

EU trade policy digest: June–August 2023

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Regulation

European Commission: [Negotiations and agreements](#)

What is changing and why?

EU negotiations with low- and middle-income countries

Indonesia: Both sides hope to reach agreement on a trade deal before the Indonesian elections in 2024, but tensions around deforestation may complicate talks.

India: Initial plans to complete negotiations in 2023 now seem unlikely. Frictions have arisen around the new Carbon Border Adjustment Mechanism and digital policy.

Kenya: The EU and Kenya reached agreement in June for a trade deal that will remove tariffs on trade to the EU, and establish zero tariffs on 82% of the EU's trade to Kenya. The texts will be checked by lawyers and then signed by the Council of the EU.

Mercosur: Since provisional agreement was reached in 2019, the EU has asked Mercosur countries for additional guarantees that they will stop deforestation and protect labour rights. This proposal has met with resistance, and a finalisation of talks this year looks unlikely.

Mexico: The EU and Mexico hope to finalise talks this year on a new modernised agreement to replace the existing one signed in 2000.

Trade policy

Generalised Scheme of Preferences: The existing rules that provide some developing countries with reduced tariffs are due to expire on 31 December 2023. Talks in the EU about new rules have not progressed quickly. The Commission proposes to extend the existing rules until 2027.

Ukraine: Ukraine's exports to the EU will continue to benefit from zero-duty import tariffs until June 2024.

Forced labour: The EU wants to introduce rules banning from the EU market products made using forced labour. Discussions on the Commission's 2022 proposal will continue through the autumn.

Deforestation: The Commission published a Regulation in June setting rules for cattle, cocoa, coffee, palm oil and soya value chains, to prevent products from deforested land entering the EU. It has also published FAQs providing further explanations of the rules.

Timeline

Recent developments in EU trade policy, June–August 2023

For more information see the [full record](#) on the AGRINFO website – where you can also view the latest [AGRINFO Update](#) newsletters and [search](#) the database.

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