

Implementation of EU-Vietnam FTA to be monitored during these economically challenging times

Statement – 6 August 2020

Further to the Starch Europe <u>statement</u> issued on 1 February 2016 on the political agreement concluded between EU and Vietnam on a Free Trade Agreement, Starch Europe takes careful note of the entry into force of the EU-Vietnam FTA as from 1 August 2020.

Over a decade, access to the EU market for most Vietnamese starch products will be liberalized. Whereas for some more sensitive products the market opening remains limited, Starch Europe is particularly concerned regarding the opening granted to tapioca starch (30 000T).

Tapioca starch is a substitute to potato starch in many applications. The quota allowed for Vietnamese native tapioca starch therefore represents approximately 8% of the EU potato starch market. This quota is on top of the TRQ of 10 000 tonnes for native tapioca starch from Thailand and the TRQ of 10 500 tonnes for native tapioca starch from the rest of the world.

Starch Europe will closely monitor the impact of these concessions on the EU potato starch market, and the EU starch industry as a whole. We call for the provisions granted in this FTA not to act as a precedent for ongoing FTA negotiations with other tapioca starch producing third countries (notably Thailand).

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