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The panel of the session on international trade at the EDA Dairy Platform 2017 was made up from (from left) Ingo Müller, DMK, Bernard Ducros, Danone, Peder Tuborgh, Arla, Annika Hurme, Valio, and EU Trade Commissioner Cecilia Malmström (photo: IDM)

EDA Dairy Platform 2017

Local roots, global business

The session entitled „Local roots, global business“ at the EDA Dairy Platform 2017 in Stockholm provided an oversight on trade relations between the EU and other countries with a special focus on dairy. Most prominent speaker was Cecilia Malmström, EU Commissioner for trade relations, besides CEOs of a number of large European dairy companies. IDM reports from the event held on 29 September.

Success stories

Malmström was cheered by Annika Hurma, Valio, Peder Tuborgh, Arla, Ingo Müller, DMK, and Bernard Ducros, Danone, for her success in the FTA negotiations with Japan. The treaty with Japan has come into force just the other week after unusual short negotiations. As Malmström put it, there was a certain Trump effect working pro a fast track negotiation after the USA had withdrawn from their TTP talks. CETA was a similar success which promises to double the amount of EU cheese being sold to Canada, out of a dairy perspective.

No FTA with China or Russia

There are several other EU trade negotiations going on in Asia like with the Philippines, Vietnam and other countries. And there are other parts in the world that are also on the EU agenda, most importantly, Mexico and MERCOSUR where talks may be finalised by the end of the year. All these negotiations will one day open huge markets to EU exporters. However, talks with Malaysia are on hold and talks with China cannot even be started due to a lack of basic agreement in the investment security and financial area. Malmström has no hope that the EU and Russia will come closer anytime soon given the political dispute on the Crimea and Ukraine.

A tariff-free world?

Tuborgh who has long since advocated a tariff-free world trade asked Malmström about her opinion on tariffs. She said that there are always certain sectors where competitiveness is on the stake or where sensible areas exist that need protection by tariffs.

Brexit

Asked about the Brexit, again by Tuborgh whose company is the UK's largest dairy generating 25% of the group's business in Britain alone, Malmström said that once the UK leaves the Single Market it cannot have the same approach to it as before. Nobody has an interest in punishing the Brits, she added, but a couple of questions like standards must be sorted out before a trade agreement between the EU and the UK can be negotiated. Malmström confirmed that there will be a transition period but was unable to tell what it will be like.

The NZ danger

The EU is also negotiating a FTA with New Zealand and Australia. Asked about the economic sense of such an agreement out of the dairy perspective by Eckhard Heuser, CEO of the German Dairy Industry Association MIV, Malmström said that the EU has no intention to fully open the borders for NZ dairy products, claiming that the New Zealanders are well aware of this.



Bernard Ducros, Danone, spontaneously jumped to his feet and explained how the best qualified students can be motivated to join a dairy company for starting a professional career (photo: IDM)

The Feta affair



A question brought forward by Dr. Christos Apostopoulos (standing right behind Eckhard Heuser, MIV; photo: IDM) from the Hellenic Association of the milk & dairy products industry led Malmström on relative thin ice. Apostopoulos asked why it is always a small number of protected EU foods that finds its way into trade agreements. Malmström answered that the member states forward lists to the Commission that feature all the products they want to see protected by trade agreements. The Commission then includes these product designations into the negotiations. However, the term „Feta“ has in fact not been protected in a single agreement despite the Greek government has always seen to it that Feta was in that bespoken list ...