

**EU TRADE POLICY
JULY–SEPTEMBER 2024**

QUARTERLY TRADE DIGEST





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AGRINFO summary of progress in EU trade negotiations with low- and middle-income countries, and key developments in trade policy

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AGRINFO prepares quarterly briefings on the latest developments in EU trade policy and trade negotiations that concern low- and middle-income countries. These 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](#).

KEY POINTS

EU negotiations with low- and middle-income countries

India: Negotiations on a Free Trade Agreement between the EU and India have generally been difficult, with ongoing disagreement on many issues. At the eighth round of talks in June some progress was made on intellectual property rights, rules of origin, and dispute settlement.

Indonesia: “Fruitful discussions” have been reported at talks held in July on the EU Comprehensive Economic Partnership Agreement (CEPA). Work has advanced in particular on rules of origin, and trade and sustainable development. However, further negotiations are needed on export/import restrictions and investment.

Kenya: The EU and Kenya Economic Partnership Agreement (EPA) entered into force on 1 July 2024. The EPA will remove import tariffs on all goods exported from Kenya to the EU (including agricultural products). Kenya will remove import tariffs on the majority of goods over the coming 15–25 years, but certain agricultural products will be excluded.

Thailand: Following “constructive discussions” in June, the EU and Thailand will continue talks in November. Discussions on market access for goods are still at a preliminary stage. It was agreed to include a comprehensive chapter on food safety (sanitary and phytosanitary, SPS), with discussions focusing on trade facilitation and approvals.

Türkiye: The EU and Türkiye have held their first High Level Dialogue on Trade to resolve some outstanding trade barriers experienced by both sides in the functioning of the Customs Union.



KEY POINTS

Trade policy

European Commission sets out trade priorities for 2024–2029: The Commission President has set out the EU’s vision and priorities, including its ambitions in relation to trade. Major priorities are reforming and strengthening the World Trade Organization; ensuring the enforcement of trade agreements; and deepening engagement with the Indo-Pacific region, Africa, and Latin America and the Caribbean.

Strategic Dialogue on the Future of EU Agriculture: A consensus paper by major stakeholders in the agri-food sector sets out recommendations on trade to the European Commission. These include ensuring that imports meet EU food standards, and that non-EU and EU farmers are competing on a level playing field by meeting comparable sustainability standards. A cross-EU system of measuring and benchmarking sustainability performance is proposed. Greater assistance is proposed to help operators in non-EU countries meet EU standards.

EU reintroduces quotas for Ukrainian eggs, oats, groats, honey, and sugar: These products have benefited from zero duty and zero quota since 2022, but increases in imports of these products has led the EU to re-establish full most favoured nation (MFN) tariffs. EU quotas have been established for the first 5 months of 2025.

Evaluation of EU–CARIFORUM Economic Partnership Agreement: The EU has reviewed its 2008 EPA with Caribbean countries, and reports a doubling of trade between 2008 and 2022. Agricultural, fishery, and food exports have increased by 60%, although the share of agri-food products in overall trade has decreased.



EU NEGOTIATIONS WITH LOW- AND MIDDLE-INCOME COUNTRIES

India

Progress is reported to have been difficult in the eighth round of negotiations on a Free Trade Agreement between EU and India held in June. While some progress was made on intellectual property rights, rules of origin and dispute settlement, “both sides’ respective positions still diverge on the vast majority of key outstanding issues” ([European Commission 2024a](#)). The ninth round of negotiations started in Delhi on September 23.

Indonesia

The 19th round of negotiations on an Indonesia–EU Comprehensive Economic Partnership Agreement (CEPA), held in July 2024, has yielded “fruitful discussions” according to the [European Commission \(2024b\)](#). In particular, advances have been made on market access for goods, rules of origin (with good progress reported on agriculture), and trade and sustainable development. However, certain issues such as export/import restrictions and investment conditions require further negotiations. Within the chapter on trade and sustainable development, discussions will continue regarding the right of each side to regulate climate change and sustainable management of marine resources.

Indonesian officials expressed optimism about finalising the Agreement, which they consider to be 90% complete. The government hopes to conclude key talks before the new government led by President-elect Prabowo Subianto comes into office in October ([Antara 2024](#)).

Kenya

The new [EU-Kenya Economic Partnership Agreement \(EPA\)](#) entered into force on 1 July 2024. Senior officials from the EU and the Kenyan government met in early September to discuss implementation of the EPA, in particular the commitments to trade and sustainable development ([European Commission 2024c](#)). Under this Agreement, Kenya can export all goods to the EU free of import tariffs. For most goods exported from the EU to Kenya (83% of current imports in value terms), import tariffs will be phased out gradually over the coming 15–25 years, except for a list of agricultural products including specific meat, fish, dairy products, fruit, vegetables, spices, rice, flours, and oils for which there will be no reduction in tariffs (Annex IId, Part 5).

The EPA supports Kenya’s diversification of agricultural exports and the development of value-added agricultural products. It foresees the establishment of a Kenya–EU Agriculture Dialogue aimed at raising farm incomes and improving food security, sustainable use of resources, and rural development/economic growth (Art. 60).

Thailand

The EU–Thailand negotiations on the establishment of a Free Trade Agreement (FTA) will continue in November. The [European Commission \(2024d\)](#) reported “constructive discussions” on a range of issues during the third round of negotiations in June. Discussions on market access are still at an early stage. Views are being exchanged on the tariff data that will underpin negotiations. It was agreed to include in the FTA a comprehensive sanitary and phytosanitary (SPS) chapter in relation to agri-food products, with discussions focusing on trade facilitation and approval procedures. Some progress was reported in relation to objectives, definitions, transparency, and institutional arrangements.



The FTA will include a chapter on trade and sustainable development. Work is progressing on articles related to labour, climate change, biological diversity, forestry, and marine biological resources. More difficult areas of negotiation are gender equality and the implementation of multilateral environmental conventions. Constructive discussions were reported on the overall objectives, scope, and general principles of a chapter on sustainable food systems, as well as cooperation on antimicrobial resistance.

The Thailand Department of Trade Negotiations echoed the Commission's positive evaluation of the progress made at these talks ([The Nation 2024](#)).

Türkiye

The EU and Türkiye held their first High Level Dialogue on Trade in July 2024. The new initiative aims to discuss several areas of cooperation to support the EU's Customs Union with Türkiye. Türkiye has already resolved a number of trade barriers identified by the EU; the meeting addressed outstanding barriers and other issues related to the Customs Union including the Carbon Border Adjustment Mechanism (CBAM), digital trade, and quotas relating to road transport ([European Commission 2024e](#)).

See the EU webpage [Negotiations and agreements](#): scroll down to download Overviews and a Map summarising the state of play of EU trade agreements.



EU TRADE POLICY

Trade and the strategic dialogue on the future of EU agriculture

In the face of increasing farmer protests, in January 2024 the European Commission launched the [Strategic Dialogue on the Future of EU Agriculture](#), bringing together major stakeholders in the agri-food sector. These experts were tasked with providing a set of recommendations which will help the European Commission set its new Vision for Agriculture and Food.

In spite of the divergent interests represented in the consultation, the experts reached a consensus set out in a final report ([European Commission 2024f](#)). Its key recommendations in relation to agri-food trade are as follows.

- The EU should lead work towards a global trade policy framework for sustainable agri-food systems (common objectives, trade principles, standards, and metrics based on science).
- The EU must strike a balance between the need for higher sustainability standards and their global recognition, and retaining Europe's position as a competitive exporter and attractive destination for suppliers to export to. Impacts of trade on local small producers, the environment, and health must be part of the debate.
- Stronger alignment of imports with EU food and farming standards, taking into account sociocultural, economic, geographic, climatic, and regulatory contexts of trading partners.
- Greater coherence between trade and sustainability policies, ensuring a level playing field between the EU and non-EU producers. This should make use of scientific benchmarks for on-farm sustainability assessment evaluated according to harmonised methods that measure each sector/farm to compare sustainability objectives (e.g. biodiversity conservation, greenhouse gas emissions, animal welfare, water quality). This could be extended later to the whole agri-food system.
- Import requirements that are consistent with World Trade Organization (WTO) rules, using existing concepts recognised by the WTO (equivalence of non-EU countries' systems), or developing new approaches.
- Assistance to non-EU operators through robust technical assistance and capacity building programmes to help adapt practices to meet EU standards.
- Explore different types of trade agreements with non-EU countries that better reflect the strategic relevance of agricultural and food products.
- Improve impact assessments made prior to trade negotiations to understand impacts on farmers and consumers in the EU and in non-EU countries.
- More robust enforcement mechanisms in the sustainability chapters of trade negotiations to ensure trading partners are meeting requirements.
- Reform of the WTO: a fairer dispute settlement system, "upgrading of production standards", enforcement of intellectual property rights protection.

These ideas are recommendations for consideration by the Commission, which aims to deliver its new Vision within the first 100 days of its mandate.



Trade priorities of new European Commission

The European Commission's current 5-year mandate ends in autumn 2024. Ursula von der Leyen, elected President of the Commission for a second mandate, has published political guidelines setting out a vision and priorities ([von der Leyen 2024](#)). On trade, these priorities are:

- reform and strengthening of the WTO
- more ambitious enforcement of trade agreements
- use of all trade defence instruments where needed
- deepening engagement with the Indo-Pacific region, including a new Strategic EU–India Agenda, and strengthening cooperation with the Association of Southeast Asian Nations (ASEAN)
- new impetus in partnership with Africa, including working together on reform of international institutions and the impacts of climate change, demography, and migration
- deepening cooperation between the EU and Latin America and the Caribbean.

EU reintroduces quotas for Ukrainian eggs, groats, oats, honey, and sugar

In 2022, the EU granted Ukraine full trade liberalisation – zero duties and zero quota limitations – on all goods for a temporary period in response to Russia's aggression against Ukraine (Regulation [2022/870](#)). These trade preferences were extended in 2023 (Regulation [2023/1077](#)) and again until 5 June 2025 (Regulation [2024/1392](#)).

The trade liberalisation measures include a safeguard mechanism for eggs, poultry, sugar, oats, maize, groats, and honey. Due to increases in imports, over the past quarter the EU has reintroduced tariff quotas for eggs, sugar, groats, oats, and honey. This means that full most favoured nation (MFN) tariffs (rather than preferential tariffs) now apply, and EU quotas have been set for the first 5 months of 2025 (see [Ukrainian tariff rate quotas](#)).

EU publishes evaluation of EU–CARIFORUM EPA

In 2008, the EU signed an Economic Partnership Agreement (EPA) with CARIFORUM (comprising Antigua and Barbuda, the Bahamas, Barbados, Belize, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, St Kitts and Nevis, St Lucia, St Vincent and the Grenadines, Suriname, and Trinidad and Tobago).

A review of the EPA ([European Commission 2024g](#)) found that trade between EU and CARIFORUM States has more than doubled under the EPA, rising from €8.3 billion in 2008 to €17.7 billion in 2022. This is significantly higher than would have occurred without the EPA, which has established 100% trade liberalisation (zero duty and zero quotas on all products except arms). Exports of agricultural, fishery, and food products increased by 60% during that period, up to €990 million in 2022. Agricultural trade as a share of overall trade (4.3% in 2022) has dropped due to increases in exports of mineral fuels and oils.



The evaluation concludes that the EPA is a “comprehensive and relatively modern agreement, responding mostly to current economic challenges”. Nevertheless, implementation of the EPA has been challenging for certain CARIFORUM States. The region’s operators remain generally uncompetitive in global value chains. For smaller producers, the cost of complying with food and sanitary and phytosanitary (SPS) standards is an area where trade facilitation and technical support is particularly needed. Structural challenges such as transport infrastructure and slow progress in regional integration limit the attractiveness of the region for foreign investment. The report acknowledges that the EPA cannot address all these challenges, but can help in providing a stable framework for trade, improving the regulatory environment and supporting regional integration.

With certain States still struggling to implement the Agreement in its current form, there are not yet plans to extend the EPA.

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