

U.K.'s vote to leave the European Union: Consequences for trade of F&V?

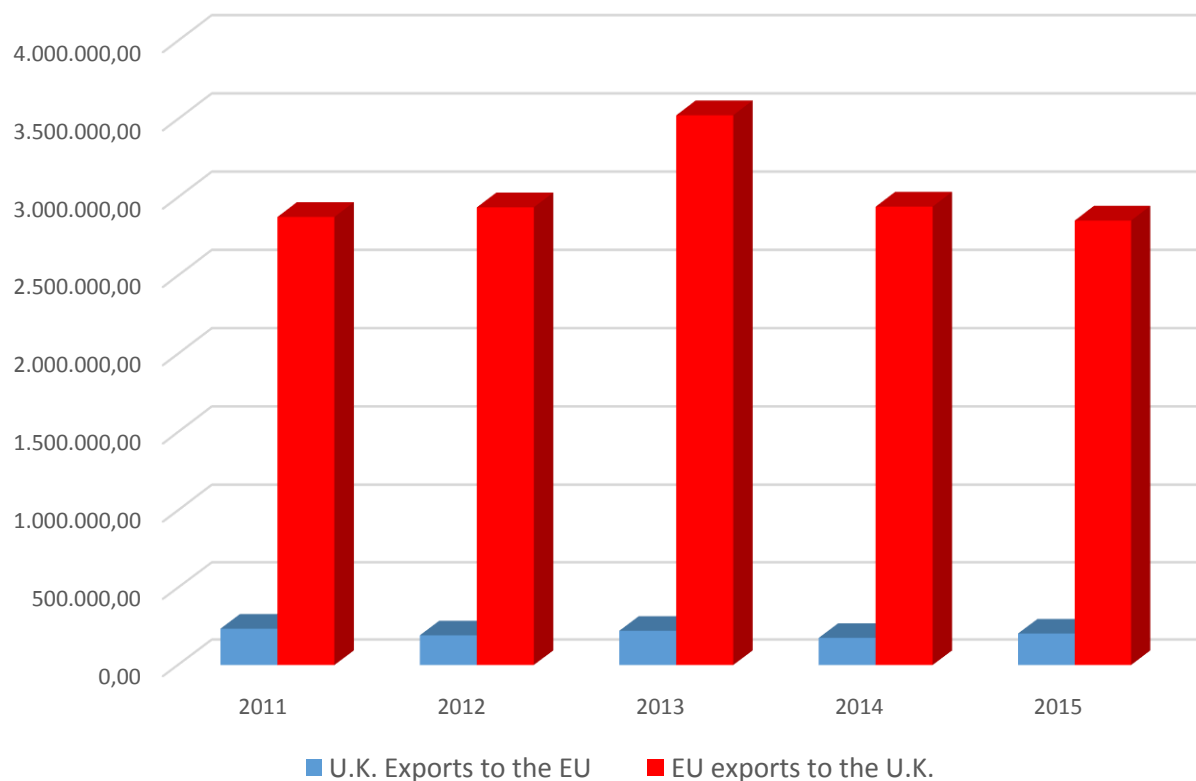


Factsheet

Overview:

EU – UK : Fruit and Vegetable Trade

EU-UK trade of F&V 2011 - 2015 (Volumes in T)



Key facts:

- In 2015, the EU exported 2,9 mio. T of F&V to the U.K. , worth € 3.5 billion
- Main exporters: Spain, The Netherlands, France
- U.K. F&V exports amounted 203.000 T, worth € 207 mio.
- Main recipients: Ireland & The Netherlands

Source: Eurostat

Overview key partners within Europe



EU recipients (Volume in T)	2015
Total	203,897.20
Ireland	80,152.70
Netherlands	35,922.70
France	31,113.50
Germany	12,575.00
Poland	8,300.00
Spain	7,756.40
Sweden	6,626.80
Belgium	6,529.70
Czech Republic	6,422.70
Hungary	2,082.50

Suppliers to the U.K. (Volume in T)	2015
Total	2,852,129.80
Spain	1,398,340.00
Netherlands	676,377.70
France	232,596.10
Italy	144,203.00
Belgium	120,466.50
Poland	88,352.90
Portugal	54,117.70
Ireland	52,443.30
Greece	38,536.60
Germany	23,655.30

Source: Eurostat

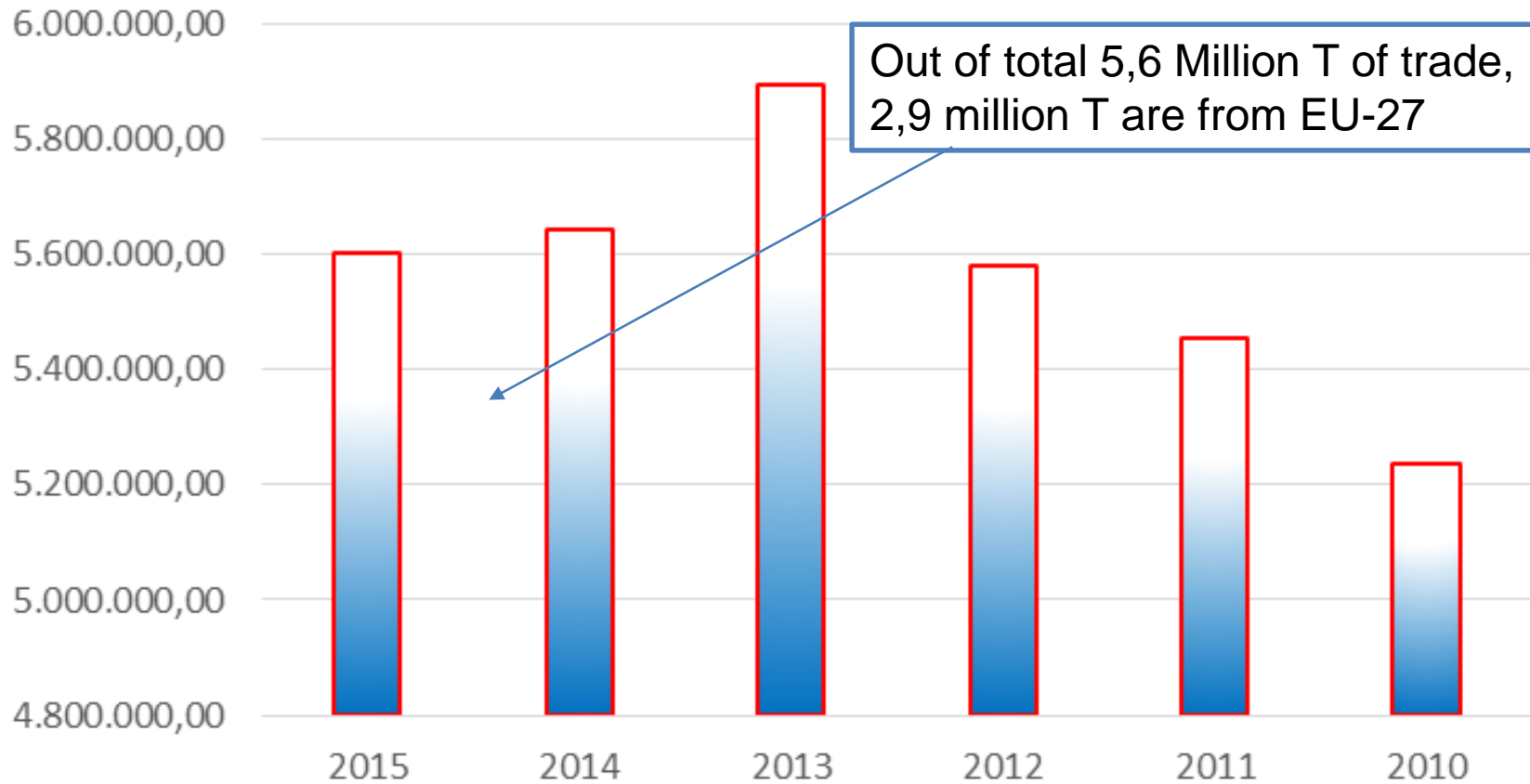


Overview Global Imports into the U.K. (Volume in T)



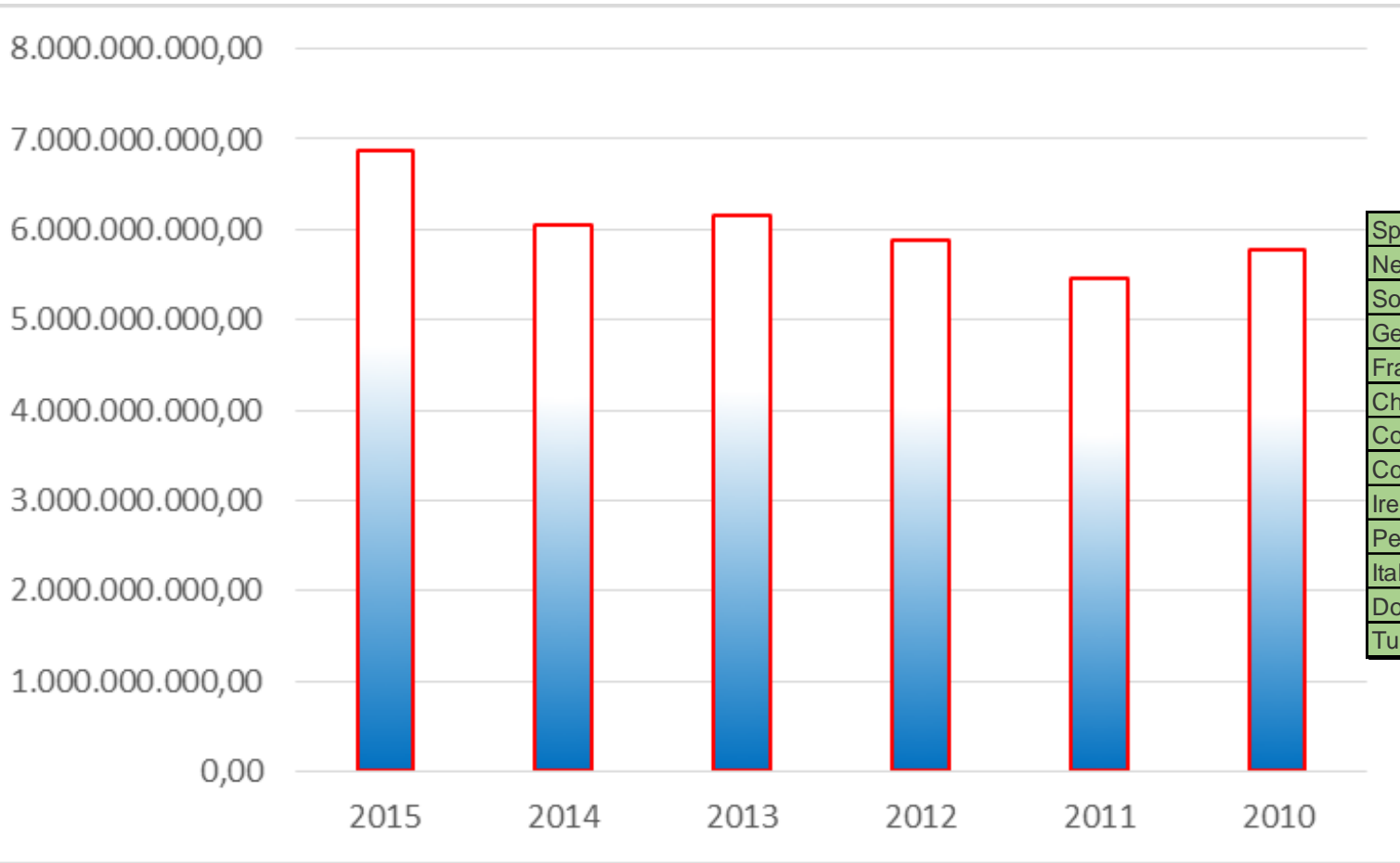
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Fruits & Vegetables

UK import from EU-27 and third countries



Source: Comtrade

UK import of f&v from EU-27 and third countries Value (in €)



Main suppliers in €

Spain	1.597.565.499,00
Netherlands	886.138.185,00
South Africa	510.520.238,00
Germany	264.182.450,00
France	247.053.685,00
Chile	244.595.660,00
Costa Rica	216.262.107,00
Colombia	216.260.100,00
Ireland	214.007.877,00
Peru	213.881.945,00
Italy	194.493.313,00
Dom Rep	169.001.859,00
Turkey	167.216.144,00

Source: Comtrade



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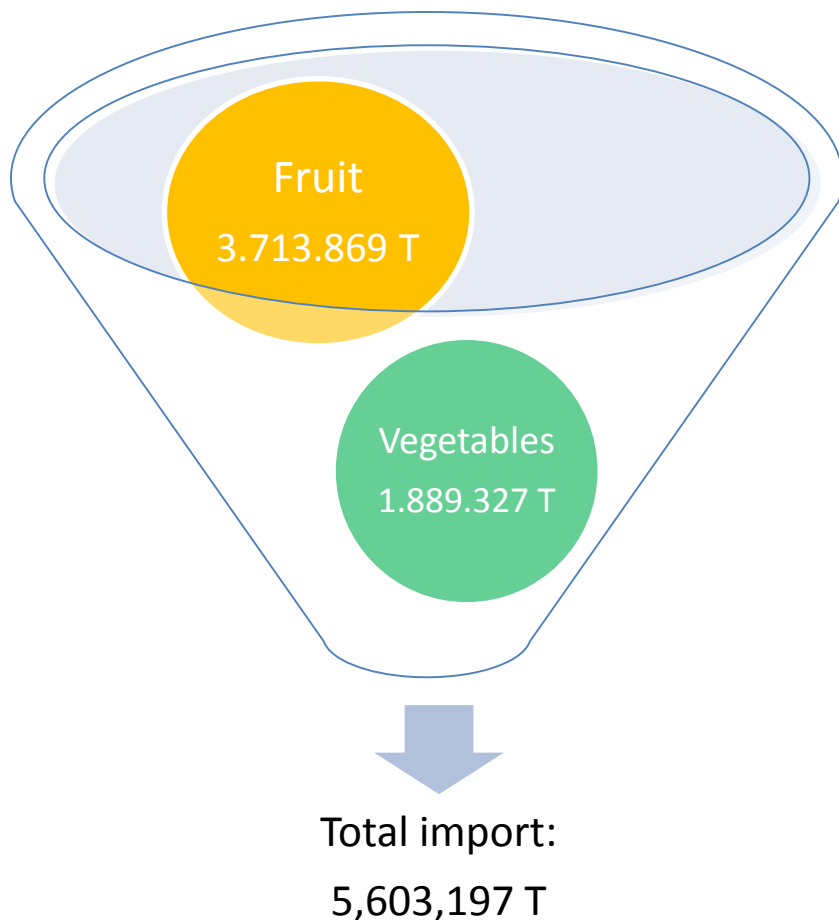
Main suppliers (in T)



Partner	2015	2014	2013	2012	2011	2010
Total	5.603.197,20	5.645.030,30	5.895.239,20	5.582.174,70	5.454.349,20	5.237.599,30
Spain	1.393.802,20	1.387.276,10	1.447.472,00	1.359.925,30	1.321.261,60	1.128.821,70
Netherlands	695.003,70	777.658,50	907.753,50	878.598,20	827.466,60	807.212,00
South Africa	351.005,40	318.839,50	361.843,60	324.775,50	305.077,60	330.683,40
Costa Rica	303.042,40	340.805,60	294.506,30	270.680,30	346.875,10	359.767,00
Colombia	298.765,50	268.070,00	266.984,20	254.392,00	227.027,60	213.117,70
Dom Rep	208.237,60	196.202,40	206.339,20	208.229,90	210.956,60	194.612,40
France	203.143,40	241.360,80	261.258,80	270.560,30	286.230,40	279.258,90
Germany	198.488,90	160.528,20	138.358,60	123.972,20	101.675,40	88.644,00
Ireland	179.753,10	179.053,60	173.615,40	102.390,30	103.291,00	103.293,70
Ecuador	140.436,60	143.736,90	149.540,70	133.059,00	95.310,20	64.771,50
Brazil	129.632,10	117.397,50	124.579,80	124.573,80	112.878,60	120.293,50
Italy	128.984,50	124.285,60	122.157,90	130.679,90	125.207,70	133.477,10
Chile	115.398,10	120.733,50	115.261,80	128.475,20	148.752,00	142.843,20
Morocco	107.023,80	101.238,30	87.749,60	80.724,30	84.726,80	71.251,30
Egypt	102.292,50	113.715,50	119.523,70	105.188,90	93.697,30	109.120,20
Turkey	99.512,00	91.062,60	99.012,60	96.987,30	100.909,90	94.178,40
Peru	91.640,70	80.401,20	68.849,30	58.138,90	52.357,40	40.530,20
Belgium	80.245,20	76.102,80	80.293,10	78.938,00	83.306,20	83.975,20
Poland	70.585,00	71.843,20	91.992,00	87.580,00	61.112,10	65.010,10
Belize	64.170,30	68.526,70	64.129,20	70.329,40	58.966,00	66.274,20
New Zealand	56.071,00	55.429,70	58.868,20	56.864,50	64.217,90	64.226,80
Other	585.963,20	610.762,10	655.149,70	637.111,50	643.045,20	676.236,80

Source: Comtrade

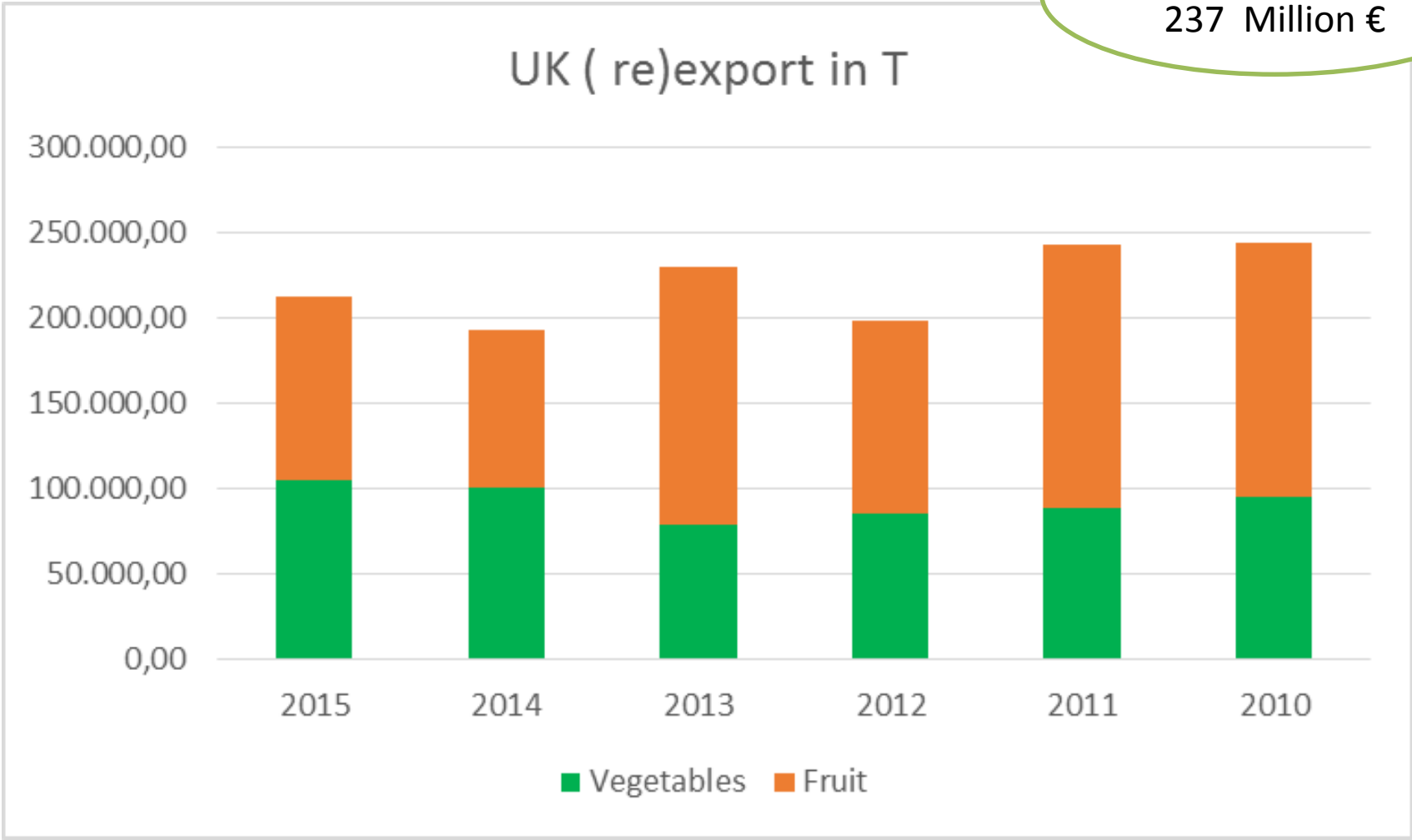
Main products import into the UK (in T)



Bananas	1.120.683,20
Apples	412.174,50
Soft citrus	301.518,50
Oranges	276.221,00
Table grapes	251.260,10
Melons	152.565,30
Pears	148.114,30
Pineapples	141.681,50
Lemons	129.132,10
Dried grapes	106.334,00
Watermelons	101.939,70
Peaches and nectarines	101.093,70
Acocadoes	73.203,30
Mangoes	69.469,30
Strawberries	51.520,30
Plums	47.329,40
Grapefruit	31.969,30
Kiwifruit	31.506,30
Cranberries	28.853,20
Plantains	23.507,70
Lytchees	20.868,30
Dates	19.496,70
Berries	19.311,40
Cherries	17.985,70
Figs	9.265,10
Apricots	8.485,50
Persimmons	7.501,20
Papayas	6.713,50

Total F&V Exports of the U.K. to EU-27 and third countries

UK(re)export
237 Million €



After „Brexit“: Overview

UK:

- Organized Withdrawal by David Cameron until October
 - Successor shall negotiate the conditions of Brexit
- „Leave“-Campaigners such as Boris Johnson and Micheal Gove want to take their time
- Unclarity, who can and will invoke Art. 50 of the Lisbon Treaty
- Future Unity of UK in doubt: Northern Ireland / Scotland could voice their interest to stay in the EU

European Commission

- To reduce uncertain, keen to initiate the procedure/negotiation at the earliest
- Stated its disappointment and regrets
- Urged the British Leadership, to hand in the formal letter of resigning asap, to avoid insecurity and delay

European Parliament:

- Urged the British Leadership to hand in their withdrawal until the 28th of June

European Council:

- Will meet on the 28th and 29th of June 2016 in Brussels to discuss the status quo

Trade Relations with the EU

Different Scenarios for the Trade with the EU

The SWISS-Model:

- Bilateral negotiation with the EU on customs, tariffs, conditions of trade

European Economic Area:

together with EFTA Countries Norway, Iceland and Liechtenstein: gives access to the single market / no access to EU-FTA's but compliance with *acquis communautaire* (with no vote)

WTO-Rules:

Application of WTO-Rules & Tariffs

Customs Union:

Such as applied between the EU and Turkey, still asymmetric on many products

And trade with non-EU-countries?

Since the U.K.-trade policy has been the EU trade policy- some possible scenarii:

- New preferential trade relations worldwide have to be renegotiated
- Extrapolation of duty „ inspired „ by EU external tariff ?
- Duplication of EU-FTA's possible as being previously bound?
- U.K.'s capacity to renegotiate all agreements on a bilateral level?
- Application of WTO rules for these negotiations – prioritizing partners

Art. 50 of the Treaty on European Union: Legal Text

- 1. Any Member State may decide to withdraw from the Union in accordance with its own constitutional requirements.**
 - 2. A Member State which decides to withdraw shall notify the European Council of its intention. In the light of the guidelines provided by the European Council, the Union shall negotiate and conclude an agreement with that State, setting out the arrangements for its withdrawal, taking account of the framework for its future relationship with the Union. That agreement shall be negotiated in accordance with Article 218(3) of the Treaty on the Functioning of the European Union. It shall be concluded on behalf of the Union by the Council, acting by a qualified majority, after obtaining the consent of the European Parliament.**
 - 3. The Treaties shall cease to apply to the State in question from the date of entry into force of the withdrawal agreement or, failing that, two years after the notification referred to in paragraph 2, unless the European Council, in agreement with the Member State concerned, unanimously decides to extend this period.**
 - 4. For the purposes of paragraphs 2 and 3, the member of the European Council or of the Council representing the withdrawing Member State shall not participate in the discussions of the European Council or Council or in decisions concerning it.**
- A qualified majority shall be defined in accordance with Article 238(3)(b) of the Treaty on the Functioning of the European Union.**
- 5. If a State which has withdrawn from the Union asks to rejoin, its request shall be subject to the procedure referred to in Article 49.**

Proceedings of Art. 50 of the Treaty on European Union

- **During negotiations under Art. 50, the European Union Treaties law continue to apply for the U.K.**
- If no agreement is reached within 2 years of the U.K. Activating Art. 50, U.K. Would leave without a new agreement in place
- **Procedure:**
 - U.K. Has to notify its intention to leave
 - European Council needs to agree on guidelines for the negotiation by unanimity
 - Agreement would be negotiated following the rules on international agreements in Art. 218 (3) of the Treaty
 - Commission would submit recommendations to the Council, minus the U.K., which would then adopt a decision authorising the opening the negotiations
 - The negotiated agreement would need to be adopted by a qualified majority of 72% of the remaining 27 MS, representing 65% of the population
 - Final agreement by the European Parliament by simple majority