring EU agri-food trade: Developments in 2019' [https://ec.europa.eu/info/sites/info/files/food-farming-fisheries/trade/documents/monitoring-agri-food-trade\\_dec2019\\_en.pdf](https://ec.europa.eu/info/sites/info/files/food-farming-fisheries/trade/documents/monitoring-agri-food-trade_dec2019_en.pdf)

<sup>13</sup> Trade Chief Economist Note- Role of SMEs in extra-EU exports: Key Performance Indicators- Lucian Cernat, May 2020



EU<sup>14</sup>. This can be explained by the increasing complexity of trade barriers that are difficult to apprehend for SMEs, such as difficult customs process, different labelling requirements in third markets, difficulties to find the right information. In recent years, the Commission has accelerated its support in this area and CELCAA welcomes the creation of the position of Chief Trade Enforcement Officer. CELCAA calls for this position as well as the services of DG TRADE to be sufficiently staffed and resourced to be able to deliver in concrete terms.

It is important to stress that in the short term, many SMEs active in agri-food trade will soon be confronted with the challenge of Brexit. While today these operators function in the EU single market, as from January 2020, they will be playing on the international scene, facing all the challenges linked to international markets - including customs and administrative issues - and will also soon be confronted with potential regulatory divergences. The EU and the member states years. EU and Member States should increase their coordination in the preparatory and implementation phase.

The creation of a common SME help desk or portal that would provide an official "one-stop shop" for technical and trade facilitation information, with advice on export procedures, would be welcomed. SMEs would obtain better access to information on tariff preferences, regulatory and sanitary requirements that apply to their products under a particular trade agreement, as well as guidance for rules of origin. The Market Access Data Base could be the basis for such web portal with a direct line for SMEs to call or email addresses for them to contact. CELCAA would also encourage Member States to replicate the communication efforts of the Commission including a link to a contact person to answer questions. EU chambers of commerce and EU delegations in exporting countries should also be equipped and be part of this network to answer any questions from operators. CELCAA would support member states to replicate 'trade info-days' that have been organised in previous years in Brussels. Organisation of events (on & off-line) where SMEs can share best practises amongst themselves and have access to information should be considered.

Finally, the promotion policy - that is run by DG AGRI- has proved efficient and decisive in helping business to find new export markets and/or increase their presence in markets already open. Promotion policy for agri-food exports shall remain a strong pillar of EU trade policy, and its budget shall remain significant. One tool could also be to expand the Commission own action on promotion to DG TRADE that would complement Commission own actions under the DG AGRI competence.

**Question 8: How can trade policy facilitate the transition to a greener, fairer and more responsible economy at home and abroad? How can trade policy further promote the UN Sustainable Development Goals (SDGs)? How should implementation and enforcement support these objectives?**

CELCAA strongly supports the EU ambition to facilitate the transition to a greener, fairer and more responsible economy through its trade policy and in line and coherent with other EU policies. Harmonization at international level (OEI; IPPC; Codex Alimentarius) is a central element to raise sustainability standards. Raising standards globally, in the spirit of the WTO agreements, would guarantee a level playing field amongst trading partners and would protect the competitiveness of European agri-food production and trade, whereas a unilateral approach could lead to trade irritants.

EU Trade policy can facilitate the creation of a greener economy in supporting convergence of standards. For example, under the EU green deal, the area under organic farming will significantly increase in Europe. This strategy can only be considered successful if it meets an increasing consumer demand for organic products. Exporters are often confronted with lack of equivalence between the EU and third countries organic standards, which leads to costly certification procedures. In certain cases, it causes the inability to market and label organic in certain third countries. The EU should accelerate the negotiations with third counties on trade in organics to ensure appropriate equivalence.

Finally, the Carbon Border Tax adjustment as ambitioned by the EU should be WTO compliant. Accordingly, there will be a need to make all necessary efforts to create effective understanding and support of this mechanism. The EU should avoid at any costs that trading partners consider this measures as additional barrier to trade, and in turn apply retaliation measures on EU exports.

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<sup>14</sup> Source 'DG Trade - The Role of SMEs in extra-EU Exports: Key performance indicators' [https://trade.ec.europa.eu/doclib/docs/2020/june/tradoc\\_158778.pdf](https://trade.ec.europa.eu/doclib/docs/2020/june/tradoc_158778.pdf)

**Question 9: How can trade policy help to foster more responsible business conduct? What role should trade policy play in promoting transparent, responsible and sustainable supply chains?**

Trade policy plays an essential role in the transition towards more sustainable supply chains. In this context, ILO fundamental Conventions are at the core of the Trade and Sustainable Development Chapter in bilateral FTA and CELCAA can only concur to the promotion of fundamental conventions through trade agreements.

The OECD guidelines for multinational enterprises, including the OECD-FAO Guidance for Responsible Agricultural Supply Chains<sup>15</sup> provide a strong basis for dialogue, cooperation and best practices for sustainable supply chains.

The trade has also internally promoted responsible business conduct, in particular policing operators' relations. There are a range of existing, well understood and well-practiced dispute resolution mechanisms per sectors - including arbitration services that have proven efficient to govern contracts between operators, tackle unfair trading practice in the EU food chain and promote responsible business conduct. The Commission should recognise these mechanisms and promote their use by operators.

**Question 10: How can digital trade rules benefit EU business, including SMEs? How could the digital transition, within the EU but also in developing country trade partners, be supported by trade policy, in particular when it comes to key digital technologies and major developments (such as block chain, artificial intelligence, big data flows?)**

CELCAA recognises the role played by digital technologies and the potential of digital trade rules to facilitate trade flows and support EU businesses. Specifically, digital technologies have the potential to reduce transaction costs, including those related to identifying and negotiating a deal, proving compliance with standards and delivering products across borders quickly and efficiently<sup>16</sup>.

Digitalisation has proved to be a significant enabler to trade during the coronavirus crisis in Europe. CELCAA congratulates DG SANTE, AGRI and TAXUD for having swiftly accepted copies of electronic certificates while air postal services were locked down and could not transmit paper certificates. This situation has also shown the readiness of the sector to work with electronic certificates. The implementation of electronic transmission for all export certifications and facilitations (e.g. customs, origin, veterinary certificates, organic, and any other certification) by all trading partners will significantly facilitate trade operations in the future. CELCAA therefore supports digitalisation of trade processes to promote trade facilitation and calls for the contingency measures adopted so far to become the permanent solution for trade documentation exchanges.

In parallel, CELCAA welcomes the ambition of the EU to lead the research in the block-chain concept, which in turn can be a useful tool for traders and operators in terms of logistics and supply chain. The research investigated in this areas should be translated into concrete support for business. CELCAA therefore encourages a positive regulatory environment on block-chains.

E-commerce has significantly grown during the Covid-19 pandemic and this trend is expected to grow. CELCAA welcomes the consultation of DG CONNECT on the future Digital Services Act to shape a regulatory system that promotes fair competition and the completion of the e-Single market.

**Question 12: In addition to existing instruments, such as trade defence, how should the EU address coercive, distortive and unfair trade practices by third countries? Should existing instruments be further improved or additional instruments be considered?**

CELCAA welcomes that the new generation of Free Trade Agreements include appropriate enforcement mechanisms to address failure by parties to implement provisions of the FTA. While the Commission has used these enforcement

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<sup>15</sup> Source: OECD-FAO Guidance for Responsible Agricultural Supply Chains" (OECD, 2016b) <https://www.oecd.org/daf/inv/investment-policy/rbc-agriculture-supply-chains.htm>

<sup>16</sup> Source 'OECD Joint Working Party on Agriculture and Trade Digital opportunities for trade in agriculture and food sectors' [https://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=TAD/TC/CA/WP\(2018\)4/FINAL&docLanguage=En](https://www.oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=TAD/TC/CA/WP(2018)4/FINAL&docLanguage=En)

mechanisms in some cases<sup>17</sup> CELCAA believes that the Commission should be more assertive when it comes to the implementation of FTAs and should not hesitate to use these provisions.

In general, CELCAA believes that the Commission and Member States should be more vocal and educate more on the value and crucial role played by the trade.

**Question 13: What other important topics not covered by the questions above should the Trade Policy Review address?**

CELCAA has been a member of the Commission Trade Expert Group on Free Trade Agreements in the past years, and welcomed the merits of this group of stakeholders to discuss trade policy, possible ways to improve the understanding of the benefits of the trade and as a forum for discussions amongst stakeholders and Commission in general.

CELCAA supports the ambition of the Commission to improve transparency in the decision-making process of the EU trade policy, and would support the continuation of the Trade Expert Group on FTA.

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<sup>17</sup> See point 9 Enforcement action of provisions under EU Trade Agreements <https://www.consilium.europa.eu/media/41263/2019-annual-report-on-the-implementation-of-eu-ftas.pdf>