THE CURRENT BRICS TRADE BARRIERS ON EU`S EXPORTS

Ludmila Borta*

Abstract: *As a major trading power in the world, the European Union is an important trading partner for five emerging economies, namely Brazil, Russia, India, China and South Africa (the BRICS countries). The EU is particularly interested in protecting the interests of developing countries and supports the idea that trade can promote their economic growth and production capacity. The aim of this paper is to present the main trade barriers on the import of goods that are practised currently by BRICS nations, limiting the EU exporters` access on their markets. These barriers were reported to the European Commission which has the mission to take actions to solve this problem. The European Union considers that the trade barriers applied by these five countries are unjustified.*

Keywords: EU`s exports; BRICS countries; trading partners; trade barriers; market access.
JEL Classification: F13; F51; F53.

INTRODUCTION

In 2001, Jim O'Neill (economist of Goldman Sachs) coined the acronym BRIC to describe collectively Brazil, Russia, India and China. This group of countries is successfully playing an important role in world economy and in international trade, representing a vital driving force for global economic recovery. With BRIC's admission of South Africa, the biggest economy on the African continent, it has grown into BRICS, the potential for development and cooperation for these five emerging economies being huge. The BRICS countries are working together not only in the field of business and trade. They wish also to have a bigger say in the world politics (Zhitao, 2011, p. 2).

The European Union has developed a network of bilateral trade agreements with many countries and regions in the world, including trade relationship with each BRICS countries. In regard of EU`s imports, the principle is the prohibition of quantitative restrictions, in accordance with GATT principles, being sufficient the common customs tariff. Concerning the EU`s exports, there is a common regime since 1996. One of the objectives of the EU`s trade policy is to harmonise the state`s actions on exports. It is also essential to know which trade regime do trading partners adopt, especially if trade barriers are applied to their imports. Thus, in this paper we chose to present the main current trade barriers, and the tariffs and duties, of BRICS nations.

* Ludmila Borta, PhD Student at the Faculty of Economics and Business Administration within Alexandru Ioan Cuza University Iasi, Romania, e-mail: borta.ludmila@gmail.com.

1. THE NOWADAYS EU-BRICS TRADE RELATIONS

Brazil is the largest economy in Latin America, over 20% of its total trade is represented by the trade relations with the EU. For this country, the European Union is the first trading partner and, in 2011, its trade with the EU accounted for 37% of the EU`s total trade with the Latin America region. Concerning investments, Brazil holds 43% of the entire EU investment stocks in Latin America. Due to the fact that in the last five years the EU-Brazil bilateral trade has grown, this trade relationship became more dynamic and complementary.

As to the trade relationship between the European Union and Russia, they have negotiated a Partnership and Cooperation Agreement since 1997, regulating the economic and politic relations between them. For Russia, the European Union is the first trading partner. For the EU, this country is the 3rd trading partner. In 2008, the economic and financial crisis has interrupted the trend of EU-Russia trade (until that year, this showed steep growth rates), Russia adopting unilateral measures.

India, combining a growing market of more than 1 billion people, is an emerging global economic power and an important trade partner for the European Union. Through the EU-India Free Trade Agreement negotiations launched in 2007, both sides hope to increase their trade in goods and services and investment. Between 2003 and 2011, the value of the EU-India trade grew from approximately 29 billion euro to 80 billion euro.

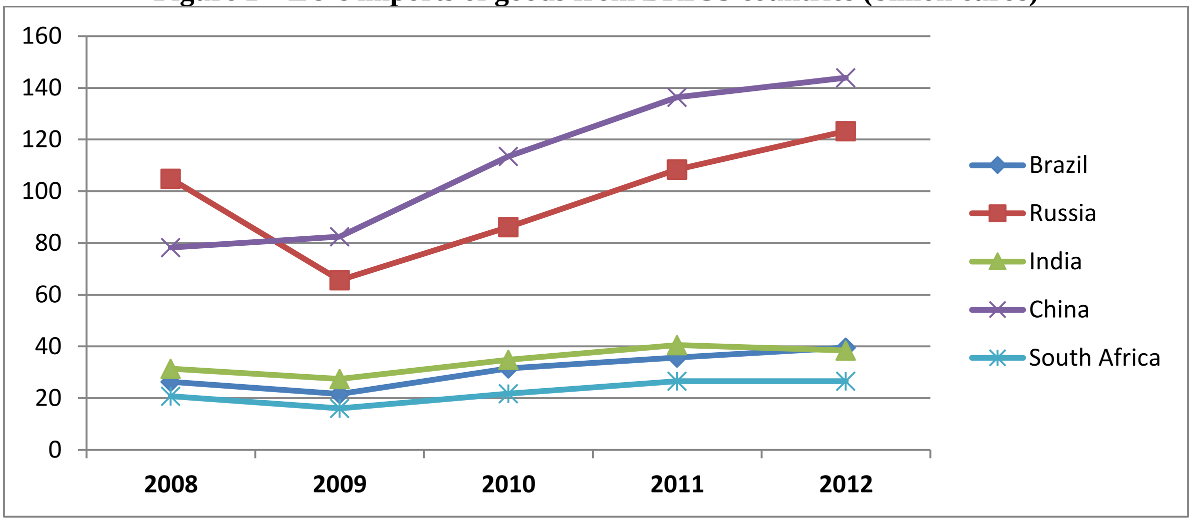
For China, the European Union is the biggest trading partner and also an important source of imports. The EU-China trade now counts well over 1 billion euro a day. The European Union is interested to open trading relations with this country. Thus, at the 5th EU-China Summit (2012), both sides agreed to lunch negotiations on a bilateral investment agreement in the coming years. They are two of the biggest traders in the world, China being now the EU`s 2nd trading partner behind de US. The trade between China and the EU has increased dramatically in recent years.

South Africa is a member of the African Caribbean Pacific group (ACP) of countries and is the European Union`s largest trading partner in Africa, although this country is not one of the strongest of sub-Saharan Africa`s economies. The EU-South Africa Trade, Development and Co-operation Agreement governs the trade relations and development co-operation between this two trading partners, establishing a free trade area that covers 90% of EU-South Africa bilateral trade (Countries and regions, 2013).

As for the EU`s imports from Brazil, these were of approximately 37 billion euro in 2012 (2.1% of total EU`s imports). Brazil`s imports are dominated by primary products (agricultural products –

41%, Brazil being the biggest exporter of these products to the European Union; fuels and mining products – 31%). Also, manufactured products represent around one fourth of EU imports from Brazil. Concerning Russia, the exports of this country to the European Union were of 213.2 billion euro in 2012 (12% of total EU`s imports), and are dominated by raw materials (in special, oil and gas). For these products, Russia has committed to freeze or reduce its export duties. The value of EU`s imports of goods from India, in 2012, was 37.3 billion euro (2.1% of total EU`s imports). The EU`s imports from China are dominated by industrial and consumer goods, and, in 2012, were of 290 billion euro (16.2% of total EU`s imports). From South Africa, the value of EU`s imports was 20.5 billion euro in 2012 (1.1% of total EU`s imports). These are growing and their composition is becoming more diverse, being dominated by fuels and mining products, machinery and equipment, and other semi-manufactured goods (Countries and regions, 2013).

Figure 1 – EU`s imports of goods from BRICS countries (billion euros)

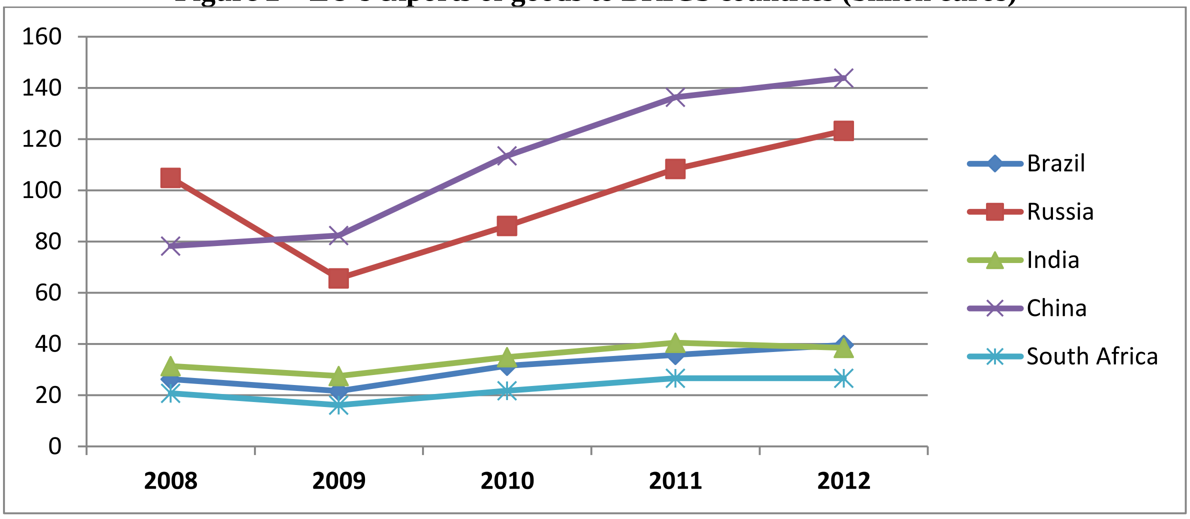


Source: Own processing after the European Commission Statistics.

The economic and financial crisis of 2007-2008 had a negative impact on trade relations not only for the EU and BRICS, but also for all countries in the world. As a result, in 2009 compared to 2008, the exports from this group of countries to European Union have decreased: namely, from Brazil with 28%, from Russia with 34%, from India with 14%, from China with 13.5%, and from South Africa with 22%. In 2012, compared to 2009, the level of EU imports from BRICS countries significantly increased, especially from China and Russia (see Figure 1). Thus, compared to 2009, the BRICS exports to European Union have increased in 2012 with: 43% – Brazil, 80.5% –Russia, 47% – India, 35% – China, 7% – South Africa.

Considering EU`s exports to Brazil, these are dominated by manufactured products. In 2012, the value of these was 39.5 billion euro (2.3% of total EU`s exports). But trade balance of the European Union registered a trade deficit in goods with Brazil and had a surplus in commercial services trade. The EU`s exports to Russia were of 123 billion euro in 2012 (7.3% of total EU`s exports) and are dominated by agricultural products, machinery, transport equipment and chemicals. The EU`s exports to India were of 38.5 billion euro in 2012 (2.3% of total EU`s exports). To China, the EU exports are represented by machinery and equipment, chemicals, aircraft, and motor vehicles. In 2012, the value of these was 144 billion euro (8.5% of total EU`s exports). Concerning the EU-China bilateral trade in services, the EU`s exports of services are less than 20% of EU`s exports of goods. The EU Trade Balance registers a significant trade deficit with China, this being in part a reflection of the global and Asian value chains and, also, in part, due to remaining market access barriers in China. The South Africa`s imports from European Union are dominated by chemicals, machinery and equipment, and other semi-machinery, and, in 2012, were of 27 billion euro (1.6% of total EU`s exports) (Countries and regions, 2013).

Figure 2 – EU`s exports of goods to BRICS countries (billion euros)



Source: Own processing after the European Commission Statistics.

The economic and financial crisis of 2007-2008 had a negative impact on the EU-BRICS trade relations. As a result, in 2009 compared to 2008, the European Union`s exports to only four of these five countries have decreased with: 18% – Brazil, 37% – Russia, 12.5% – India, 23% – South Africa. But, China`s imports from EU have increased with 5.3% during this period. In Figure 2, we can see that, between 2009 and 2012, the level of EU`s exports to BRICS countries has increased significantly, especially from China and Russia, a similar trend to that of EU`s imports from this five emerging economies. Thus, compared to 2009, the European Union`s exports to BRICS nations have increased in 2012 with: 84% – Brazil, 88% – Russia, 40% – India, 75% – China, 65.5% – South Africa.

2. EU`S ACCESS ON BRICS MARKETS: ONGOING DISPUTES

The EU strongly supports the World Trade Organisation which sets a number of rules to facilitate global trade liberalisation and to ensure equitable treatment for all participants. Nowadays, the European Union is, at the same time, an important member of WTO and a part of several bilateral trade agreements with a significant number of countries and regions in the world (Dobre, 2010, p. 205).

The EU`s exporters are currently faced with problems in trade relations with third countries. These problems are characterized, in especially, by: discriminatory regulations or standards and the traditional import tariffs or quotas. The aim of the EU`s strategy to ensure its access on trading partners` markets is to remove these barriers. In this section we chose to present the current main trade barriers of BRICS which affect the European Union`s exports, and which were reported to the European Commission**.**

2.1. Brazil

Over the last two years, Brazil`s market is relatively high protected with an applied customs averaging tariff of 12%, being one of the countries that applied the highest number of new trade restrictive measures. To protect its exports, the European Union encourages Brazil to reduce tariff and non-tariff barriers. Brazil enjoys trade preferences with the EU under the Generalised Scheme of Preferences (GSP) (Countries and regions, 2013).

Table 1 – Brazil`s import tariffs for agricultural and non-agricultural products

Products	Year of MFN applied tariff	Binding coverage	Simple average		Frequency distribution					
					Duty-free		*Duties > 15%*		*Non ad valorem duties in %*	
			Bound	MFN applied	Bound	MFN applied	Bound	MFN applied	Bound	MFN applied
		in %			*Tariff lines (in %)*					
Agricultural	2011	–	35.4	10.3	2.7	6.2	95.7	15.5	0	0
Non-agricultural	2011	100	30.8	14.2	0.7	5.2	96.5	40.4	0	0

Source: Own processing after *World Tariff Profiles*, WTO, 2012, available on http://www.wto.org/english/res_e/booksp_e/tariff_profiles12_e.pdf.

The data in Table 1 corresponds to the fiscal year – or year of MFN (Most Favoured Nation) applied tariff – of 2011. During this year, Brazil enacted full binding coverage (100%) for non-agricultural products. The simple average of final bound duties, excluding unbound tariff lines was higher for both agricultural and non-agricultural products compared to the simple average of MFN applied duties (see Table 1). In regard to duty-free, partially subheadings of this are taken into account on a *pro rata* basis. Brazil has applied more both duty-free of final bound duties and duty-free of MFN applied duties on agricultural products than for non-agricultural products. In 2011, Brazil has not resorted to non-ad valorem duties. This country was more interested to apply the final round duties over 15% on both agricultural and non-agricultural products.

Considering trade barriers applied by Brazil, an important measure is represented by *export taxes on hides and skins*. Exports of skins, bovine raw hides and wet-blue are subject to an ad-valorem export tax of 9%. To solve this problem, the European Union took the following two actions, namely: multilaterally (Doha Development Agenda) – NAMA (Non-agricultural market access) negotiations, bilateral request being issued and negotiations will take place in the context of the World Trade Organisation (Doha round); and bilaterally – this being raised in several Joint Committees.

Sanitary and Phytosanitary (SPS) measures: The import of several agricultural products (pears, apples, nuts, cherries, plums etc.) is restricted by phytosanitary rules. In the last years, no progress was observed in regard to actions taken by the European Commission. The import approval of new products, new plants or new plant varieties can take several years. These measures are applied by Brazil also on import of bovines and bovine products. This country does not allow the import of bovines and bovine products due to the current bovine spongiform encephalopathy (BSE) import conditions. The European Commission has raised this issue with the Brazilian authorities to have a full and updated understanding of the arguments of Brazil. Also, Brazil`s Sanitary and Phytosanitary measures are the lack of a swift pre-listing provided by this country to all EU Member States (resulting in an adverse impact on trade) and the fact that Brazil refused to recognize regionalization to certain EU Member States (resulting in unjustified import restrictions on exports of pork products and pigs). The European Commission takes the following actions: raised in several Joint Committees and in the context of the World Trade Organisation (WTO) Trade Policy Review of Brazil; and in the margins of several WTO Sanitary and Phytosanitary Committee meetings (Trade Barriers, *n.d.*).

2.2. Russia

This country has a strong trade relationship with the European Union. One of the main objectives of the Partnership and Cooperation Agreement is to promote the EU-Russia trade and investment. The current negotiations of a new EU-Russia Agreement should provide a comprehensive framework for bilateral relations with stable, predictable and balanced rules for bilateral trade and investment relations. As a member of WTO, according to the European Commission, Russian authorities will bring down the level of import duties, improving market access for EU businesses and, also, consumers of this country will gain from both lower prices and increased competition. To protect certain sectors, Russia has introduced new protectionist measures at a time when a liberalisation of the trade regime would have been expected (Countries and regions, 2013).

Table 2 – Russia`s import tariffs for agricultural and non-agricultural products

					Frequency distribution					
Products	*Year of MFN applied tariff*	*Binding coverage*	*Simple average*		*Duty-free*		*Duties > 15%*		*Non ad valorem duties in %*	
			Bound	MFN applied	Bound	MFN applied	Bound	MFN applied	Bound	MFN applied
		in %			*Tariff lines (in %)*					
Agricultural	2011	–	–	14.3	–	7.8	–	17.3	–	29.8
Non-agricultural	2011	–	–	8.7	–	14.5	–	8.3	–	10.5

Source: Own processing after *World Tariff Profiles*, WTO, 2012, available on http://www.wto.org/english/res_e/booksp_e/tariff_profiles12_e.pdf.

The data in Table 2 corresponds to the fiscal year – or year of MFN (Most Favoured Nation) applied tariff – of 2011. In this year, the Russia`s simple average of MFN applied duties was higher for agricultural products than for non-agricultural products. Considering duty-free, partially subheadings of this are taken into account on a *pro rata* basis. Russia has applied more duty-free of MFN applied duties on non-agricultural products than for agricultural products. In 2011, Russia has resorted to more non-ad valorem duties on agricultural products. This country was more interested to apply MFN applied duties over 15% on agricultural products.

Concerning the trade barriers applied by Russia, an important measure is represented by *non-tariff measures on electronics sector*. This country classifies all encryption products (including mobile phones) as sensitive risk products for which an expensive and very burdensome licensing procedure needs to be followed. This issue is under discussion in the framework of Russia`s WTO accession negotiations.

This country has used the *import barriers on wines and spirits*. For many years the European Union`s importers have faced difficulties in entering the alcohol market of Russia, largely due to the introduction of a number of legislative initiatives and also of burdensome requirements. Nowadays, some of the barriers experienced by the alcohol sector include: licences for white spirits; reporting system for excise stamps (the importers must report on the use of each individual sequential excise stamp – hundreds of pages in written reports are submitted to customs –, this procedure being discriminatory with them, because the local producers are only required to report on product serial numbers. The European Commission doubts Russia`s commitment to solve the discrimination by also increasing reporting requirements for domestic producers); additional second guarantee (despite being abolished in 2007, Russian customs are still asking for additional documents and guarantees. The Federal Customs Service has confirmed that these fees are illegal and informed the regional customs points about this).

Considering *Sanitary and Phytosanitary (SPS) measures on pesticide and antibiotic residues*, so far Russia has trade-restrictive measures based on unclear scientific backgrounds or disproportionate enforcement decisions. These practices are not compatible with modern norms and standards applicable to SPS field, posing numerous problems to EU producers and a substantial burden to EU exporters of agricultural and plant products to Russia. The fact that this country is the first export market for European Union of meat dairy and vegetables, and a key market for many other sectors of agricultural products, restrictions in this area present a direct risk for companies operating in this sector. In 2011, Russia committed to take a number of strong actions in the SPS field by the date of its WTO accession.

As regards *SPS measures on milk and dairy products*, Russia chose to introduce sanitary requirements which differ from international standards. Thus, the establishments shall have valid contracts with Russian importers for milk products supplied. The European Commission has protested against these requirements, which go even beyond WTO Sanitary and Phytosanitary issues, requesting information directly and through the World Trade Organisation accession negotiations (Trade Barriers, *n.d.*).

2.3. India

Nowadays, India maintains substantial tariff and non-tariff barriers to imports and imposes a number of non-tariff barriers, hindering trade with the European Union. Thus, negotiations for a comprehensive EU-India Free Trade Agreement were started in June 2007 and are ongoing. This country enjoys trade preferences with the EU under the GSP. According to the European Commission, some progress has been made to dismantle trade barriers in India, in the last few years. Thus, export restrictions on cotton and security requirements for telecommunication equipment were removed in 2012, and the progress has also been achieved with regard to sanitary and phytosanitary rules. The EU-India trade negotiations cover: access to each other's markets; the framework for investment; the rules that frame trade, such as intellectual property and competition; sustainable development, growth in trade is in tandem with the environment, social and labour rights (Countries and regions, 2013).

Table 3 – India`s import tariffs for agricultural and non-agricultural products

					Frequency distribution					
Products	*Year of MFN applied tariff*	*Binding coverage*	*Simple average*		*Duty-free*		*Duties > 15%*		*Non ad valorem duties in %*	
			Bound	MFN applied	Bound	MFN applied	Bound	MFN applied	Bound	MFN applied
		in %			*Tariff lines (in %)*					
Agricultural	2010	–	113.1	31.4	0	5.9	98.6	81.4	0.3	0.3
Non-agricultural	2010	69.8	34.6	9.8	3.1	3.1	66.2	6.7	6.0	5.7

Source: Own processing after *World Tariff Profiles*, WTO, 2012, available on http://www.wto.org/english/res_e/booksp_e/tariff_profiles12_e.pdf.

The data in Table 3 corresponds to the fiscal year – or year of MFN (Most Favoured Nation) applied tariff – of 2010. In this year, India adopted the binding coverage of 69.8% for non-agricultural products. The simple average both of final bound duties excluding unbound tariff lines and of MFN applied duties were higher for agricultural products. Considering duty-free, partially subheadings of this are taken into account on a *pro rata* basis. India has applied more duty-free of final bound duties on non-agricultural products and more duty-free of MFN applied duties on agricultural products. In 2011, India has resorted to more non-ad valorem duties on non-agricultural products. This country was more interested to apply both final round duties over 15% and MFN applied duties over 15% on agricultural products.

India applied *standards and other technical requirements on medical devices*. Thus, the authorities of this country have decided that, at the import moment, these devices must have a valid shelf life not less than 60% of the original shelf life. This procedure discriminates against importers in favour local producers, for which this requirement does not apply. In present time, the European Commission is closely monitoring the decision of India to draft new legislative requirements for medical devices which applies to imported goods as well.

In regard of the *imports restrictions on cosmetics and perfumes*, the method of calculation for the additional customs duties (put in place in this country for imports of these products) represents a problem. Since 2001, this type of duties is calculated in India on the flat-rate basis of 16% of the MRP (Maximum Retail Price) minus one rabais. The European Commission argues that this method is not relevant for imported products. Also, in 2007, the Indian authorities announced changes to Drugs and Cosmetics Rules, introducing restrictive requirements to place cosmetic products legitimately on the India`s market without any increase of product safety for the consumers.

India applied *export taxes on iron, steel and non-ferrous metals sector*. In 2011, the government of this country has increased the rate of export duty for all types of iron (previous: 5% - iron ore fines; and 15% - iron ore lumps) at a unified level of 20% ad-valorem. Also, export duties are applied by India on raw and semi-finished leather. In 2000, this country lifted its export restrictions in the leather sector. At the same time, the export duty on raw hides and skins and certain semi-finished leather was raised from 25% to 60% (the highest rate in the world). This issue has been at the Agenda of all bilateral and multilateral meetings between the EU and India.

Considering the *Sanitary and Phytosanitary measures*, in India, the new regulations *on import of plants and plant products* include bureaucratic procedures for dealing with import applications, not being trade friendly. The European Union continues to raise this issue with India in different forums. Also, this country applied unjustified import restrictions on a number of animals and animal products relating to AI (Avian Influenza). Since 2004 (when India started applying an import ban on animals and a range of animal products from the whole territory of a Member State with Highly Pathogenic AI), the European Union, together with other trading partners, have consistently raised this problem in all available forums, and in every bilateral meetings. In regards to India`s import conditions for dairy, this requires a number of measures which are considered overly trade restrictive and which are not in line with international standards. The European Union continues to raise this issue with India in the different forums.

Concerning the the *tariff levels of imported wines and spirits*, in India, spirits are considered to be affected by discriminatory measures, hindering their internal distribution and offering for sale. In 2005, the industry of the European Union initiated a Trade Barrier Regulation (TBR) case, as the result of which the Commission confirmed the high and discriminatory nature of customs duties and taxes on wines and spirits imported into India. The European Commission started WTO dispute procedures at the end of 2006 (Trade Barriers, *n.d.*).

2.4. China

China is one of the world's largest economies and an important trading partner for the EU, being an increasingly important political power. China's rapid development continues to offer huge opportunities, with significant potential for further expanding trade and investment and strengthening of the relations. In China, the practice of non-tariff measures and inadequate protection and enforcement of intellectual property rights may discriminate against foreign companies. An important step is the decision to launch EU-China negotiations bilaterally. A major trade obstacle is represented by Chinese export restrictions on raw materials, being imposed by this country a set of export restrictions, including export quotas, export duties and additional requirements. These measures limit the companies` access of the EU to rare earths. The EU considers that the Chinese restrictions are in violation of general WTO rules (Countries and regions, 2013).

Table 4 – China`s import tariffs for agricultural and non-agricultural products

					Frequency distribution					
Products	*Year of MFN applied tariff*	*Binding coverage*	*Simple average*		*Duty-free*		*Duties > 15%*		*Non ad valorem duties in %*	
			Bound	MFN applied	Bound	MFN applied	Bound	MFN applied	Bound	MFN applied
		in %			*Tariff lines (in %)*					
Agricultural	2011	–	15.7	15.6	6.0	5.9	35.6	34.6	0	0.5
Non-agricultural	2011	100	9.2	8.7	6.5	7.8	13.4	11.6	0	0.5

Source: Own processing after *World Tariff Profiles*, WTO, 2012, available on http://www.wto.org/english/res_e/booksp_e/tariff_profiles12_e.pdf.

The data in Table 4 corresponds to the fiscal year – or year of MFN (Most Favoured Nation) applied tariff – of 2011. In this year, China adopted full binding coverage (100%) only for non-agricultural products. The simple average both of final bound duties excluding unbound tariff lines and of MFN applied duties were higher for agricultural products. Considering duty-free, partially subheadings of this are taken into account on a *pro rata* basis. China has applied more both duty-free of final bound duties and duty-free of MFN applied duties on non-agricultural products. In 2011, Brazil has resorted to only non-ad valorem duties of MFN applied duties on both agricultural and non-agricultural. This country was more interested to apply both final round duties over 15% and MFN applied duties over 15% on agricultural products.

As regards to the *sandards and other technical requirements*, the European Union`s industry is concerned with the lack of transparency of China's regulatory *in the information and communication technology (ICT) sector*. These practices contribute to a serious problems in regard to access on China`s market for foreign and foreign-invested companies. The Chinese companies refuse to enter into negotiations for licensing agreements with the EU`s companies, which causes huge losses to European Union`s companies. The EU have raised this issue on many discussions with China.

China continues to practice *high tariffs on textile and clothing*, even though its import tariffs have been lowered step by step since 1994. The applied duties have been further reduced as a result of Chinas accession to the World Trade Organisation. The main role of these customs duties is significant and renders European companies less competitive on the Chinese market, preventing producers of low medium range products to penetrate the Chinese market.

Considering the *Sanitary and Phytosanitary measures*, China applied a *ban an on ornamental birds, wild birds and their products unless heat treated*, due to HPAI (Highly Pathogenic Avian Influenza), for some EU Member States; *and import ban on live bovines meat and meat products* (none of the dossiers submitted by the EU Member States have been evaluate). Also, in regard of this type of measures, the European Union applies the principle of pre-listing to China and to all other trading partners. The Chinese procedure causes enormous delays and obstacles to market access for EU exporters of, in particular, fresh meat and meat products. The issue has been raised at a political level during the High Level Economic and Trade Dialogue between the European Union and China. As this issue is a priority, it has been raised whenever possible with the aim of obtaining facilitation (Trade Barriers, *n.d.*).

2.5. South Africa

South Africa joined the Economic Partnership Agreement negotiations as part of the Southern African Development Community Group in 2007. This country has opted not to join at this stage as its trade relations with the EU which are governed by the Trade, Development and Co-operation Agreement, concluded in 1999. The EU is South Africa's most important development partner, a large part of EU-South Africa trade being now subject to preferential rates. Since 2000 (the signing of the EU-South Africa agreement), trade in goods between this two partners has increased by more than 120%. This goes to show that EU-South Africa trade is more than day-to-day trade and that the trade ties are solid and dynamic (Countries and regions, 2013).

Table 5 – South Africa`s import tariffs for agricultural and non-agricultural products

Products	*Year of MFN applied tariff*	*Binding coverage*	*Simple average*		*Frequency distribution: Duty-free*		*Frequency distribution: Duties > 15%*		*Frequency distribution: Non ad valorem duties in %*	
		in %	Bound	MFN applied	Bound	MFN applied	Bound	MFN applied	Bound	MFN applied
					Tariff lines (in %)					
Agricultural	2011	–	39.2	9.1	21.8	45.3	72.2	24.4	0	14.3
Non-agricultural	2011	95.8	15.8	7.5	13.5	63.7	35.0	20.3	0	0.4

Source: Own processing after *World Tariff Profiles*, WTO, 2012, available on http://www.wto.org/english/res_e/booksp_e/tariff_profiles12_e.pdf.

The data in Table 5 corresponds to the fiscal year – or year of MFN (Most Favoured Nation) applied tariff – of 2011. In this year, South Africa adopted binding coverage of 95.8% for non-agricultural products. The simple average of final bound duties excluding unbound tariff lines was higher for both agricultural products and non-agricultural products compared to simple average of MFN applied duties. Considering duty-free, partially subheadings of this are taken into account on a *pro rata* basis. South Africa has applied more duty-free of MFN applied duties on both agricultural and non-agricultural products. In 2011, South Africa has resorted to only non-ad valorem duties of MFN applied duties. This country was more interested to apply final round duties over 15% on both agricultural and non-agricultural than MFN applied duties over 15%.

In regard of trade barriers, South Africa resorted to *Sanitary and Phytosanitary measures*. Unjustified import restrictions *on pork and pork meat* due to measures against Porcine Reproductive and Respiratory Syndrome (PRRS). Most recently, South Africa has notified to the WTO the new import requirements concerning PRRS for WTO Members to comment. Some Member States are able to export some kinds of pork meat products to South Africa. The EU Delegation in South Africa and the European Commission are in close contact with South African authorities in order to follow the legislative activities on the issue (Trade Barriers, *n.d.*).

CONCLUSIONS

The European Union is the bigger trading partner for five emerging economies that represents the BRICS group, namely Brazil, Russia, India, China and South Africa. Even though, these countries have resorted to apply trade barriers on imports of foreign producers, creating difficulties for the EU`s exporters in regard of the access on BRICS markets.

After an analysis of trade relations between the European Union and BRICS, we observed that both imports and exports of the EU with each these five countries are represented by a certain category of products. Thus, the EU`s imports are dominated by: primary products (especially, agricultural products, and fuels and mining products) and manufactured products (machinery, transport equipment etc.) – from Brazil; raw materials (especially, oil and gas) – from Russia; industrial and consumer goods – from China; fuels and mining products, machinery and equipment, and other semi-manufactured goods – from South Africa. The EU`s exports to BRICS countries are dominated by: manufactured products – to Brazil; agricultural products, machinery, transport equipment and chemicals – to Russia; machinery and equipment, chemicals, aircraft, and motor vehicles – to China; chemicals, machinery and equipment, and other semi-machinery – to South Africa. The EU-India trade is characterized also by primary products, manufactured products etc.

Nowadays, the EU`s exporters are faced with problems in trade relations with BRICS countries, their access on BRICS markets being limited by discriminatory regulations or standards, and the traditional import tariffs or quotas. We analysed trade barriers of these five emerging economies, which were reported to the European Commission. Thus, we found that the current main trade barriers of BRICS which affect also the European Union`s exports are: Sanitary and Phytosanitary (SPS) measures on import of several agricultural products, and bovines and their products, and export taxes on hides and skins – of Brazil; non-tariff measures on electronics sector, import barriers on wines and spirits, SPS measures on pesticide and antibiotic residues and on milk and dairy products – of Russia; standards and other technical requirements on medical devices, import restrictions on cosmetics and perfumes, export taxes on iron, steel and non-ferrous metals sector, SPS on import of plants and plant products, tariff levels of imported wines and spirits – of India; standards and other technical requirements in the information and communication technology sector, high tariffs on textile and clothing, SPS on wild birds and their products and on bovine and their product – of China; SPS on pork and pork meat – of South Africa.

Thus, the five emerging economies that formed BRICS have resorted to apply trade barriers, according to imported goods of each country, on following sectors: agriculture and fisheries, textiles and leather, chemicals, pharmaceuticals, cosmetics, telecommunications equipment, electronics, wines and spirits, iron and non-ferrous metals. The European Commission considers that these measures are unjustified.

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