EU trade policy digest January–March 2026

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Recent developments in EU trade policy

European Commission: Negotiations and agreements

Update

AGRINFO summary of progress in EU trade negotiations with low- and middle-income countries, and other policy developments that may impact on trade in agri-food products.

For detail see EU trade policy January–March 2026.

Recent developments

EU trade negotiations with low- and middle-income countries

India: The European Union (EU) and India concluded negotiations on a Free Trade Agreement (FTA) at a bilateral summit in New Delhi on 27 January 2026. The agreement includes significant liberalisation for many products – including tea, spices, fishery goods, and EU processed foods – though it excludes sensitive sectors like sugar, rice, dairy, and some agricultural goods, and omits several policy areas common in recent EU FTAs. While some texts have been published, key details remain undisclosed and the agreement must still undergo legal review, translation, and ratification, with signing expected in late 2026.

Indonesia: In September 2025, the EU and Indonesia concluded negotiations on a Comprehensive Economic Partnership Agreement (CEPA), expected to enter into force on 1 January 2027. Further details have been published on the import duty reductions agreed.

Jordan: In January 2026, the EU and Jordan agreed on strengthening the existing FTA as part of the EU–Jordan Association Agreement, especially on facilitating trade and investment. This includes promoting the use of simplified rules of origin that Jordanian exporters use in their trade with the EU.

Mercosur: The EU–Mercosur agreement (Argentina, Brazil, Paraguay, and Uruguay) advanced with its signing on 16 January 2026, despite opposition from several EU Member States. However, its future was cast into some doubt when the European Parliament requested a ruling from the European Court of Justice on its compatibility with EU law amid strong agricultural protests. The agreement will only fully apply when ratified by all EU Member States, but the trade

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aspects as set out in an EU–Mercosur interim Trade Agreement (iTA) will provisionally apply from 1 May 2026.

Philippines: A fifth round of EU–Philippines FTA negotiations in March 2026 made constructive progress across all areas, particularly on market access and food trade rules, with further talks scheduled for mid-May alongside virtual meetings. While the Philippines had aimed to conclude negotiations by 2027, it now hopes to finalise the agreement in the second half of 2026.

Thailand: During the seventh round of EU–Thailand FTA negotiations in autumn 2025, agreement was reached on several chapters, including financial services and investment, with good progress in areas such as trade in goods and rules of origin. While some agri-food issues advanced, negotiations are now at a critical stage, with key differences remaining on market access, intellectual property, and digital trade.

Viet Nam: The EU and Viet Nam have announced that they are working on strengthening cooperation under the EU–Viet Nam FTA, including through promoting sustainable agriculture, addressing plastic pollution, and reducing regulatory barriers to trade through existing FTA mechanisms and a new joint task force.

Trade policy

Generalised Scheme of Tariff Preferences review: After 4 years of negotiations, the EU provisionally agreed on a new Generalised Scheme of Tariff Preferences which will apply from 1 January 2027, and will continue to grant preferential tariffs to 65 low- and middle-income countries. Access to the new scheme is more tightly linked to compliance with human rights, labour, climate, and environmental standards, with enhanced safeguards allowing the EU to withdraw preferences where imports disrupt the EU market. For the first time, preferential access is also conditional on partner countries' cooperation in readmitting their nationals who have entered the EU illegally. Concerns have been raised by some EU Member States and Members of the European Parliament about safeguards for rice imports under the Everything But Arms arrangement, meaning further amendments may be required prior to formal approval.

Proposal to make fertilisers more affordable: The European Commission has proposed suspending import duties on key nitrogen fertilisers and inputs (e.g. ammonia and urea) from most countries, excluding Russia and Belarus. The measure aims to reduce costs for farmers and decrease reliance on these suppliers, amid concerns that the Carbon Border Adjustment Mechanism could further increase fertiliser prices.

New task force to strengthen controls of imports: The European Commission has launched a new task force to strengthen coordination and improve risk management of imported food. The initiative aims to enhance the consistency and effectiveness of controls to ensure compliance of imported products with EU requirements.

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