

**EU TRADE POLICY  
JANUARY–MARCH 2026**

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**TRADE DIGEST 2026/2**





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# EU TRADE POLICY

## January–March 2026

### TRADE DIGEST 2026/2

AGRINFO prepares regular briefings on the latest developments in European Union (EU) trade negotiations and trade policy that concern low- and middle-income countries, and on other developments in the policy-making arena that may have an impact on trade of agri-food products. These briefings are designed to highlight the topics of current interest, in particular for policymakers and public authorities. Links are given to resources where more detailed information can be found, including the official EU website on trade negotiations and agreements.

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## KEY POINTS

### 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 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.



## KEY POINTS

### 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 (GSPs) 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 MEPs 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 (such as 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 (CBAM) 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.



## EU TRADE NEGOTIATIONS WITH LOW- AND MIDDLE-INCOME COUNTRIES

### India

The European Union (EU) and India have concluded talks on a Free Trade Agreement (FTA). The announcement came during an EU–India bilateral summit held in New Delhi on 27 January 2026.

India has referred to the agreement as the “Mother of All Deals”, reporting preferential access to the European markets on 97% of tariff lines, including the removal of import duties for tea, coffee, spices and certain fishery products immediately the Agreement comes into force (Ministry of Commerce & Industry [2026](#)). The elimination of tariffs over a 3 to 5 year period is also foreseen for other fishery products and certain processed food items, and there are agreed tariff reductions on certain poultry products, preserved vegetables, and bakery products, with tariff rate quotas (TRQs) opened for shrimps/prawns. However, no significant improvement in market access was secured for sugar and ethanol, rice and soft wheat, beef and poultry, milk powder, bananas, and honey, and there were limited TRQs for table grapes and cucumbers (European Commission [2026a](#)). Significant market access gains for the EU include elimination over time of duties on olive oil, non-alcoholic beer, certain fruit juices, processed foods (confectionery, breads, pastry, pasta, chocolate), and sheep meat. There are also reported to be reductions in duties for alcoholic beverages, and “sizeable” TRQs for kiwi fruits and pears (European Commission [2026a](#)).

Although the FTA is widely presented as ambitious by EU and Indian negotiators, some analysts have pointed out that it does not include chapters (rules on specific topics) on areas generally found in recent FTAs concluded by the EU, such as energy and raw materials including critical minerals, investment protection, and public procurement. They also consider the concessions on agricultural products to be relatively limited (Anil and Sasmal [2026](#)). Other areas such as Geographical Indications (GIs) are currently still under negotiation (European Commission [2026b](#)).

Some of the negotiated texts have been made available (European Commission [2026c](#)), but the detailed market access agreement [import tariff (duties) schedules] is not yet public. The agreed texts must now be legally revised and translated into all EU languages and undergo the respective formal signatory and ratification processes. The agreement is expected to be signed in the fourth quarter of 2026 (Hindustan Times [2026](#)).

Anil, A. and Sasmal, S. (2026) [Why does the India-EU FTA matter?](#) UK Trade Policy Observatory, 18 February.

European Commission (2026a) [MEMO: EU-India Free Trade Agreement: Chapter-by-Chapter Summary](#).

European Commission (2026b) [EU and India conclude landmark Free Trade Agreement](#), press release, 27 January.

European Commission (2026c) [EU-India: Text of the agreements](#).

Hindustan Times (2026) [India and EU set to start talks amid efforts to ink FTA by year-end](#), 17 April.

Ministry of Commerce & Industry (India) (2026) [Factsheet: India and European Union Trade Agreement, “Mother of all deals” unlocking opportunities empowering India@2047](#).



## Indonesia

In September 2025, the EU and Indonesia concluded negotiations on a Comprehensive Economic Partnership Agreement (CEPA). The full text of the agreement, including the schedules outlining the EU's reduction in tariffs (import duties), has now been made public (European Commission [2026d](#)). Many of Indonesia's agri-food products (including some of its largest exports today, see Table 1) will benefit from zero duty once the agreement enters into force. A range of other products will also ultimately benefit from zero duty access to the EU market, but the reduction in current duties will take place gradually over a period of between 3 and 10 years. In addition, TRQs will be established for products such as chocolate preparations, fish fillets, garlic, molasses, manioc starch, mushrooms, sardines, sugar syrups, sweetcorn, and tea/coffee preparations.

*Table 1: Examples of tariff reductions on Indonesian agri-food products exported to the EU*

Product	CN code	Liberalisation	Timeline
Animal/vegetable fats and oils	151800	Zero duty	On agreement's entry into force
Cocoa butter, fat, and oil	180400	Zero duty	In year 5 after agreement's entry into force
Coffee	090111	Zero duty	On agreement's entry into force
Crude coconut oil*	151311	Zero duty	On agreement's entry into force or over period up to year 10
Crude palm kernel and babassu oil	151321	Zero duty	On agreement's entry into force
Crude palm oil	151110		
Degras	152200		
Desiccated coconut	080111		
Food preparations*	210690	Either zero duty or subject to TRQ	On agreement's entry into force
Frozen shrimps/prawns	030617	Zero duty	On agreement's entry into force
Nutmeg	090810		
Oilcake	230660		
Palm kernel and babassu oil	151329		
Palm oil	151190		
Prepared/preserved pineapples	200820		
Prepared/preserved tuna	160414	TRQ established	
Vegetable mucilages/thickeners	130239	Zero duty	On agreement's entry into force

TRQ = tariff rate quota.  
 \*For coconut oils and food preparations, application of zero duty depends on the specific product – for details see [Tariff Schedule of the Unione](#) and explanation in [Annex 2-A](#).

A short overview of the CEPA, chapter by chapter, is available from the European Commission ([2025](#)).



## Recognition of halal certification

In parallel, the EU and Indonesia are cooperating on seeking EU-wide recognition of Indonesia's halal certification. In February 2026, EU and Indonesian representatives met to exchange views on certification with national authorities, certification bodies, and industry representatives (European Commission [2026e](#)).

European Commission (2025) [Key elements of the EU-Indonesia Trade Agreement and Investment Protection Agreement](#).

European Commission (2026d) Tariff Schedule of the Union.

European Commission (2026e) EU and Indonesia continue work on recognition of EU as a single entity for Halal certification purposes, News Article, 26 February.

## Jordan

At a summit in January 2026, the EU and Jordan agreed to enhance bilateral cooperation in order to “unleash the full potential of the Free Trade Area of the Association Agreement that already exists between the two sides”. There is commitment to review the current agreement, in particular to address issues related to rules of origin that currently create obstacles to trade (Council of the EU [2026a](#)).

Council of the EU (2026a) [Joint Statement Jordan-EU Summit](#), 8 January.

## Mercosur

The EU–Mercosur Partnership Agreement (EMPA) between the EU and the Southern Common Market (Argentina, Brazil, Paraguay, and Uruguay) was signed on 16 January 2026 (European Commission [2026f](#)). The [Interim Agreement on Trade](#), which covers only trade aspects of the EMPA, will apply from 1 May 2026 until the EMPA is fully ratified. The EMPA will only fully apply when ratified by all EU Member States.

The agreement will apply provisionally even though the EU has not fully ratified it yet. So far only EU Member States have approved the agreement, but the European Parliament has not yet formally ratified the Treaty. In January 2026, the Parliament voted to request the European Court of Justice to rule whether the EU–Mercosur Agreement complies with EU law (Politico [2026](#)), a legal process that could take up to 2 years. The Parliament's action followed weeks of protest about the new deal, in particular from the EU's agricultural community. Argentina, Brazil, and Uruguay, and most recently Paraguay, have already completed their ratification procedures (European Commission [2026f](#), European Interest [2026](#)).

In order to secure political support from European stakeholders for the EU–Mercosur Partnership Agreement, the EU institutions negotiated more effective safeguards (measures) that will help protect EU farmers from surges in imports, including specific rules for agricultural products considered to be particularly sensitive for the EU's own production, including beef, poultry, rice, honey, eggs, garlic, ethanol, and sugar. These safeguard clauses were finalised and published in March 2026 (Regulation [2026/687](#)).

European Commission (2026f) [EU-Mercosur Agreement to provisionally apply from 1 May 2026](#).

Politico (2026) [EU-Mercosur trade deal stalled as MEPs send it for judicial review](#), 21 January.

European Interest (2026) [Paraguay is the final South American nation to approve the Mercosur-EU trade deal](#), 18 March.



## Philippines

A fifth round of negotiations on an FTA between the EU and the Philippines was held in March 2006. Discussions were described as “constructive and engaging”, with progress made in agreeing the text of an agreement across all issue areas. As well as a particular focus on market access, negotiations were concluded in various areas including the chapter on sanitary and phytosanitary measures affecting trade in food. The sixth round of face-to-face discussions is foreseen for mid-May, with virtual meetings due to take place in the run-up to that meeting (European Commission [2026g](#)). The Philippines has previously stated the goal of completing talks by the end of 2027, but following the most recent round of talks, expressed the hope of finishing negotiations in the second half of 2026 (Philippine News Agency [2026](#)). The country currently benefits from zero duty on a wide range of products under the EU’s Generalised System of Preferences (GSP).

Philippine News Agency (2026) [PH, EU eye to conclude talks on free trade deal in H2 2026](#), 19 March.

European Commission (2026g) [Report of the 5th round of negotiations on a Free Trade Agreement between the European Union and the Philippines](#).

## Thailand

Further talks between the EU and Thailand, the eighth round of negotiations between the two sides, took place in February 2026 (European Commission [2026h](#)). Detailed discussions were held on market access, and particular progress was reported in relation to the chapters on trade in services, investment, and dispute settlement. A complex area of negotiation remains sanitary and phytosanitary issues. Progress was reported in relation to import checks of agri-food products and related fees, but there is still disagreement in other areas such as regionalisation for diseases, approval procedures, and audits. There were also extensive discussions on Geographical Indications (GIs) and the procedures foreseen by Thailand for registering EU GIs. In spite of political instability in the country, Thailand’s Government remains committed to advancing the FTA with the aim of completing negotiations in 2026 (The Nation [2026](#)).

European Commission (2026h) [Report of the 8th round of negotiations on a Free Trade Agreement between the European Union and Thailand](#).

The Nation (2026) [Thailand and EU Target 2026 for Landmark Free Trade Agreement](#), 17 February.

## Viet Nam

The EU and Viet Nam have announced that they are upgrading bilateral relations to create a Comprehensive Strategic Partnership. The EU already has an FTA with Viet Nam, but the new partnership looks to deepen cooperation in a range of areas including trade and investment, sustainable development, and defence and security. In relation to food production, both sides seek to promote green and sustainable development in the agricultural sector and address plastic pollution in the marine environment. To address regulatory issues that can cause obstacles to trade, both sides will look to exploit the institutional structures established by the FTA, such as the existing Trade Committee and a new EU–Viet Nam task force that is due to be set up shortly (Council of the EU [2026b](#)).

Council of the EU (2026b) [Joint Statement on upgrading relations between the Socialist Republic of Viet Nam and the European Union to a Comprehensive Strategic Partnership](#).

More information is available on the EU webpage [Negotiations and agreements](#): scroll down to download *Overviews* and a map summarising the state of play of EU trade agreements.



## TRADE POLICY

### Revision of GSP rules faces further changes due to concerns about rice

The Generalised Scheme of Tariff Preferences (GSP) aims to assist lower-income countries to integrate into the world economy, reduce poverty, and support sustainable development by protecting core human rights and the environment. After 4 years of discussion, agreement was reached in December 2025 between the European Parliament and the EU Member States on the new scheme, which is due to apply from 1 January 2027.

However, Italy, supported by Bulgaria and Hungary, have raised fresh concerns about the agreed safeguard (measures) put in place to respond automatically to surges in rice imports at zero duty from least developed countries falling under the Everything But Arms (EBA) Agreement (part of GSP rules). Although these countries support the safeguard clause, there are concerns that the methodology proposed “does not adequately protect the European rice supply chain, which is already in serious crisis” (Council of the EU [2026c](#)). This position also has support from a group of members of the European Parliament (MEPs) who are also seeking to reduce the volume of rice imports that would trigger higher tariffs. The European Commission has played down the risks to the rice sector, not least as Cambodia is due to “graduate” from the EBA scheme in 2033, leaving Myanmar as the only significant EBA rice-exporting country to the EU. Nevertheless, MEPs are looking for further concessions when the new rules are due to be adopted by the European Parliament in April (Euractiv [2026](#)).

The new GSP scheme continues to offer preferential tariffs to 65 low- and middle-income countries. However, to benefit from the GSP, countries must strengthen their protection of human rights and labour standards, and respect international agreements on climate change and environmental protection. Countries that are no longer considered least-developed countries will still be able to benefit from tariff preferences via the GSP+ scheme if they commit to further strong sustainability standards.

For the first time, the EU is linking preferential trade access to the performance of partner countries in readmitting their own Nationals where they have been found to have entered the EU illegally. For further context, see [Review of generalised scheme of tariff preferences \(GSP\)](#).

Council of the EU (2026c) [Necessary amendments to the automatic safeguard clause in the GSP Regulation](#).

Euractiv (2026) [Italy, Spain want stronger rice safeguards in GSP deal](#), 31 March

### European Commission proposes trade measures to make fertilisers more affordable

The European Commission has announced that it will propose the suspension of import duties on several key nitrogen fertilisers and inputs used in their production (ammonia, urea). This measure will apply to import duties from all countries except Russia and Belarus (European Commission [2026j](#)).

The proposal comes in response to farmers’ concerns about rising costs. It also aims to reduce dependency on Russia and Belarus for fertilisers. The Commission is coming under increased pressure from EU Member States to exclude fertilisers from the EU’s carbon border adjustment mechanism (CBAM), which places a levy on the greenhouse gas emissions (since 1 January 2026) and is expected to further push up fertiliser costs (Politico [2026b](#)).



European Commission (2026i) [Commission acts to safeguard availability and affordability of fertilisers](#).

Politico (2026b) [12 EU countries ask Brussels to exempt fertilizers from carbon border tax](#), 26 January.

## EU launches new task force to strengthen controls of imports

In January 2026, the EU launched a new task force to respond more consistently and comprehensively to risks associated with imported food. The new task force will bring together expertise and strengthen coordination in managing these challenges (European Commission [2026j](#), [2026k](#)). The task force is one of a series of measures announced by the European Commission to ensure the compliance with imported products. These include:

- a 50% increase in the number of audits on non-EU countries during 2026 and 2027
- a 33% increase in audits of EU border control posts during 2026 and 2027
- closer monitoring of non-compliant products and exporting countries, with the frequency of controls increased as required
- training of hundreds of national competent authority staff who undertake official controls
- revision of rules on pesticide residues (see [Simplification of rules on pesticide MRLs and approvals](#)).

European Commission (2026j) [Taskforce on official controls launched!](#), 30 January.

European Commission (2026k) [Import controls of food and feed - Questions and Answers](#).



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