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COMMISSION STAFF WORKING DOCUMENT

Individual information sheets on implementation of EU Trade Agreements

Accompanying the document

REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS

on the Implementation and Enforcement of EU Trade Policy

{COM(2025) 920 final}

Table of Contents

EU TRADE AGREEMENTS COVERED BY this Staff Working Document 6

EU TRADE AGREEMENTS COVERED BY this Staff Working Document 7

PART I: ASIA 9

ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE FREE TRADE AGREEMENT BETWEEN THE EU AND NEW ZEALAND 10

ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE FREE TRADE AGREEMENT BETWEEN THE EU AND VIET NAM 12

1. THE AGREEMENTS 12
2. MAIN IMPLEMENTATION ISSUES 12

ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE FREE TRADE AGREEMENT BETWEEN THE EU AND SINGAPORE 17

1. THE AGREEMENTS 17
2. MAIN IMPLEMENTATION ISSUES 18

ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE ECONOMIC PARTNERSHIP AGREEMENT BETWEEN THE EU AND JAPAN 21

1. THE AGREEMENT 21
2. MAIN IMPLEMENTATION ISSUES 21

ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE EU-SOUTH KOREA FREE TRADE AGREEMENT 24

1. THE AGREEMENT 24
2. MAIN IMPLEMENTATION ISSUES 24
3. ACTIVITIES SUBJECT TO SPECIFIC MONITORING 28

PART II: THE AMERICAS 30

ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE EU-CANADA COMPREHENSIVE ECONOMIC AND TRADE AGREEMENT (CETA) 31

1. THE AGREEMENT 31
2. MAIN IMPLEMENTATION ISSUES 31

ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE EU-COLOMBIA/ECUADOR/PERU TRADE AGREEMENT 37

1. THE AGREEMENT 37
3. ACTIVITIES SUBJECT TO SPECIFIC MONITORING 44

ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF PART IV OF THE ASSOCIATION AGREEMENT BETWEEN THE EU AND ITS MEMBER STATES AND CENTRAL AMERICA 46

1. THE AGREEMENT 46
2. MAIN IMPLEMENTATION ISSUES 47
3. ACTIVITIES SUBJECT TO SPECIFIC MONITORING 49

ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE TRADE PILLAR OF THE ASSOCIATION AGREEMENT BETWEEN THE EU AND CHILE 51

1. THE AGREEMENTS 51
2. MAIN IMPLEMENTATION ISSUES 52
ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE TRADE PILLAR OF THE EU-MEXICO Global AGREEMENT 55
1. THE AGREEMENT 55
2. MAIN IMPLEMENTATION ISSUES 55
PART III: EU NEIGHBORING COUNTRIES 59
ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE ECONOMIC PARTNERSHIP AGREEMENT BETWEEN THE EU AND ALGERIA 61
1. THE AGREEMENT 61
2. MAIN IMPLEMENTATION ISSUES 62
ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE ASSOCIATION AGREEMENT BETWEEN THE EU AND LEBANON 66
1. THE AGREEMENT 66
2. MAIN IMPLEMENTATION ISSUES 66
ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE ECONOMIC PARTNERSHIP AGREEMENT BETWEEN THE EU AND JORDAN 68
1. THE AGREEMENT 68
2. MAIN IMPLEMENTATION ISSUES 68
3. ACTIVITIES OF SPECIFIC INTEREST 69
ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE ECONOMIC PARTNERSHIP AGREEMENT BETWEEN THE EU AND MOROCCO 70
1. THE AGREEMENT 70
2. MAIN IMPLEMENTATION ISSUES 71
ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE ASSOCIATION AGREEMENT BETWEEN THE EU AND TUNISIA 74
1. THE AGREEMENT 74
2. MAIN IMPLEMENTATION ISSUES 75
ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE INTERIM ASSOCIATION AGREEMENT BETWEEN THE EU AND PALESTINE 76
1. THE AGREEMENT 76
2. MAIN IMPLEMENTATION ISSUES 77
ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE ECONOMIC PARTNERSHIP AGREEMENT BETWEEN THE EU AND ISRAEL 78
1. THE AGREEMENT 78
2. MAIN IMPLEMENTATION ISSUES 79
ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE DEEP AND COMPREHENSIVE FREE TRADE AREA BETWEEN THE EU AND UKRAINE 81
1. THE AGREEMENT 81
2. MAIN IMPLEMENTATION ISSUES 83

ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE DEEP AND COMPREHENSIVE FREE TRADE AREA BETWEEN THE EU AND GEORGIA 87
1. THE AGREEMENT 87
2. MAIN IMPLEMENTATION ISSUES 88
3. MONITORING IN SPECIFIC AREAS 90
ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE DEEP AND COMPREHENSIVE FREE TRADE AREA BETWEEN THE EU AND MOLDOVA 91
1. THE AGREEMENT 91
2. MAIN IMPLEMENTATION ISSUES 92
3. MONITORING IN SPECIFIC AREAS 94
ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE TRADE PILLAR OF THE EU-KOSOVO STABILISATION AND ASSOCIATION AGREEMENT 97
1. THE AGREEMENT 97
2. MAIN IMPLEMENTATION ISSUES 98
ANNUAL INFORMATION SHEET ON IMPLEMENTATION OF THE TRADE PILLAR OF THE EU-SERBIA STABILISATION AND ASSOCIATION AGREEMENT 99
1. THE AGREEMENT 99
2. MAIN IMPLEMENTATION ISSUES 100
ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE TRADE PILLAR OF THE EU-BOSNIA AND HERZEGOVINA STABILISATION AND ASSOCIATION AGREEMENT 101
1. THE AGREEMENT 101
2. MAIN IMPLEMENTATION ISSUES 102
ANNUAL INFORMATION SHEET ON IMPLEMENTATION OF the trade pillar of the EU-MONTENEGRO STABILISATION AND ASSOCIATION AGREEMENT 103
1. THE AGREEMENT 103
2. MAIN IMPLEMENTATION ISSUES 104
ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE TRADE PILLAR OF THE EU-ALBANIA STABILISATION AND ASSOCIATION AGREEMENT 105
1. THE AGREEMENT 105
2. MAIN IMPLEMENTATION ISSUES 106
ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE TRADE PILLAR OF THE STABILISATION AND ASSOCIATION AGREEMENT BETWEEN THE EU AND NORTH MACEDONIA 107
1. THE AGREEMENT 107
2. MAIN IMPLEMENTATION ISSUES 108
ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE EU-UNITED KINGDOM TRADE AND COOPERATION AGREEMENT 110
1. THE AGREEMENT 110

2. MAIN IMPLEMENTATION ISSUES 111
ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE EU-SWITZERLAND TRADE AGREEMENT 116
1. THE AGREEMENTS 116
2. MAIN IMPLEMENTATION ISSUES 118
ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE EU-NORWAY TRADE AGREEMENT 121
1. THE AGREEMENT 121
2. MAIN IMPLEMENTATION ISSUES 121
ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE EU-ICELAND TRADE AGREEMENT 123
1. THE AGREEMENT 123
2. MAIN IMPLEMENTATION ISSUES 124
ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE CUSTOMS UNION AND TRADE AGREEMENTS with TÜRKIYE 125
1. THE AGREEMENT 125
2. MAIN IMPLEMENTATION ISSUES 126
PART IV: AFRICAN, CARIBBEAN AND PACIFIC COUNTRIES 129
ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE ECONOMIC PARTNERSHIP AGREEMENT BETWEEN THE EU AND KENYA 130
ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE ECONOMIC PARTNERSHIP AGREEMENT (EPA) BETWEEN THE EU AND GHANA 132
1. THE AGREEMENT 132
2. MAIN IMPLEMENTATION ISSUES 133
ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE ECONOMIC PARTNERSHIP AGREEMENT (EPA) BETWEEN THE EU AND THE SOUTHERN AFRICAN DEVELOPMENT COMMUNITY (SADC) 137
1. THE AGREEMENT 137
2. MAIN IMPLEMENTATION ISSUES 139
ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE ECONOMIC PARTNERSHIP AGREEMENT (EPA) BETWEEN THE EU AND CôTE D'IVOIRE 143
1. THE AGREEMENT 143
2. MAIN IMPLEMENTATION ISSUES 144
ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE ECONOMIC PARTNERSHIP AGREEMENT (EPA) BETWEEN THE EU AND CAMEROON 147
1. THE AGREEMENT 147
2. MAIN IMPLEMENTATION ISSUES 148
ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE ECONOMIC PARTNERSHIP AGREEMENT (EPA) BETWEEN THE EU AND THE EASTERN AND SOUTHERN AFRICAN REGION (ESA) 151

1. THE AGREEMENT 151
2. MAIN IMPLEMENTATION ISSUES 151
ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE ECONOMIC PARTNERSHIP AGREEMENT (EPA) BETWEEN THE EU AND CARIFORUM 155
1. THE AGREEMENT 155
2. MAIN IMPLEMENTATION ISSUES 156
ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE ECONOMIC PARTNERSHIP AGREEMENT (EPA) BETWEEN THE EU AND PACIFIC STATES ... 160
1. THE AGREEMENT 160
2. MAIN IMPLEMENTATION ISSUES 160

This Staff Working Document (SWD) contains additional information (country sheets) on 41 individual EU trade agreements, complementing the Report on Implementation and Enforcement of EU trade policy[1] ("the report"). Its annex has a **list of new barriers to trade recorded and barriers resolved in 2024**.

For the following information please consult the website of the Commission /DG TRADE:

- Agendas and reports of meetings of the institutional bodies (FTA committees and working groups, dialogues) as well as information on agenda and reports of civil society forum meetings[2];

- General statistics (regularly updated) on trade in goods and services and on foreign direct investment for **all EU trading partner countries**[3];

The Commission/DG TRADE's Implementation & Enforcement webpage[4] has the following information, which is made available together with the annual report and staff working document:

- Statistics on trade in goods and services and on foreign direct investment **between the EU and preferential trading partner countries** (these are compiled for the annual report, based on Eurostat data for the EU27 as they stand in March 2025. *NB: The latest statistics for trade in goods are for 2024, for trade in services and investment for 2023, except where indicated otherwise);*

- **Tariff Rate Quotas (TRQs)** for the EU and preferential partner countries' fill rates in 2024;

- Preference utilisation rates (PURs) on EU imports for partner countries as well as PURs on EU exports to the preferential partners, who shared the information, together with an explanation of the sources and methodology. They are updated once a year, in the fall. *NB. Figures for preference use on EU imports and EU exports are based on different datasets from distinct sources. Preference utilisation rates on imports use Eurostat figures and are harmonised. Preference utilisation rates on EU exports use data submitted by EU trading partners' customs authorities, which apply different methods and practices: the data are therefore not harmonised and not comparable.*

[1] Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the Implementation and Enforcement of EU Trade Policy – COM(2025) 920; Circabc

[2] https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/transparency-eu-trade-negotiations_en

[3] https://ec.europa.eu/trade/policy/countries-and-regions/statistics/

[4] https://policy.trade.ec.europa.eu/enforcement-and-protection/implementing-and-enforcing-eu-trade-agreements_en

EU TRADE AGREEMENTS COVERED BY THIS STAFF WORKING DOCUMENT

(Agreement/date of application)[5]

PART I: ASIA	
EU-New Zealand Free Trade Agreement	1 May 2024
EU-Viet Nam Free Trade Agreement	1 August 2020
EU-Singapore Free Trade Agreement	21 November 2019
EU-Japan Economic Partnership Agreement	1 February 2019
EU-South Korea Free Trade Agreement	1 July 2011
PART II: THE AMERICAS	
EU-Canada Comprehensive Economic and Trade Agreement	21 September 2017
EU-Colombia-Peru-Ecuador Trade Agreement	1 November 2024: Agreement entered fully into force
EU-Central America Association Agreement	1 May 2024: Agreement entered fully into force
EU-Chile Association Agreement	1 February 2003 (1 February 2025 for the Interim Trade Agreement)
EU-Mexico Global Agreement	Applied for goods since 1 July 2000; applied for services since 1 March 2001.
PART III: EU NEIGHBOURING COUNTRIES	
Mediterranean and Middle East countries - Free Trade Areas	
EU-Algeria	1 September 2005
EU-Egypt	21 December 2003
EU-Lebanon	1 March 2003
EU-Jordan	1 May 2002
EU-Morocco	18 March 2000
EU-Tunisia	1 March 1998
EU-Palestine[6]	1 July 1997
EU-Israel	1 January 1996
Eastern countries – Deep and Comprehensive Free Trade Areas	
EU-Ukraine	1 January 2016 and entered into force on 1 September 2017.
EU-Georgia	1 September 2014 and entered into force on 1 July 2016.
EU-Moldova	1 September 2014 and entered into force on 1 July 2016.

[5] For sake of consistency this report uses the short names for EU trading partners as listed in the inter-institutional guide, available at https://publications.europa.eu/code/en/en-5000500.htm

[6] This designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of Member States on this issue.

EU TRADE AGREEMENTS COVERED BY THIS STAFF WORKING DOCUMENT
(Agreement /date of application)

Western Balkans – Stabilisation and Association Agreements	
EU-Kosovo* [7]	Full entry into force: 1 April 2016
EU-Serbia	Interim Agreement on trade for Serbia: 1 February 2009; for the EU: 8 December 2009. Full entry into force: 1 September 2013.
EU-Bosnia and Herzegovina	Interim Agreement on trade 1 July 2008, full entry into force: 1 June 2015.
EU-Montenegro	Interim Agreement on trade1 January 2008, full entry into force: 1 May 2010.
EU-Albania	Interim Agreement on trade 1 December 2006, full entry into force: 1 April 2009.
EU-North Macedonia	Interim Agreement on trade 1 June 2001, full entry into force: 1 April 2004.
Switzerland, Iceland, Norway, Türkiye	
EU-Switzerland Free Trade Agreement	1 January 1973
EU-Iceland Free Trade Agreement	1 April 1973
EU-Norway Free Trade Agreement	1 July 1973
EU- Turkey Customs Union	Association Agreement signed in 1963; Customs Union agreement signed 6 March 1995, full entry into force 31 December 1995.
The United Kingdom	
EU-United Kingdom Trade and Cooperation Agreement	1 January 2021
PART IV: AFRICA, CARIBBEAN AND PACIFIC – Economic Partnership Agreements	
EU-Kenya Economic Partnership Agreement	1 July 2024
EU-Ghana (interim)	15 December 2016
EU-Southern African Development Community (SADC)	10 October 2016 for Botswana, Eswatini, Lesotho, Namibia and South Africa; 4 February 2018 for Mozambique.
EU-Côte d'Ivoire (interim)	3 September 2016
EU-Central Africa (Cameroon)	4 August 2014 for Cameroon
EU-Eastern and Southern African States (interim)	14 May 2012 for Madagascar, Mauritius, Seychelles and Zimbabwe; for Comoros since 7 February 2019
EU-Pacific countries (interim)	20 December 2009 for Papua New Guinea; 28 July 2014 for Fiji, 31 December 2018 for Samoa and 17 May 2020 for Solomon Islands.
EU-CARIFORUM	29 December 2008 for Antigua & Barbuda; Belize; Bahamas; Barbados;

* This designation is without prejudice to positions on status and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

	Dominica; Dominican Republic; Grenada; Guyana; Jamaica; St. Kitts & Nevis; Saint Lucia; St. Vincent & the Grenadines; Suriname; and Trinidad & Tobago.

PART I: ASIA

ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE FREE TRADE AGREEMENT BETWEEN THE EU AND NEW ZEALAND

1. THE AGREEMENT

The negotiations for a free trade agreement between the EU and New Zealand (EU-NZ FTA or "the agreement") began in June 2018 and were completed in June 2022. The agreement **entered into force on 1 May 2024** and is the fifth bilateral agreement the EU concluded in the region, after the agreements with Korea, Japan, Singapore and Viet Nam.

New Zealand is an important like-minded partner in the Indo-Pacific region. Prior to the agreement, the EU and New Zealand have concluded a number of bilateral agreements: In July 2022 a **partnership agreement** entered into force, relating to economic cooperation. A **bilateral agreement for mutual recognition of certain technical certificates** first entered into force in 1998 and was revised in 2012. A **veterinary agreement** to simplify trade in live animals and animal products (while protecting public and animal health) is in place since 2003 and was updated in 2015.

New Zealand is a member of the Asia-Pacific Economic Cooperation (**APEC**), and part of the Comprehensive and Progressive Trans-Pacific Partnership (**CPTPP**), the Regional Comprehensive Economic Partnership (**RCEP**) and the Indo-Pacific Economic Framework for Prosperity (IPEF). New Zealand has been a member of **WTO** since 1995.

In July 2023, New Zealand became the first country outside of Europe to associate to **Horizon Europe** (Pillar 2)[8], which has led to deepened EU-New Zealand collaboration in research and innovation.

2. MAIN IMPLEMENTATION ISSUES

2.1 Market Access: Progress and outstanding issues

The first meeting of the **Trade Committee** will take place on 6 June 2025. Prior to the Trade Committee, a number of **specialised committees** will meet, including the sub-committees on Wine and Spirits, Sanitary and Phytosanitary measures, Sustainable Food Systems, Intellectual Property Rights (including Geographical Indications), Trade in Goods, Trade and Sustainable Development and the Joint Customs Cooperation Committee.

In accordance with the relevant provisions of the agreement, **Domestic Advisory Groups** were established on both sides, comprising of a balanced representation of independent civil society organisations including non-governmental organisations, business and employers' organisations as well as trade unions active on economic, sustainable development, social, human rights, environmental and other matters, and, in the case of New Zealand, representatives of the Māori Treaty partners.

During the first year of implementation, **tariff liberalisation** and the administration of **Tariff Rate Quotas** saw a smooth process, in line with the terms of the EU-NZ FTA. Exchanges on

[8] https://op.europa.eu/en/publication-detail/-/publication/af30723e-f4ce-11eb-aeb9-01aa75ed71a1

further advantages to business (e.g. paperless certification) are ongoing between the EU and New Zealand.

Progress on non-tariff market access issues was made in the following areas:

- **Intellectual Property Rights**: New Zealand has made progress in implementing its Intellectual Property commitments. In late 2024, the Resale Right for Visual Artists Act entered into force, guaranteeing artists a royalty fee for artwork sales in the secondary market. Steps have also been taken to recommence a reform of New Zealand's Copyright regime, which will include amendments necessary to implement the commitments under the EU-NZ FTA, namely an extension of the term of protection and the introduction of protection of Technological Protection Mechanisms. New Zealand has four years from entry into force to comply with these requirements.

- **Geographical Indications**: The entry into force of the agreement ensures the protection of the EU's full list of close to 2000 EU wines and spirits as well as 163 other food products, such as Feta, Parmigiano Reggiano, Lubecker Marzipan and Elia Kalamatas olives. This is a welcome development compared to the market situation prior to the agreement. Putting in place the appropriate legislation in New Zealand to respect the terms of the FTA in this regard is even more noticeable as New Zealand does not have a domestic regime to protect Geographical Indications other than wines and spirits.

- **Investment:** In accordance with the EU-NZ FTA, New Zealand has increased the screening threshold for investments by EU companies under its Overseas Investment Act. New Zealand's foreign investment regime is one of the most restrictive in the OECD (38th of 38 as of 2020). An overhaul of that regime has been announced for 2025 as part of initiatives to boost the economy and make it easier for foreign companies, including EU companies, to invest in the country.

In addition, New Zealand is in the process of revising its policies and the relevant legislation governing **construction materials**. As part of this process, a number of recommendations were gathered to reduce regulatory barriers for business, including input from the EU. New Zealand is planning to introduce a number of key regulatory changes that would make it easier for foreign building products to access the New Zealand market.

2.2. Trade and sustainable development: Progress and outstanding issues

The first meeting of the TSD specialised committee was held on 6 May 2025. The main topics for discussion covered updates on the domestic and international policy developments related to trade and environment, trade and climate change, trade and labour, and trade and gender.

ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE FREE TRADE AGREEMENT BETWEEN THE EU AND VIET NAM

1. THE AGREEMENTS

The economic partnership between the EU and Viet Nam comprises two distinct agreements, namely a **free trade agreement** and an **investment protection agreement**. Negotiations began in 2012 and were finalized in December 2015 on a single text covering both agreements. In 2018, the EU and Viet Nam decided to split the initial single agreement into a trade agreement and an investment protection agreement, respectively.

The **EU-Viet Nam Free Trade Agreement** (EVFTA) was signed on 30 June 2019 and entered into force on 1 August 2020. It sets out the rules accompanying trade liberalization between the EU and Viet Nam. The Agreement establishes a free trade area between the Union and Viet Nam. Its objectives are to liberalize and facilitate trade and investment between the Parties under the Agreement, in a manner mindful of high levels of environmental and labour protection and relevant internationally recognised standards and agreements.

The **EU-Viet Nam Investment Protection Agreement** was signed on 30 June 2019. The agreement, already ratified by Viet Nam and by the European Parliament, will enter into force once ratified by all 27 EU Member States. The EU-Viet Nam Investment Agreement sets out rules that give EU investors and their investments in Viet Nam a high level of protection, while safeguarding EU governments' rights to pass new laws and update existing ones. It will replace and upgrade bilateral investment treaties that several Member States currently have in place with Viet Nam.

Viet Nam is an important regional economic actor and is part of a number of bilateral and major regional trade agreements, including **the Comprehensive and Progressive Agreement for Trans-Pacific Partnership** (CPTPP) and the **Regional Comprehensive Economic Partnership** (RCEP).

2. MAIN IMPLEMENTATION ISSUES

2.1 Market Access: Progress and outstanding issues

Since 1 August 2020, the EU and Viet Nam have regularly convened the specialised committees and working groups established by the EVFTA and held several meetings on specific issues of interest.

The **third Trade Committee** took place on 19 December 2023. Due to changes in leadership on both sides, the Trade Committee did not convene in 2024. The fourth Trade Committee meeting will be held on 26 June 2025.

In 2024, **progress on market access issues** was made in the following areas in particular:

- **Remanufactured goods:** Viet Nam acknowledged that, in line with its commitments under the EVFTA, remanufactured goods would receive the same treatment as new like goods. At the meeting of the Trade in Goods Committee on 19 July 2024, Viet Nam stated that Decree 66/2024/ND-CP, which implements this commitment, took effect on 17 June 2024. The Commission has assessed the decree and considers that it fulfils Viet Nam's obligations.

- **Pharmaceutical products:** On 21 November 2024, the Vietnamese National Assembly adopted the updated *Law on Pharmacy*, establishing the legal basis for maintaining marketing authorisations for EU pharmaceutical products beyond 31 December 2024. The law and its implementing regulation introduced a simplified, non-suspensive renewal application procedure, ensuring no gap between the expiry of a marketing authorisation and its renewal. Since the entry into force of this circular, neither the EU pharmaceutical sector nor Member States have reported disruptions to the validity of existing marketing authorisations.

- **Automotive sector:** Viet Nam's Decree No. 60/2023/ND-CP, issued on August 16, 2023, established revised rules for the inspection and certification of technical safety and environmental protection for imported automobiles by recognising International Whole Vehicle Type Approval (UNECE R0) certificates and EU Certificates of Conformity (EC CoCs), which are available for whole vehicles. Decree 60/2023/ND-CP took effect on 1 October 2023 for the components covered and will be applicable to complete automobiles starting 1 August 2025.

- **Intellectual Property Rights (IPR):** Following the adoption in 2022 of amendments to the Intellectual Property Law, Viet Nam has issued a certain number of Governmental Decrees and Ministerial Circulars in 2023 and 2024 guiding the implementation of the amended Intellectual Property Law, which provides a basis for Viet Nam's compliance with a number of standards, international treaties or agreements, including the IP Chapter of the EU-Vietnam FTA. Based on these developments, stakeholders have reported improvements, in particular concerning online enforcement and the site blocking process and developing border measures aimed at protecting IPR.

Work continued with Viet Nam on the following market access issues:

- **Pharmaceutical products:** In this sector, Viet Nam needs to take further steps to enable the EU industry to fully benefit from the EVFTA. Complex and time-consuming requirements for the marketing authorisation of new pharmaceutical products, along with delays in their inclusion in the National Reimbursement Drug List - which allows patients to access medicines through the public health insurance scheme - remain significant challenges. The EU continued to work with Viet Nam to speed up the marketing authorisation of new pharmaceutical products.

- **EU Member States' general applications for exports of animal and plant products:** Work continued in 2024 to reduce the important backlog, although procedures remain lengthy, and the high number of unprocessed applications persists. The EU has been calling on Viet Nam to streamline approval processes, including grouping Member State applications by product type to expedite reviews, and commit to a clear timeline for addressing the backlog of pending applications and revising excessive testing protocols. For that purpose, in September 2024, Viet Nam and the EU established a "task force group" to which Member States are associated. Furthermore, Viet Nam's refusal to treat the EU as a single entity for market access and regionalisation purposes results in redundant information requests, excessive delays in market access approvals, and unnecessary audits, affecting EU exports. To align with its EVFTA commitments, Viet Nam should recognise the EU as a single entity.

- **Pre-listing of EU establishments exporting animal products to Viet Nam:** under the pre-listing mechanism, Viet Nam has approved several establishments to export animal products to its market. However, since April 2024, the approval process has faced significant delays, up to a year instead of the 45 days agreed under the EVFTA. In addition, Viet Nam has introduced new requirements not only for newly notified establishments but also for those already approved, without prior communication or coordination with the EU. This has led to unprecedented delays and uncertainty, as exports are reportedly being blocked despite approved market access.

- **Automotive sector**: In 2024, discussions have continued with the aim to achieve Viet Nam's full implementation of the **car annex** to the EVFTA without additional requirements for components that comply with UNECE standards.

- **Geographical indications:** In 2024, the EU also continued pursuing the aim of reviewing the list of geographical indications according to the provisions of the EVFTA, following the openness shown at political level by Viet Nam in late 2023. In 2024, a follow-up took place in technical meetings on 12 February, 19 March and in the IPR Working Group on 10-11 July. However, in the absence of a political mandate from Viet Nam to engage effectively in the review of the GI lists, it has not yet been possible to advance this process.

- **Discriminatory taxes:** The EU continued to monitor and raise concerns about Viet Nam's discriminatory taxes affecting EU exports, particularly in the automotive and alcoholic beverages sectors. On the latter, tax levels have remained high in the past years, disproportionately affecting imported beverages, and are deemed to be further increased thereby providing further incentives for illicit production and trade.

Areas where concerns regarding market access issues remain:

The EU acknowledges the ongoing efforts done by Viet Nam to address such issues and is investing in technical assistance activities, in the framework of IP Key South-East Asia,

focussed on the implementation of the IP Chapter of the EVFTA. In addition, significant concerns remain, including the **need for copyright registration** to ensure protection, limitations in ISP liability[9] for copyright infringement, **lengthy trademark registration processes**, bad-faith trademark filings affecting both trademarks and GIs, prolonged opposition proceedings that hinder effective GI protection, and the lack of ex-officio rejection for marks containing or consisting of a protected GI. However, in regard to **IPR**, although stakeholders have reported improvements in online enforcement and border measures (see also above), with an increase in border seizures, **enforcement**, both as regards online and physical marketplaces, **remains inadequate** and of the highest concern.

2.2 Trade and sustainable development: Progress and outstanding issues

At the TSD Committee of November 2024, the EU and Viet Nam adopted a **Joint Declaration** dedicated to the enhancement of the functioning of the TSD chapter of the FTA.

Labour issues

Viet Nam has ratified 25 **ILO Conventions,** including **nine out of the ten fundamental Conventions**. Viet Nam adopted a new Trade Union law in December 2024. At the same time, Viet Nam has so far failed to meet its promise given to the European Parliament in the context of the EVFTA ratification - to ratify the last fundamental ILO convention, i.e. ***Convention Nr. 87 on the Freedom of Association and Protection of the Right to Organise***. The EU continues to insist that Viet Nam must take concrete steps towards ratification and effective implementation of ILO Convention Nr. 87.

Ratification of ILO Convention Nr. C87 and Viet Nam's labour-related obligations in the EVFTA and commitments made in this regard – including to implement and promote these rights in practice – remain a top priority for the EU under the TSD chapter and this also in view of a **formal complaint** in relation to **labour rights in Viet Nam** received by the **Single Entry Point** in April 2024 and another one received in February 2025.

At the fourth Trade and Sustainable Development (**TSD) Committee** in November 2024, Viet Nam reiterated its commitment to work towards the ratification of the ILO Convention Nr. C87 and to approve a **Decree to allow the setting-up of independent trade unions**, i.e., not associated with the authorities. Viet Nam is developing a plan for the implementation of the recommendations it accepted during the 2024 Universal Periodic Review (UNCHR), among them the ratification of ILO Convention Nr. C87. Nevertheless, Viet Nam has not so far provided any further information to the EU as regards the steps already undertaken or envisaged to be undertaken as regards the ratification of ILO Convention Nr. C87, nor an envisaged target date by which ratification should be completed. At the same time, important delays are expected on the Decree's adoption due to the complexity to reach a consensus among stakeholders in Viet Nam, in particular with business representatives and Trade Unions' representatives.

[9] ISP liability is the legal responsibility of Internet Service Providers (ISPs) for the actions of their users regarding copyright infringement and other intellectual property (IP) rights.

Based on relevant reports from the ILO supervisory committees and other sources, the EU continues to closely monitor developments in Viet Nam regarding the **freedom of expression and assembly** that are integral parts of freedom of association.

Furthermore, the Commission continues raising with Viet Nam the issue of **child labour** and Viet Nam's commitment to eliminate it by 2025 in accordance with Sustainable Development Goal 8.7. The recent National Action Programme aims at a child labour rate of still more than 4 percent by 2030 after 5.4 percent in 2018. Viet Nam's National Programme of Action is now approved at national level and work is focusing on implementation at the regional level. Further decisions on tackling child labour are expected to be taken based on the outcome of the 3rd survey on child labour, which is planned for 2025.

Additional concerns relate to Viet Nam's capacity to carry out **labour inspections**, in particular regarding the number and quality of inspections and lack of training, as was also noted in the 2021 report of the ILO supervisory mechanism (Committee of Experts on the Application of Conventions and Recommendations) on ILO Convention 81.

Environment

In 2023 Viet Nam expressed its willingness to reinforce bilateral cooperation with the EU on **climate and environmental policies** as well as at international level (UNEA-6[10], CBD COP 16[11] and the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). For example, Viet Nam is engaging in the **circular economy model** as pursued by the EU, including the policies and technologies leading to a less wasteful and more efficient economy.

Cooperation with civil society

Viet Nam established a **Domestic Advisory Group** (DAG) in the autumn of 2021 and, following the second TSD committee meeting in October 2022, increased membership from three to six and one extra member joined in 2022. On the institutional side, Viet Nam and the EU at the 4th TSD Committee meeting in November 2024 agreed on a joint declaration[12] which streamlines the functioning of the TSD chapter and in particular the role of the Domestic Advisory Groups in monitoring the implementation of the TSD chapter.

[10] The sixth session of the United Nations Environment Assembly (UNEA-6) took place from 26 February to 1 March 2024 at the United Nations Environment Programme (UNEP) headquarters in Nairobi, Kenya.
[11] The 16th Conference of the Parties (COP 16) to the Convention on Biological Diversity (CBD) took place in Cali, Colombia, focusing on advancing global biodiversity conservation efforts and operationalizing key frameworks.
[12] https://circabc.europa.eu/ui/group/09242a36-a438-40fd-a7af-fe32e36cbd0e/library/9b6be3b3-a421-4638-b020-47656b237b02/details

ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE FREE TRADE AGREEMENT BETWEEN THE EU AND SINGAPORE

1. THE AGREEMENTS

The economic partnership between the EU and Singapore is made up of two distinct agreements, namely a **free trade agreement** (EUSFTA) and an **investment protection agreement**.[13] These are the first agreements on trade and investment the EU ever concluded with an ASEAN Member State. Negotiations began in 2009, with negotiations for the trade agreement and the investment protection agreement being completed in 2012 and 2017, respectively. The trade agreement entered into force on 21 November 2019, and the investment agreement will enter into force once ratified by all EU Member States.

Singapore is the **EU's largest trade and investment partner in Southeast Asia**, ranking as the EU's 5th largest trade partner for services globally (EUR 80.6 billion) and 5th largest FDI destination (EUR 263 billion) in 2023. Singapore is the largest ASEAN destination for EU exports of goods, amounting to EUR 30.3 billion in 2024.

Singapore is an important regional economic actor and is part of a number of major regional trade agreements, including the **Comprehensive and Progressive Agreement for Trans-Pacific Partnership** (CPTPP), the ASEAN Free Trade Area (AFTA) and the **Regional Comprehensive Economic Partnership** (RCEP). Singapore's membership of ASEAN also gives it notable political as well as economic influence in the Southeast Asia region.

Following the conclusion of negotiations on 25 July 2024, Commissioner for Trade and Economic Security Maroš Šefčovič and Singapore Minister-in-charge of Trade Relations Grace Fu on 7 May 2025 signed and the **Digital Trade Agreement between the EU and Singapore**. It will enter into force once the ratification process on both sides is completed and complement the 2019 EUSFTA, connecting both economies further and benefiting businesses and consumers that want to engage in digital trade.

[13] The decision to "split" the agreement into a free trade agreement and an investment protection agreement was made following the Opinion 2/15 of the European Court of Justice on the allocation of competences between the European Union and the Member States.

2. MAIN IMPLEMENTATION ISSUES

The second meeting of the Trade Committee took place 25 July 2024, chaired by the time European Commission Executive Vice-President and Commissioner for Trade, Valdis Dombrovskis, and Singapore Minister-in-charge of Trade relations, Grace Fu. Co-chairs took note of the smooth implementation and effective functioning of the EUSFTA and discussed ways to strengthen collaboration in forward-looking trade areas, including the green economy. They exchanged views on regional and global economic developments, including at the WTO, and agreed to continue working together on shared trade priorities to strengthen trade and investment links.

2.1 Market Access: Progress and outstanding issues

Singapore had eliminated all remaining customs duties for goods originating in the EU upon entry into force of the agreement. On 21 November 2024, the EU completed its tariff elimination schedule under the EUSFTA for goods originating in Singapore and imported into the EU.

Progress was made in 2024 on **Sanitary and Phytosanitary Measures (SPS)**:

- In April 2024, **Poland** gained market access to Singapore for the **export of beef and beef products** under pre-listing conditions, as an outcome of a virtual inspection conducted in July 2023. Poland was already approved for exports to Singapore for eggs, pork and poultry products with regionalisation arrangements in place for African Swine Fever (ASF) and Highly Pathogenic Avian Influenza (HPAI).

- Following an inspection visit in May 2024, **Portugal** obtained **country-wide approval for exports of pork and pork products** to Singapore under pre-listing conditions, becoming the 15th EU MS to obtain approval for exports of meat and meat products to Singapore.

- In August 2024, Singapore amended its veterinary import conditions for all third countries allowing the **use of vaccination against HPAI** for imports of live domestic birds (including day-old chicks, domestic birds), poultry and poultry products, and hatching eggs.

The fifth EU-Singapore **SPS Committee meeting** was held on 11 April 2025 in Brussels. The **study visits to Lithuania and Greece of Singaporean competent authorities on regionalisation measures for animal diseases** took place from 2 to 10 April back-to-back with the **SPS Committee**. A joint public report with follow-up actions has been published[14]. During the meeting, both sides discussed a wide range of issues, including **import requirements** (born and raised clause; export of meat and fishery products to the EU through Singapore from third

[14] https://circabc.europa.eu/ui/group/09242a36-a438-40fd-a7af-fe32e36cbd0e/library/b2b8b878-db49-42cf-9c6a-8cd31f19c620?p=1&n=10&sort=modified_DESC

countries, or from the EU through Singapore to third countries; revision of import requirements for chilled pork; revision of the import fee applied to frozen, chilled and processed meat products imported into Singapore); **verifications** (audits performed or planned in EU Member States and in Singapore); **trade facilitation (**state of play of EU Member State applications to export animal products for human consumption and animal by-products to Singapore, approved control plan for aquaculture crustaceans, revised procedures for additional processed meat and egg products from overseas establishments); **measures linked to animal and plant health** (regionalisation, update and exchange on vaccination as a complementary tool for prevention and control of HPAI); **animal welfare,** as well as cooperation activities and the EU's Vision for Agriculture and Food and update on novel food developments at Codex.

In addition, on 30 April 2025 Singapore announced the **resumption of beef and pork imports** from the containment zones in the EU as well as from the entire territory of Germany with immediate effect following the reinstatement of the status 'free from foot-and-mouth disease without vaccination'.

2.2 Trade and sustainable development: Progress and outstanding issues

On Trade and Sustainable Development (TSD), the EU and Singapore agreed to hold the **third TSD Board meeting and Public Stakeholders Forum** on 15-16 April 2025 in Singapore. During the TSD Board meeting, the EU and Singapore discussed updates and developments on environmental, climate and labour issues, including in relation to Singapore's efforts towards ratification of the three pending fundamental ILO conventions (see further below). Following the meeting, a Joint Statement was published[15].

- On **labour,** despite some progress to make legislative changes, Singapore has *not* ratified three **fundamental ILO conventions**, namely C87 on Freedom of Association and Protection of the Right to Organise, C111 on Discrimination (Employment and Occupation) and C105 on Abolition of Forced Labour. On 8 January 2025, Singapore Parliament passed a **new Workplace Fairness Bill** to entrench anti-discrimination in the workplace, as part of its efforts towards the ratification of ILO Convention C111. Continued and sustained efforts towards the ratification and effective implementation of all ILO fundamental Conventions remain a priority for the EU.

- On the **environment**, the EU and Singapore share a commitment to the full and timely implementation of their respective commitments under the Paris Agreement and continue to review key domestic policies to achieve **net zero emissions by 2050** and support sustainable economic growth.

[15] https://circabc.europa.eu/ui/group/09242a36-a438-40fd-a7af-fe32e36cbd0e/library/07f4f4c5-ee92-4ce2-b472-9afd80b72788?p=1&n=10&sort=modified_DESC

In the margins of the TSD Board meeting and the Public Stakeholders Forum, a meeting between the EU and Singapore Domestic Advisory Groups took place, during which they discussed issues of mutual interest.

ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE ECONOMIC PARTNERSHIP AGREEMENT BETWEEN THE EU AND JAPAN

1. THE AGREEMENT

The **EU-Japan Economic Partnership Agreement** ("the EU-Japan EPA"; hereinafter "the Agreement") entered into force on 1 February 2019. It is one of the most ambitious trade agreements concluded by the EU so far, providing for broad-based trade liberalisation coupled with rules and disciplines on aspects such as labour rights, environmental protection, antitrust, corporate governance and the commercial activities of state-owned enterprises, among other topics. The agreement thus provides a sound basis for the development of economic relations between the Parties.

The agreement is particularly important for the EU **agri-food sector**, offering huge potential for increasing EU exports of many products, such as wine, pork, beef, cheeses and processed agricultural products.

Between 2018 and 2024, EU exports of goods to Japan have grown by 16%, with a cumulative annual growth of 2.46%. In 2024, EU exports of goods to Japan increased by 4.5%, when compared to 2023, and the trade balance was positive for the EU (EUR 3.4 billion). Bilateral trade in services increased of 34.6 % between 2018 and 2023 and, in 2023, there was an increase of 3.3%, when compared to 2022.

An ex-post evaluation of the EU-Japan EPA is under preparation, with the help of an external contractor, in order to assess its economic, social, human rights and environmental impact five years after its entry into force. The evaluation will also look at areas where further efforts are needed to ensure a full and efficient implementation of the Agreement and will examine its role in the broader context of the EU-Japan relations.

2. MAIN IMPLEMENTATION ISSUES

2.1 Market Access: Progress and outstanding issues

Progress was made in 2024 inter alia on the following issues:

- **Offshore wind**: In 2024, there were positive results for EU industry participating in auctions for offshore wind projects in Japan and several EU companies successfully participated in public tenders. Moreover, Japan is about to revise its regulation on access to foreign vessels in 2025, which could contribute to removing a major constraint to accessing offshore wind projects in Japan.

- **Geographical Indications**: The EU and Japan agreed to further extend the list of Geographical Indications (GIs) annexed to the EPA. The aim is to add 27 GIs on each side by the end of 2025.

Work continued on the following market access issues:

- In the area of **SPS**, the work towards the finalisation of the Mutual recognition of regionalisation for Highly Pathogenic Avian Influenza (HPAI) continued between the EU and Japan.

- Japan's overly complicated and lengthy market access **approval procedures for certain EU agri-food products** (especially for fruits and vegetables) continue to hamper EU exports. To address this issue, the EU continued its engagement with Japan towards a simplification of the lengthy and duplicative assessments conducted for each EU Member State individually. In coordination with the interested EU Member States, the EU worked with Japan on a pilot project grouping apple market access applications from these EU Member States.

- The Commission continues to monitor the **fill rate and management of TRQs** under the EPA.

The following **outstanding issues** remain:

- The current Japanese regulations covering the access to foreign flagged vessels (**cabotage**) remain an issue, since they exacerbate the worldwide scarcity of vessels available for the construction of offshore wind projects. This has been a persistent issue for EU industry.

- In the area of **public procurement**, Japan failed to ensure the automatic and immediate publication of all tenders falling under the EU-Japan EPA or the WTO GPA on the single point of access (i.e. JETRO) – progress on government procurement thus remains limited.

2.2 Trade and sustainable development: Progress and outstanding issues

The **Joint Dialogue with Civil Society** was held on 11 April 2024 in Japan, ahead of the **TSD Committee**, as requested by the **EU Domestic Advisory Group**, so it could inform the latter. The next Joint Dialogue is scheduled for 23 June 2025.

Topics discussed included trade and environment, namely circular economy and efforts to regulate green claims (greenwashing) as well as labour, where exchange focussed on the latest developments in the ratification of core ILO conventions by Japan, as well as the EU forced labour regulation and the issue of responsible business conduct/due diligence. A dedicated workshop on Human Rights and environmental due diligence took place on 12 April 2024, bringing together experts from the OECD and civil society on both sides. In addition, the *joint statement* of the European Business Council in Japan (EBC) and the Japan Business Council in Europe (JBCE) on Sustainable and Responsible Supply Chains was presented and discussed.

The **Committee on Trade and Sustainable Development** met on 28 June 2024[16]:

- On the **environment**, exchanges took place to inform about and **promote the EU Green Deal legislation**, namely the waste shipment regulation, the packaging and packaging waste regulation and the regulation on recycled plastics materials to come into contact with food. It further helped to take note of progress under the **Green Alliance** with ongoing and foreseen cooperation among others on carbon pricing, offshore wind power and Carbon Capture Utilization and Storage.

- On **labour**, following the entry into force of the fundamental labour convention C105 (on forced labour) in 2022, for convention C111 (on non-discrimination) on-going analytical work to allow for ratification was mentioned by the Japanese side. The EU side updated on the Forced Labour Regulation and recent ratification of fundamental conventions C155 and C187 (on occupational health and safety) by Member States.

[16] Agenda of the meeting: https://circabc.europa.eu/ui/group/09242a36-a438-40fd-a7af-fe32e36cbd0e/library/33d9814e-dd33-4beb-980d-a2abca848933/details

ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE EU-SOUTH KOREA FREE TRADE AGREEMENT

1. THE AGREEMENT

The Free Trade Agreement between the EU and its Member States and the Republic of South Korea (hereinafter "the EU-South Korea FTA") has been provisionally applied since July 2011. On 13 December 2015 it entered formally into force after ratification by the EU Member States. The Additional Protocol to the FTA to take into account the accession of Croatia to the EU has been provisionally applied since 26 May 2014 and formally entered into force on 1 January 2016.

The EU-South Korea FTA is the first of a new generation of comprehensive trade agreements that -apart from market opening commitments- also offer a basis for regulatory co-operation in key sectors, as well as a substantial chapter on sustainable development with binding provisions upholding and promoting social and environmental standards.

A newly created **Specialised Committee on Emerging Trade and Economic Issues** will meet annually and allow to facilitate exchange and deepen mutual understanding of emerging trade and economic issues with a view to enable cooperation in building resilient, transparent, and sustainable supply chains as well as in other specific topics with an economic security relevance, including cybersecurity and overcapacity. It shall be chaired by a Deputy Trade Minister of the Ministry of Trade, Industry and Energy for South Korea and by equivalent level in the Commission's Directorate General for Trade and Economic Security on the EU side.

On 10 March 2025, negotiations between the EU and South Korea were politically concluded on a **Digital Trade Agreement**, building on the EU-South Korea Digital Trade Principles agreed in 2022. In a meeting between EU Commissioner Šefčovič and South Korea's Trade Minister Cheong the two sides agreed on a set of ambitious, modern digital trade rules, building on and complementing the existing preferential trade framework.

2. MAIN IMPLEMENTATION ISSUES

The 13-year old EU-South Korea FTA remains a solid foundation for the bilateral trade relationship, supporting a robust increase in bilateral trade. Against this background both sides continued working constructively on the implementation of the agreement with a number of FTA working groups and committees that took place in the first quarter of 2024.

2.1 Market Access: Progress and outstanding issues

The 12th **EU- South Korea Joint Trade Committee** took place on 10 March 2025.[17] The meeting was co-chaired by Commissioner for Trade and Economic Security, Maroš Šefčovič, and the Korean Trade Minister Inkyo Cheong. The two main deliverables of the TC were the **political conclusion of the** above mentioned **Digital Partnership Agreement** negotiations and the establishment of **a new FTA Specialised Committee on Emerging Trade and Economic Issues**. [18]

In 2024, **progress** was made in implementing the EU–South Korea FTA in a number of areas during the reporting period, notably on **SPS**:

- In May and June 2024, acknowledging the high level of safety ensured by the EU's harmonised food safety control measures South Korea officially opened its market to beef from Ireland and France, respectively, and exports have resumed. This follows the vote In December 2023 of the South Korean National Assembly in favour of market access applications for **exports of beef**[19] from Ireland and France and the opening of the Korean market to EU beef from Denmark and the Netherlands in 2019.

- Further to the signature of the Administrative Arrangement between the EU and South Korea on "**cooperation on electronic SPS certification and on SPS certificates for exports from the EU**" (September 2023), negotiations were concluded in December 2024 on the format of three new **EU-harmonised export certificates for sterilised meat products, dairy products and egg products**. EU Member States can use these new EU export certificates as of 1st February 2025.

Apart from SPS, progress was also made in the **offshore wind energy** sector:

- A new legislative proposal passed the National Assembly in March 2025. It will **address the main regulatory challenges for wind deployment** in South Korea, which the EU has been flagging for several years. Meanwhile the EU continues to closely follow developments in the sector, advocating for predictability and transparency of both permission process and auction rounds.

The **EU continued its engagement with South Korea** in the following areas:

- ***Postal and courier services***: Negotiations with South Korea are still ongoing with a view to setting out the principles of the regulatory framework applicable to postal and courier services, as envisaged by Article 7.26 of the EU-South Korea FTA. This will

[17] Joint minutes of the 11th EU-South Korea Trade Committee are available here: relations-negotiations-and-agreements - Library (europa.eu)

[19] Beef exports from the EU have been banned for more than two decades on the grounds of outbreaks of Bovine Spongiforme Encephalopathy (BSE), with Denmark and the Netherlands having had their exports authorised again in 2019.

allow EU suppliers to benefit from legal certainty and transparency and operate in a fair postal and courier market.

- ***Electronics annex***: The EU is considering various options as to how the Electronics Annex to the EU-South Korea FTA can be modified in order to have electronic products and appliances, that are no longer covered by the scope of the Annex due to technological developments, benefit from streamlined conformity assessment procedures.

- ***Technical barriers to trade***: Following the Trade in Goods Committee in June 2024, where the issue regarding conformity testing of infant clothing was discussed, the EU contacted the relevant director in the Ministry of Trade, Industry & Energy (MOTIE) by letter in order to detail the difficulties faced by EU industry in trying to authorise conformity assessment bodies (CABs) outside South Korea to carry out the necessary conformity testing of infant clothing. These discussions are ongoing. Authorising CABs outside South Korea could reduce the costs and the environmental footprint of trade in infant clothing.

- ***Automotive Annex:*** The EU and South Korea have agreed to update the Automotive Annex to the EU-South Korea FTA and are engaged in technical discussions based on a proposal submitted by the EU. The update of the annex is important to reflect the developments in the sector and to give legal certainty to the industry.

- ***Repaired goods:*** There is no provision in the EU-South Korea FTA exempting repaired goods from customs duties on re-entry to South Korea after repair in the EU. Nonetheless, duty exemptions have been effective for repaired aircraft parts for several years and are re-confirmed until the end of the year. In 2026, unless South Korea's National Assembly further renews the existing duty exemption, aircraft parts repaired in the EU would be subject to customs duties when re-entering South Korea. Against his background, in the interest of both parties, the EU continues to seek a longer-term solution to this matter.

In 2024, the following **outstanding issues** remained:

- ***SPS***: South Korea still does not provide market access for EU beef from all interested EU Member States, despite positive developments for two Member States (Ireland and France) in 2024 (see above). Since South Korea closed its market to EU beef imports in the early 2000s on the grounds of BSE outbreaks, only Denmark, the Netherlands, Ireland and France have been able to resume exports. Eight Member States (joined by a ninth one end of 2024) have been waiting for years for the finalisation of the respective approval process.

- ***Regionalisation:*** Regarding South Korea's recognition of the **EU's regionalisation measures to control outbreaks of African swine fever** and the highly pathogenic

avian influenza, the EU continues to closely monitor implementation on the ground. Exports have resumed from some EU Member States (notably pork from Germany) but further pork/poultry export establishments from various EU Member States are still to be approved by South Korea. In this context the EU has been advocating for a **'prelisting' procedure** that would significantly facilitate the resumption of exports and do away with a burdensome process that requires inspections and replies to extensive questionnaires on the part of each applicant EU establishment.

2.2 Trade and sustainable development: Progress and outstanding issues

The 10th **TSD Committee** met on 11 and 12 September 2024.[20]

On the implementation of the **Panel of Experts' report** of January 2021[21]:

- **South Korea reported** on its efforts towards the ratification of the ***ILO Convention on Abolition of Forced Labour*** (ILO C105). South Korea stated that the punishments associated to a number of crimes set out in domestic law, particularly the National Security Act, needed to be overhauled, which requires a comprehensive review on the Punishment System and national consensus. South Korea also stated that there is no forced labour in workplaces within the country. The EU continues to follow the ratification process closely.

- The EU **continued its engagement** with South Korea on **freedom of association**, monitoring the implementation of the amendments in the Trade Union and Labour Relations Adjustment Act (TULRAA) required to conform with the Panel report. The matter was raised again at the TSD Committee in 2024. Similarly to the year before, discussions mainly revolved around the possibility for dismissed and unemployed workers to join trade unions, the eligibility of trade union officials, the access of self-employed workers to trade unions and the certification procedure for trade unions in South Korea. The country considers that it has fully implemented the recommendations of the Panel Experts by revising the TULRAA, while the EU pointed out that even the ILO Committee of Experts on the Applications of Conventions and Recommendations (CEACR) requested South Korea to take the necessary measures to review the legislation in line with the ILO Conventions. The Parties agreed to continue discussions at any future occasion.

- As regards the ***functioning of the TSD chapter***, on 14 May 2024 the EU and South Korea agreed on a text laying down the measures to strengthen the TSD chapter in line with the Commission's **TSD Review Communication**.[22]

[20] Joint minutes are available here: relations-negotiations-and-agreements - Library (europa.eu)
[21] This report as well as other relevant documents are available on the Commission's webpage at https://ec.europa.eu/trade/policy/accessing-markets/dispute-settlement/bilateral-disputes/.
[22] "The power of trade partnerships: together for green and just economic growth" adopted on 22 June 2022; EUR-Lex - 52022DC0409 - EN - EUR-Lex

- The ratification of the last pending ***fundamental ILO Convention on the Abolition of Forced Labour*** (ILO C105) by South Korea is still **outstanding**. This was raised again during the Trade Committee meeting on 10 March 2025, where the South Korean Trade Minister confirmed the country's commitment to continue efforts towards ratification.

- Regarding the EU-Korea **Civil Society Forum** and the **Domestic Advisory Groups**, the 10th meeting of the EU-Korea Civil Society Forum took place in parallel to the meeting of the 10th TSD Committee on 11-12 September 2024 in Seoul. The Civil Society Forum discussed questions related to labour and environmental sustainability was preceded by a workshop that discussed Artificial Intelligence and its impact on the world of work and workers, as well as responses to demographic change stemming from low fertility in South Korea. The 29th meeting of the EU Domestic Advisory Group meanwhile took place on 25 November 2024 in Brussels and discussed, *i.a.*, how it might best contribute also to meetings under the FTA and beyond on top of the TSD Committee.

3. ACTIVITIES SUBJECT TO SPECIFIC MONITORING

In accordance with Article 14 of the FTA Protocol on Rules of Origin, South Korea's imports of key car parts from its most important suppliers (outside the EU) have been monitored. Since South Korean import patterns of electronics have remained very stable in recent years, continued monitoring is no longer necessary**.** Consistent with previous years, China and Japan remain among the largest suppliers of key car parts, with Mexico now emerging as a significant supplier as well.

Many car parts imported in South Korea from Japan are still subject to full duties, as South Korea, within the Japan-RCEP, excludes from liberalisation some key car parts such as engines, lithium-ion batteries, and a large number of car parts under HS 8708), while imports from China benefits from tariff reduction (the South Korea-China Free Trade Agreement liberalised many car parts, including lithium-ion batteries).

		2023 total import (1,000$)	2024 total import (1,000$)	2024 main import sourcing (outside the EU) and evolution of improts (1,000$)					
				1st	2023	2024	2nd	2023	2024
Core car parts									
HS 8407	Spark-ignition reciprocating or rotary internal combustion piston	891.639	1.229.995	**Mexico**	717.593	719.643	**China**	39.827	408.504
HS 8408	Diesel or semi-diesel engines	593.477	556.922	**Japan**	93.950	108	**China**	93.236	82.761
HS 8409	Parts of engines of 8407 or 8408	1.351.307	1.261.547	**China**	337.423	326	**Japan**	176.370	153.078
HS 8708	Parts and accessories for motor vehicles of headings 8701 to 8705	5.066.338	5.216.694	**China**	2.208.785	2.400.066	**Mexico**	492.544	425.228
HS 850760	Lithium-ion accumulators	8.465.963	4.754.948	**China**	8.114.048	4.053.644	**Indonesia**	4.648	488.421
Source: KITA.org									

South Korea's imports of core parts for **combustion engine cars** have basically remained unchanged compared to last year, except an increase in the import of combustion engines (HS 8407 – import growth rate in 2024: 37.9%), where Mexico continues to be the largest supplier and China is now emerging as a significant supplier as well (import growth rate in 2024: 925%).

In 2024, South Korea experienced a significant decrease in imports of **lithium-ion batteries** (HS 870560), with the import growth rate declining by 43.8%. China continues to be the dominant supplier by a considerable margin (China benefits from free access to the South Korean market through to the China-South Korea FTA). Several factors might explain this trend including the global slowdown in electric vehicle sales and an increase in domestic production.

Based on these trade statistics, it is not possible to establish a link between the allowance of duty drawback and an increase in EU imports of cars from South Korea.

PART II: THE AMERICAS

ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE EU-CANADA COMPREHENSIVE ECONOMIC AND TRADE AGREEMENT (CETA)

1. THE AGREEMENT

The **EU-Canada Comprehensive Economic and Trade Agreement** ("CETA"), (hereinafter 'the Agreement') has been provisionally applied since 21 September 2017.

CETA has been implemented in all those areas that are provisionally applied[23]. The Agreement has an extensive governance/management structure with 19 dedicated committees and dialogues/fora reporting directly to the Joint Committee, which meets at ministerial level.[24]

Bilateral trade in goods between the EU and Canada has increased by 63% since 2016, reaching EUR 75.6 billion in 2024 up from EUR 46 billion. Bilateral trade in services between the parties showed an 73% increase in 2023 as compared to 2016, reaching EUR 44.4 billion in 2023 compared to EUR 25.6 billion in 2016. This shows how well CETA is working for both sides.

Since January 2024 the remaining tariffs under CETA have been phased out with the exception of a very a limited number of products that are traded under tariff rate quotas.

An in-depth **ex-post evaluation** of CETA will be finalised in 2025. An external consultant delivered an independent study analysing the economic, social and environmental impact of CETA, published on 16 June 2025.[25]

CETA also provides a wider framework for the **strategic EU-Canada trade and investment relationship**. The EU and Canada have been expanding their cooperation in areas such the net zero transition and climate change through a Green Alliance, have launched a Digital Partnership, continue to cooperate through a Strategic Partnership on Raw Materials and are building a bilateral dialogue on economic security.

2. MAIN IMPLEMENTATION ISSUES

2.1 Market Access: Progress and outstanding issues

Progress was made in 2024 in the following areas, among others:

- **Wines and spirits/discriminatory measures**: Certain discriminatory measures were removed at provincial level: Québec equalised the charge for wines from Québec small-scale producers sold in grocery and convenience stores with the mark-up applied to wines sold through the Société des alcohols du Québec. Nova Scotia discontinued its Emerging Wine Regions Policy at the end of June 2024. Quebec has also eliminated the differential markups applied to Champagne and Cognac.

[23] https://data.consilium.europa.eu/doc/document/ST-10974-2016-INIT/en/pdf
[24] Reports of the Committees can be found here.
[25] Ex post evaluation of the EU-Canada CETA; draft final report published on 16 June 2025: Circabc

- **Wines and spirits/geographical indications**: On 4 April 2024, the EU and Canada signed an **amendment to the annexes of the 2003 Agreement** between the European Community and Canada on trade in Wines and Spirits Drinks, incorporated into CETA, notably by **adding 23 EU and 15 Canadian GIs** and 17 oenological practices to those annexes. The ratification process in Canada was completed in February 2025 and entry into force was scheduled for 1 June 2025. In addition, Canada moved the reference to "champagne cider" from the main body of its Food and Drug Regulation to the Canadian Food Compositional Standards. The EU is still in dialogue with Canada to have the term removed completely.

- On the **CETA tariff-rate quota (TRQ) for premium cheese** granted by Canada to the EU, a 95% fill rate was achieved in 2024, with a fill rate of 79% for industrial cheese.

The **EU continued its engagement with Canada** in the following areas where **outstanding issues persist**:

- In regard to the **harmonisation of EU export certificates** work continued, with priorities put forward by both sides. The priorities for the EU are processed meat **sheep/goat meat** and casings. The Commission conducted an audit in Canada in 2019 on bovine and pig meat and carried out a follow-up audit in 2022. The Commission closely followed developments in Canada to ensure that appropriate actions were taken by the Canadian authorities to address the audit recommendations. In January 2025, the Commission has completed the assessment of the information and documentation provided by CFIA and has concluded that it was satisfactory. The recommendations of the audit are now closed.

- In regard to the **cheese TRQ, the pooling system** applied by Canada remains of concern in view of the reported high transfer rate and subsequent transfer costs, which are passed on to consumers, thus reducing the competitiveness of EU products on the Canadian market. The EU has called upon Canada to introduce improvements in the context of its comprehensive TRQ review, which has been delayed due to Canada's disputes with the U.S. and New Zealand over the implementation of dairy TRQs under CUSMA (Canada-United States-Mexico Agreement) and the CPTPP (Comprehensive and Progressive Agreement for Trans-Pacific Partnership), respectively.

- In regard to **sanitary and phytosanitary (SPS) issues,** Canada still has to recognise Finland and Austria as <u>pest free from the Asian and Citrus longhorned beetles</u>, although they have received a disease free status for these pests by the EU. Canada also is yet to recognise the pest-free areas of Italy, France, Croatia and Germany. Canada has recognised 21 EU Member States as pest free from the Asian and Citrus longhorned beetles since 2019. These Member States can export plants that have a diameter of 10 mm (0.4 in) or more at their widest point. Furthermore, the EU continues to discuss the possibility to <u>export to Canada fresh tomato</u> with vines, stems, and calyces from all Member States as well as cherries from Spain and has continued efforts to obtain

approval of exports of meat/poultry from EU Member States that are not yet approved by Canada for these products.

- In the **wines and spirits sector,** EU competitors are facing three issues: 1) Differential taxes and mark-ups giving preference to local producers, 2) measures that allow for direct delivery exclusively by local producers, and 3) retroactive chargeback requests by the liquor board of Ontario stemming from varying pricing levels across the provinces. These issues have been repeatedly raised by the EU at the EU-Canada committee meetings, most recently at the meeting of the Committee on Wine and Spirits on 18-19 March 2025. The Commission engages in dialogue with the federal government and the provinces to address these issues, as most recently with letters sent directly to Quebec, Ontario, Alberta, New Brunswick, Nova Scotia and British Columbia as well as a meeting with Ontario on 30 April 2025.

- In the area of **Intellectual property rights (IPR)** the EU continues raising the following issues with Canada:

  - On **geographical indications (GIs),** Canada lacks an appropriate administrative procedure for rightholders to enforce their rights. In the absence of such a procedure, litigation is the only effective route at rightholders' disposal, with all the costs that this entails. Nevertheless, a number of EU rightholders have successfully enforced their rights by sending Cease and Desist letters directly to companies alleged to be infringing their rights, as advised by the Canadian authorities. Canada has also informed the Canadian Provinces of EU GI rights and has published web content to inform Canadian stakeholders of their rights and obligations regarding GI enforcement in the Canadian market.

  - Other areas of concern regard **trademarks**, where the Canadian Intellectual Property Office can take more than three years to process applications. Canada has taken measures to address the delays via fast-tracking applications and sending pre-assessment letters, aiming to restore turnaround times to "internationally comparable standards" by 2026[26].

  - Regarding **border enforcement**, stakeholders report a significant decrease in seizures and costly and burdensome detentions.

  - In the area of **copyright**, EU stakeholders keep reporting concerns on the scope of exceptions for teaching purposes.

[26] CIPO 2023-2026 Business Strategy.
https://ised-isde.canada.ca/site/canadian-intellectual-property-office/sites/default/files/attachments/2023/CIPOCS-1884_Business_Strategy-eng.pdf

The **Mutual Recognition of the Authorised Economic Operator Programme** adopted by the CETA Joint Customs Cooperation Committee at its meeting on 28 October 2022[27] entered into force on 1st August 2025. It marks an important milestone in the implementation of the Agreement between the EU and Canada on customs cooperation with respect to matters related to supply-chain security (SCSA). The programme strengthens transatlantic customs cooperation, improves supply chain security, and further facilitates bilateral trade between Canada and the EU.

New market access barriers were registered in 2024 in the following areas:

- ***Services:*** A **levy on foreign online music streaming services** as the Canadian Radio and Television Commission (CRTC) announced its decision to impose a 5% "base contribution" on online music streaming services that make 25 million Canadian Dollars (CAD) or more in annual revenues and that are not affiliated with a Canadian broadcaster. To implement the measure, Canada envisages the creation of a mechanism by which streaming companies will be able to demonstrate and quantify the contributions their services make to the creation of Canadian music, mirroring the contributions in-kind which traditional broadcasters make. However, the mechanism is not yet developed and a consultation on what constitutes Canadian content for TV and online streaming was organised end of 2024-beginning of 2025. It is not yet clear how the definition of "Canadian content" is to be applied by online undertakings.

Finally, **regulatory cooperation** between the EU and Canada continued in 2024 in the following areas:

- In June 2024 the **Regulatory Cooperation Forum** (RCF) organised a stakeholder roundtable that focused on regulatory cooperation between Canada and the European Union (EU) in the field of **hydrogen**. The purpose of the roundtable was to better understand the needs, challenges, and opportunities for regulatory cooperation and alignment between Canada and the EU in the field of hydrogen, with specific interest to learn more about current & anticipated regulatory barriers to trade between Canada and the EU in the hydrogen sector; policy approaches that the hydrogen industry feels have been, or could be, beneficial to encouraging trade and investment; specific areas of the hydrogen value chain where standards development and/or alignment should be prioritized; and, any other opportunities for regulatory cooperation in this sector.

- In addition, the signing of the **Memorandum of Understanding** between the Canadian **Hydrogen Association and Hydrogen Europe** took place by the Canadian Hydrogen Association and Hydrogen Europe.

[27] EUR-Lex - 22025D1428 - EN - EUR-Lex

2.2 Trade and sustainable development: Progress and outstanding issues

At the sixth and seventh meeting of the **CETA Trade and Sustainable Development Committee**, which took place on 10 and 11 April 2024 and on 20 March 2025, respectively, the EU and Canada reviewed a number of implementation issues, including the following:

- On the implementation of the **CETA *Trade and Gender Recommendation***[28], exchanges and events aimed at sharing information on policies, laws and best practices on a range of issues, continued. On 19 March 2024, a workshop on Trade, Gender and SMEs was organised in the context of the 2024 Civil society Forum, and in April 2024 an event in Toronto on supporting women in international trade.

- On **corporate social responsibility** (CSR) and **responsible business conduct** (RBC), both Parties recognized that the relevant experts were in touch and are planning to share best practices.

- In the area of **trade and labour**, the parties highlighted their joint priorities, including an overview of their respective technical assistance projects in third countries to promote and protect fundamental labour rights, their efforts to ratify International Labour Organization (ILO) Conventions, particularly Occupational Safety and Health Conventions, as well as their respective policy and legislative initiatives to combat forced and child labour, including in global supply chains. Mindful of the Domestic Advisory Groups working priorities, the Parties committed to reinforce coordination on cooperation in third countries, focusing on supply chains and the most vulnerable groups.

- In the area of **environment and climate action**, the EU and Canada updated each other on their respective developments in these fields including ongoing bilateral and regional trade and environment negotiations. Canada and the EU reaffirmed their alignment on issues raised during the Civil Society Forum, which included carbon pricing, the ban on single use plastics and circular economy. Canada and the EU agreed that joint action under the framework of the Green Alliance was a top priority to help achieve the shared aim of becoming climate-neutral by 2050. The Parties discussed avenues for potential next steps on bilateral cooperation regarding raw materials, biodiversity loss, and addressing the full life cycle of plastics. At the latest meeting the EU also informed Canada of the direction that the new Commission was taking on environment and climate issues.

In line with previous CETA TSD Committee meetings, the Committee was joined by the Chairs of the Canadian and the EU ***Domestic Advisory Groups*** (DAGs) under CETA and welcomed their feedback and suggestions for collaboration under the CETA TSD chapter, including a request to have more informal interim discussions with the TSD co-chairs on related updates. The DAGs' Chairs highlighted that this later request has gained importance since the global

[28] CETA Trade and Gender Recommendation: EU-Canada Work Plan 2020-2021

landscape experiences substantial instability and by contrast CETA provides stability and predictability.

The **6th and 7th CETA Civil Society Forum** met on 18-19 March 2024 and 18-19 March 2025 with participants from across the EU and Canada from business, social partners, environmental organizations and other civil society representatives. In 2025, thematic sessions explored the following topics: (i) the EU Roadmap for Women's rights; (ii) Trade diversification: challenges and opportunities for cooperation; (iii) EU study on the impact of EU FTAs on key environmental factors including climate; (iv) Aligning environmental and climate sustainability with economic growth; (v) International impacts of the EU seals regime; (vi) Canada-EU Cooperation on Labour standards.

ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE EU-COLOMBIA/ECUADOR/PERU TRADE AGREEMENT

1. THE AGREEMENT

The **Trade Agreement with Colombia and Peru** (hereinafter the 'Agreement') has been provisionally applied with Peru since 1 March 2013 and with Colombia since 1 August 2013. Negotiations on a **Protocol of Accession of Ecuador** to the Agreement were concluded in July 2014 and the Protocol is being provisionally applied since 1 January 2017. Following Belgium's ratification of the Agreement and Luxembourg's ratification of the Accession Protocol of Ecuador in 2024, the EU notified in October to the Andean partners the ratification of the Agreement and the Agreement entered fully into force on 1 November 2024. The Trade Agreement was also amended through the **Protocol of Accession of Croatia** to the EU. The Protocol entered into force with Peru on 1 May 2017. Colombia has not yet approved the Protocol of Accession.

The supervision and facilitation of the operation and further development of the Agreement – including the evaluation of results obtained from the application of the Agreement – is under the direct responsibility of the Trade Committee, which comprises representatives of the EU and representatives of each signatory Andean Country. The Committee also supervises the work of all specialised bodies (e.g. the Subcommittees) established under the Agreement. The decisions adopted by the Committee are binding upon the Parties, which are to take all necessary measures to implement them. The Trade Committee is scheduled to meet at least once a year.

The Agreement has helped to stabilise trade despite fluctuations in commodity prices. It constitutes a contributing factor supporting the diversification of the economy of the three EU trading partners and a good basis for cooperation.

The Commission's Staff Working Document[29] concluding the ex-post evaluation of the EU's FTAs[30] with the Andean partners (**Colombia/Peru/Ecuador**) was published in October 2023. Based on the findings of these ex-post evaluation and Staff Working Documents conclusions the EU will consider the possibility of a targeted update of the Agreement in line with its trade policy objectives, particularly in the area of trade and sustainable development.

[29] See DG TRADE website, ex-post evaluation page link: https://policy.trade.ec.europa.eu/analysis-and-assessment/ex-post-evaluations_en

[30] The full document is available here: https://policy.trade.ec.europa.eu/analysis-and-assessment/ex-post-evaluations_en

2. MAIN IMPLEMENTATION ISSUES

The **11th Trade Committee** met in Brussels, on 29 November 2024. The meetings of the eight specialised Subcommittees took place in hybrid format during the months of October and November 2024. The next (12th) Trade Committee will be chaired by Peru.

2.1 Market Access: Progress and outstanding issues

Colombia

In 2024, the EU Delegation continued to work hand in hand with Member States and EU companies to tackle barriers notably in the automotive, electrical equipment, food and beverages, cosmetics and pharmaceutical sectors.

Progress was made on the following issues, among others:

- 2024 saw the **resumption of EU mustard exports to Colombia** after the modification of sodium limits. Also, concerns by the EU automotive industry on the implementation of vehicles' safety technical regulations were heard and their entry into force postponed, ensuring full alignment with UNECE 58. The EU is supporting Colombia's accession procedure to the UNECE 58 Agreement.

- On **pharma**, the regulatory changes aimed at speeding up the renewal of existing marketing authorisations the EU had pushed for, translated into a significant reduction of pending approval procedures for pharmaceuticals. Additionally, the EU carried out a study under the programme of the European Commission for Trade, Private Sector Development and Engagement, and Employability (TPSDE Facility) to diagnose INVIMA's[31] pharma and food supplements approval procedures, a stepping stone in the EU's work to further reduce approval times, which despite recent improvements, remains a concern for EU industry.

A number of other **outstanding market access issues** persist, including the following:

- Colombia has not yet modified Decree 162 on the certification requirements for Good Manufacturing Practices for alcoholic beverages.

- The concerns of European companies of the electric and lighting industry have not been addressed in the modification of the RETIE and RETILAP technical regulations.

[31] Instituto Nacional de Vigilancia de Medicamentos y Alimentos (National Food and Drug Surveillance Authority)
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- EU companies have faced new obstacles in public procurement. This is because Colombia does not apply national treatment to those tendering procedures which are delegated by FTA covered entities to non-covered entities.
- Lack of recognition of regionalization principle in connection with ASF and avian influenza diseases.

WTO dispute on Colombian anti-dumping duties on frozen fries

In regard to WTO Dispute DS 591 (*Colombia-Frozen Fries from Belgium, Germany and the Netherlands)* the Commission launched on 31 May 2024 compliance proceedings against *Colombia* after the country failed to comply with the MPIA's finding of December 2022 in the Commission's favour, concluding that Colombia's anti-dumping measures imposed on frozen fries from Belgium, Germany and the Netherlands were in breach of WTO rules.

Background:

The EU successfully challenged Colombia's anti-dumping measures against exports of frozen fries from Belgium, Germany and the Netherlands at the WTO (*DS 591 Colombia Frozen Fries*). The final and binding award of the Appeal Arbitrators was issued to the parties on 13 December 2022. On 10 March 2023, Colombia and the European Union informed the DSB that they had agreed that the reasonable period for Colombia to implement the recommendations of the arbitrators' award would expire on 5 November 2023. At the DSB meeting of 18 December 2023, Colombia presented its Status Report under Article 21.6 of the Understanding on Rules and Procedures Governing the Settlement of Disputes ("DSU") regarding the implementation of the Award of the Arbitrators in this dispute (WT/DS591/12) and claimed that "it has fully implemented the relevant panel and arbitral findings and has complied with its WTO obligations." However, it appears that Colombia's implementing measures are inconsistent with the Anti-Dumping Agreement. On 31 May 2024, the EU launched compliance consultations with *Colombia* in DS591 (*Colombia-frozen fries*) after Colombia failed to comply with the Multi-Party Interim Appeal Arbitration Agreement's (MPIA's) finding of December 2022. On 14 November 2024 the EU requested the establishment of a compliance panel. Proceedings are currently ongoing.

Peru

Progress was made by Peru in 2024 in the following areas:

- **The cross-border provision of services**, as Peru's Fisheries Health Agency for the first time accepted the request of an EU laboratory to act as an official testing entity and perform the analysis needed for the issuing of SPS certificates for exports of food and feed. A similar authorisation by the Agricultural Health Competent Authority is still pending.

- After the **archivisation of the Community Risk Analysis (ARC) by the Andean Community**, Peru agreed that the risk analysis on Italian Pork products should be

conducted by Peruvian authorities. This simplifies the life of EU exporters as Andean Community legislation in this area will not be a limiting factor and risks assessment will be done by the individual countries.

- Partial progress was achieved in the field of **public procurement** where the present technical specifications are tailored to US standards and discriminate against EU suppliers, precluding them from either participating or being selected or by putting them at a competitive disadvantage *vis-à-vis* their US rivals (in particular since the burden of proof is on the tenderer). However, in 2024 Peru adopted a new law on public procurement, which integrates the value for money principle, representing a major achievement. The implementation regulation is pending, and developments are being monitored by the EU.

A number of **challenges persisted** in 2024:

- Among others, Peru continues to grant a more favourable tax treatment to local 'Pisco' to the detriment of ***EU alcoholic beverages***. Unlike other alcoholic beverages which are subject to the Impuesto Selectivo al Consumo or ISC (a "vice tax") according to their degree Pisco, the national beverage, has its own beneficial regime.

- Peru has yet to approve harmonised certificates to ***allow prelisting for EU establishments*** of 1) meat products from pork, bovines and poultry; 2) bovine deboned meat and 3) bovine deboned hams. According to Peru, the three certificates are awaiting their final publication by SENASA, the Animal Health Authority.

- Peru **does not recognise the regionalisation principle** enshrined in the Agreement. In early 2022 Peru placed a ban on all imports of live pigs and pig meat from Italy due to a limited, and subsequently controlled, outbreak of ASF (African Swine Fever) found in wild boar in two regions in the north of the Italian territory. As of September 2023, there are 15 Member States struck by this ban: Germany, Belgium, Bulgaria, Croatia, Slovakia, Estonia, Greece, Hungary, Italy, Latvia, Lithuania, Poland, Czechia, Romania and Sweden.

- Peru is also **ignoring the principle of safe commodities as defined by the WOAH**, banning the importation of Italian pork products (NB: the existing sanitary certificates no longer appear on SENASA's[32] webpage), without notification to Italy or the EU and without conducting an immediate risk analysis to justify it. Instead, Peru required Italy to request a Communitarian Risk Analysis (ARC) performed by the Andean Community (while normal procedure would be for Peru to request it). Although the ARC has been archived, the risk analysis that is to be conducted by SENASA is still in progress, pending necessary information requested to Italy.

32 This protocol (based on WOAH protocols) defines what can be considered a safe commodity.

- In the area of **IPR**, some cases of infringement of EU Geographical Indications (GI) were reported. In addition, six GIs listed in the Agreement are not protected in Peru as the requirement to register domestically is not fulfilled. Procedures to register under the Peruvian domestic system were not pursued or companies abandoned them due to burdensome administrative procedures. In addition, Peruvian legislation does not allow for registration of GIs, which are already registered as trademarks and does not recognise the different scope of various legal instruments for protection (e.g. Peru protects GIs under its domestic legislation, the EU-Colombia/Peru/Ecuador Free Trade Agreement as well as the Lisbon Agreement and the Geneva Act).

Ecuador

In 2024, **a number of market access barriers were successfully addressed with Ecuador.**

- Following a meeting with the new Minister of Production in early 2025, the National Agency for Regulation, Control, and Health Surveillance (ARCSA) informed the cosmetics sector that the **import restriction related to additional labelling requirements had been lifted**, pending the establishment of an Andean Community-wide standard.

- In September 2023, the **flower industry** filed a complaint about lack of efficient protection and enforcement of Plant Varieties rights (IPR) by Peru. EU Delegation advocacy led the **Ministry of Finance to reduce licensing fees** from USD 540 to USD 57, effective as of May 2024, and to increase the operational budget of the IP Office (SENADI[33]).

A number of **challenges persist:**

- Despite the introduction of a "solution" in November 2022 (Decree 017/202) to address the long-standing barrier and the previous disruptive and **opaque management of TRQs** applied by Ecuador to certain agricultural imports from the EU, issues persist. EU Member States continue to voice concerns about the lack of transparency in the licence-granting process, particularly regarding powdered milk imports from the EU. During the Trade Committee meeting in November 2024, the EU insisted on implementing a first-come, first-served system for TRQ management, as outlined in the FTA and like the system used by Peru and Colombia.

- Regarding the **protection of plant varieties**, the Ecuadorian IP Code of 2016 contains a number of provisions that raise concerns. In addition, registration fees for new varieties and maintenance fees are exorbitant and must be substantially lowered if Ecuador wants to attract new plant varieties registrations. The competent authorities (SENADI) do not sanction farmers that cultivate, sell or export protected plant variety without paying

[33] Servicio Nacional de Derechos Intelectuales

royalties to the rightholders. Ecuador's flower exports (roses) to the EU represent close to EUR 400 million in 2024, almost 50% of the Peru's total production. A study by IP Key in 2024 highlighted the significance of the rose production sector to the Ecuadorian economy and proposed strategies for enhancing traceability to prevent the export of counterfeit roses to the EU, where most investors in the development of new varieties are based.

- In relation to EU **Geographical Indications** (GIs), the usurpation of the **EU GI "Feta"** case remains outstanding since several years and other alleged usurpations of EU protected terms of cheese had been observed.

2.2 Trade and sustainable development: Progress and outstanding issues

The implementation of the TSD Chapter was reviewed at the meeting of the **TSD Subcommittee** held in **November 2024**, hosted by the EU, where the Parties discussed recent policy developments related to labour and the environment, TSD-related cooperation activities and relevant priorities. The EU exchanged with the Andean partners to maintain the level of detailed engagement.

Regarding **labour issues**, the EU focusses on labour inspections, freedom of association and collective bargaining, child labour, social dialogue and labour informality. Concerning **environmental policies**, priorities have expanded to include legislative developments in areas related to circular economy, biodiversity, deforestation, and initiatives to address global environmental challenges and decarbonisation.

Vis-à-vis **Colombia**

- Fruitful exchanges continued in 2024, the EU welcoming Colombia's commitment to make progress on core labour issues, namely freedom of association, child labour, labour inspection and the fight against informality. In that respect, the EU confirmed its readiness to **support Colombia's labour reform**, which addresses many of these priorities. The EU also signalled its willingness to develop bilateral technical cooperation projects, notably on collective bargaining, subcontracting issues, administrative procedures, judicial redress and the employment situation in the mining sector.

- In 2024, through its cooperation projects, the EU continued to support Colombia's move towards a more sustainable and environmentally friendly economy, including the promotion of Responsible Business Conduct and the adoption of Low Carbon and Circular Economy business actions and the compliance with the EUDR Regulation through the Traceability for export products and sustainability in Colombia project.

- The EU confirmed that it stands ready to join international cooperation between the ILO, the OECD, Spain and Mexico, to support reform. The EU also welcomed Colombia's national plan aiming to strengthen labour inspections.

Vis-à-vis **Peru**

- Exchanges touched upon various topics of concern in the **area of labour**, in particular the persistent challenges to the freedom of association, child labour, labour inspection, fight against informality and the need to continue with domestic reforms to implement core ILO recommendations. The EU welcomed the successful bilateral talks with Peru to cooperate on labour issues of common interest such as on **strengthening labour inspections**, with a special focus in specific regions or sectors such as mining and agriculture, freedom of association and collective bargaining to include subcontracted workers, child labour and social dialogue.

- On TSD technical cooperation, the Commission in March 2024 **published a list of cooperation activities** agreed **with Peru to ensure that labour rights are respected and upheld** in that country in line with six jointly defined priorities. The cooperation activities will be implemented in the coming years and will be supported by an extensive EU technical and financial programme. The first phase, to be developed in 2025, will include cooperation to strengthen labour inspection and social dialogue, in particular with a support to the National Council for Labour and the Promotion of Employment (CNTPE).

- The EU **continued its bilateral engagement with Peru on the EU Deforestation-free products regulation**[34], which sets out due diligence rules for operators and traders of a list of products, without discrimination. In 2024, the EU by way of its Al Invest Verde programme supported the geolocation of 64 000 plots whose information would be inputted in the Padrón de Productores Agrarios (PPA), a registry of agricultural producers set up by the Ministry of Agriculture (450.000 euros). The EU, together with the German GIZ[35] and the Dutch government also finances the SAFE program to help in the adaptation to the EUDR and promote sustainability in the coffee and cocoa value chains (EUR 4.5 million). The European Forest Institute is also providing short term technical assistance.

- The EU side provided information on the **Carbon Border Adjustment Mechanism (CBAM)**, designed to ensure the EU can meet its climate targets for 2030 and 2050 in a way that is not undermined by the risk of carbon leakage, while giving incentives to our partners around the world to move in the same direction. The EU side underlined how the CBAM does not preclude progress in terms of international coordination for the adoption of effective measures such as carbon pricing and stressed that the main principles of the CBAM underline its compatibility with WTO rules.

- Regarding the **environment**, there is interest in exchanges on the ***European Green Deal and other EU climate policies***. There is shared interest by all parties on issues like circular economy, deforestation and biodiversity. Efforts continue to strengthen the

[34] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32023R1115&qid=1687867231461
[35] Deutsche Gesellschaft fuer internationale Zusammenarbeit

institutional setting for environmental monitoring and the enforcement of environmental legislation. Peru also reported on advances in the area of air quality.

The EU is making available **further technical support** to the Peruvian Labour Ministry, in particular. Among the environmental topics, the EU stressed the need to continue building the capacity and strengthen the systems for environmental quality control.

Vis-à-vis **Ecuador**:

- the EU side welcomed and acknowledged the efforts made by Ecuador through various public projects to improve the formal market entry (into the labour market?) of young people, specifically women and adults aged 45-64 to reduce informality. The EU also recalled its strong interest in **ensuring effective trade union freedom**, and in eradicating forced labour, in particular in the agricultural and mining sectors, strengthening labour inspections and addressing occupational, security and health issues at work, with a particular focus on health in the agricultural sector. The EU recalled its willingness to support social dialogue in Ecuador.

- If the EU welcomed the recognition, end 2023 of the **Board of the Trade Union Association of Agricultural and Peasant Banana Workers** ("Asociación Sindical de Trabajadores Agrícolas y Campesinos" or ASTAC), the freedom of association is still a pending issue in 2024 for other sectors and groups that are seeking such recognition.

- The EU highlighted its readiness to develop granular technical cooperation in labour matters, like the on-going technical cooperation developed with Peru and Colombia

The Andean Community **Domestic Advisory Group** (DAG) still lacks autonomy in its monitoring of the FTA. The EU clarified that it stands ready to further support the functioning of both Domestic Advisory Groups (DAGs), in terms of transparency and composition, including through financial support (secretariat, mobility). In that context, the EU underscored the various actions highlighted in the **EU TSD review Communication** related to DAGs, notably reinforced engagement with civil society. The Parties agreed to continue their exchanges on the framework for civil society dialogue in their respective jurisdictions.

3. ACTIVITIES SUBJECT TO SPECIFIC MONITORING

3.1 Banana imports from Colombia, Ecuador and Peru

The Agreement provides for a preferential customs duty on bananas under heading 0803.00.19 (fresh bananas), progressively reduced since the date of provisional application of the Agreement until the year 2020 (following a schedule indicated in a tariff reduction table). Customs Tariffs have stabilised to 75 euros/tonne since 1 January 2020. This treatment was linked to a 'stabilisation clause' setting out an annual trigger volume for imports from each Andean country during the transition period.

Article 15 of Regulation (EU) No 19/2013[36] provided for the banana stabilisation mechanism (BSM). When the annual trigger volume of imports per country as set in the Agreement was met, the Commission examined the impact of these imports on the situation of the Union market for bananas to take a decision to either temporarily suspend the preferential customs duty or determine that such suspension was not appropriate. The stabilisation mechanism ended on 31 December 2019.

Country	**2023 Total imports**	**2024 Total imports**	**Variation 2023 vs. 2024**
	(tonnes)	**(tonnes)**	
Colombia	1 223 133	1 280 502	+5%
Ecuador	1 599 540	1 671 387	+4%
Peru	81 351	85 808	+5%
Total	**2 904 024**	**3 037 696**	**+5%**

As the above table shows, in 2024 EU imports of fresh bananas from Colombia amounted to thousand tonnes, % less than in previous year. Ecuador exported thousand tonnes of fresh bananas to the EU a roughly % more than the previous year. Peru exported 80 thousand tonnes of fresh bananas to the EU a roughly % below to previous year.

[36] Regulation (EU) No 19/2013 of the European Parliament and of the Council of 15 January 2013 implementing the bilateral safeguard clause and the stabilisation mechanism for bananas of the Trade Agreement between the European Union and its Member States, of the one part, and Colombia and Peru, of the other part as amended by Regulation (EU) 2017/540 of the European Parliament and of the Council of 15 March 2017.

ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF PART IV OF THE ASSOCIATION AGREEMENT BETWEEN THE EU AND ITS MEMBER STATES AND CENTRAL AMERICA

1. THE AGREEMENT

The Association Agreement between the EU and its Member States, on the one hand, and Central America, on the other (hereinafter referred to as the "Association Agreement") was signed on 29 June 2012. The trade pillar (Part IV) of the Association Agreement (hereinafter referred to as the "Trade Agreement") was provisionally applied for almost eleven years, i.e. since 1 August 2013 with Honduras, Nicaragua and Panama, since 1 October 2013 with Costa Rica and El Salvador, and since 1 December 2013 with Guatemala. On 17 January 2024, the ratification procedures of the association agreement by Member States were finalised. On 12 April 2024, the Council adopted a decision to conclude the agreement establishing an association between the European Union and its Member States, on the one hand, and Central America on the other. The EU-Central America Association Agreement entered into full application on 1 May 2024.

The Trade Agreement is in a process of amendment through the signature of a **Protocol of Croatia's Accession to the Association Agreement**. The Protocol was signed on 26 November 2020, opening the way for a process of ratification by the parties. The EU ratified the Protocol in July 2021, and Central American countries are also advancing in this process (El Salvador, Guatemala and Nicaragua ratified the protocol in 2022).

The Association Agreement with Central America is a **regional agreement**, characterised by its comprehensive nature and a high level of ambition. During the eleven years of its application, the Trade Agreement has worked well, it has contributed towards increase in bilateral trade, stability and predictability of the trade and investment environment, thus promoting the expansion of export-oriented trade, both in terms of operators and in terms of the number of products. Eleven years after its implementation, the Agreement offers useful tools for trade and so is relevant in responding to the current needs and issues of both Parties. The Agreement has reached a certain level of maturity, the process of liberalisation has now been achieved, and dialogue is regular and active, rendering the Agreement fully relevant.

The **Association Committee** and its six **specialised Subcommittees** oversee the implementation of the Agreement[37].

[37] The Agreement establishes six specialized Subcommittees: Market Access; Agriculture; Customs, Trade Facilitation and Rules of Origin; Technical Obstacles to Trade; Sanitary and Phytosanitary Measures; Government Procurement; Intellectual Property; and Trade and Sustainable Development.

2. MAIN IMPLEMENTATION ISSUES

2.1 Market Access: Progress and outstanding issues

2024, more generally, saw **more open and solution-oriented discussions** with Central American partners regarding concrete implementation gaps, challenges and opportunities, in specific countries/regions/sectors. In particular, the **ex-post evaluation** (Commission staff working document published in June 2023[38]) helped spark constructive exchanges.

The **Association Committee** met on 20 June 2024 at senior official level in Brussels.

- On **Sanitary and Phytosanitary Measures**, Central American countries confirmed the application of the regionalisation principle. Discussion on the "**born and raised**" clauses in export certificates resulted in *Costa Rica and Guatemala* eliminating these clauses, but talks with the other Central American countries are ongoing. Following an application from Costa Rica to include cassava (yuca) among fresh vegetables to which additives can be used, the EU is in the process of finalising legislative changes with EU Member States, according to EU Regulation (EC) 1333/2008.

- On **Public Procurement**, the secretariat for economic integration in Central America (SIECA) reported on progress made on the functioning of a single point of access for procurement notices in the region, to which Costa Rica, El Salvador, Guatemala and Panama will link their national procurement portals. The portal provides information about the value of public tenders in Central American countries.

The Commission **continued to engage** with Central America on the following issues:

- On **Intellectual Property Rights**, the Commission continued to engage with Central American authorities to enhance enforcement of all 116 EU GIs protected and to achieve effective protection of the term "Parmigiano Reggiano" in Guatemala. an application for a new GI from Costa Rica has been submitted in 2024 and is currently assessed. The Commission also engaged with Central American authorities on counterfeiting and application of trademark rights in the region.

- On **Customs, Trade Facilitation and Rules of Origin**, the parties updated each other on relevant developments in their respective customs legislation and procedures. Discussions continued how to improve the rules on direct transport.

The EU side continued to raise a number of **outstanding issues** with Central American partners:

- Discussions with **Guatemala and El Salvador** continued at the Association Committee **to see how to replace the 15% tuna tolerance rule for non-originating tuna** by an - increase of non-originating tuna quota. Technical meetings continued in January, June

[38] See DG TRADE website, ex-post evaluation page link: https://policy.trade.ec.europa.eu/analysis-and-assessment/ex-post-evaluations_en

and December 2024 in view of finding a possible solution during the next trade association committee. Delays still are still experienced in Guatemala in regard to prelisting of authorised establishments for meat and dairy.

- In **Panama**, several Member States' **export applications for meat products are pending** since 2016. **Delays** are also reported in export applications of several Member States and in the publication of **prelisting of EU establishments** habilitated to export animal products to Panama. The setting up of a new Food Safety Agency in Panama in October 2021 has increased the uncertainty on the administrative process to register or update pre-approval of EU establishment. Bilateral meetings at technical level were held in June 2024, to clarify administrative processes, and explore way forward concerning pending applications.

- On **Technical Barriers to Trade**, in respect of Annex XX of the Agreement (requiring the adoptions of harmonised regional technical standards by Central America), those relating to pesticides are still outstanding due to lack of consensus at policy level. Central America agreed to provide further details in writing on the state of play.

2.2 Trade and sustainable development: Progress and outstanding issues

The implementation of the **Trade and Sustainable Development** (TSD) Title of the Association Agreement continued in 2024 in line with the priority issues established for each partner country.

The discussion at the **TSD Board meeting**- which took place on 17 and 18 June 2024 – was informed by an **update on the EU autonomous measures** having an impact on both trade and sustainable development (such as the EU Deforestation Regulation, the EU Directive on Corporate Sustainability Due Diligence (CSDDD), the EU Regulation prohibiting products made with forced labour, the EU Carbon Border Adjustment Mechanism (CBAM), the EU Directive on improving working conditions in platform work and the EU Regulation on shipments of waste. A number of Central American countries also provided an overview of their own relevant policy development.

As regards the strengthening of the **TSD chapter**, the parties agreed to discuss it in a number of intersessional meetings and to report back to the Association Committee in Trade Format which will meet in San José on 23 and 24 June 2025. The discussions at the TSD Board meeting were prepared by a series of bilateral meetings held between the Central American countries and the EU in April and May 2024, with the objective of presenting progress, challenges and issues of interest related to the implementation of the labour and environmental commitments.

- On labour, priority issues discussed with all six partners included **freedom of association and collective bargaining, social dialogue, child labour and forced labour, and labour inspections among others**.

- On the **environment**, the EU and Central America presented their recent actions and achievements, notably regarding progress made in the implementation of Multilateral Environmental Agreements such as the Paris Agreement on Climate Change and the Convention on Biological Diversity. The six Central American partners voiced their concerned about the EU autonomous measures and their impact on their trading opportunities, in particular the EU Deforestation Regulation.

As regards **cooperation and technical assistance,** the EU provided information on a number of projects, such as "Grandes Bosques" and "Café y Bosques", "Zero deforestation and digital traceability in Guatemala", AL INVEST Green, "Promoting Sustainable and Green supply chains in Guatemala", Digital Verde, "Responsible business conduct in Latin America and the Caribbean".

Continuing a practice established in 2023, the Commission continued its frequent interactions with the **EU Domestic Advisory Group (DAG)**, encouraging DAG members to provide timely and substantiated input on labour or environmental challenges or implementation gaps in Central America. Before the meeting of the EU-Central America TSD Board on 17-18 June 2024, a **joint declaration was submitted by the EU and Central American DAGs** with recommendations about future TSD work under the Agreement. The Parties welcomed the joint work conducted by the DAGs and encouraged them to continue in this vein. On 18 June 2024, representatives of the Commission and Central American partners were invited to the joint meeting of the EU and CA DAGs to debrief them about the work carried out so far. The parties also prepared a report after the TSD Board meeting and presented it to the Civil Society Dialogue Forum on 19 June 2024.

3. ACTIVITIES SUBJECT TO SPECIFIC MONITORING

3.1 Banana imports from Central America

Since the entry into force of the Association Agreement, the absolute volume (from 797.000 tonnes in 2012 to 1.456.000 tonnes in 2019) as well as the market share of bananas (from 18,8% in 2012 to 26,3% in 2019) imported from Central America to the EU has increased, contributing to diversify supply to the growing EU banana market.

Article 15 of Regulation (EU) No 20/201339 (the 'Regulation') provides for the **stabilisation mechanism for fresh bananas** (HS code 08 03 90 10). This stabilisation mechanism ended by the end of 2019. In this context, and in accordance with Articles 3 and 13 of Regulation 19/2013, the Commission continues to monitor with particular attention the evolution of imports of fresh bananas from Central America.

[39] Regulation (EU) No 20/2013 of the European Parliament and of the Council of 15 January 2013 implementing the bilateral safeguard clause and the stabilisation mechanism for bananas of the Agreement establishing an Association between the European Union and its Member States, on the one hand, and Central America on the other, of the other part as amended by Regulation (EU) 2017/540 of the European Parliament and of the Council of 15 March 2017.

Customs Tariffs have stabilised to 75 euros/ton since 1 January 2020. In 2024, EU imports of fresh bananas from Central America -by volume- amounted to 1million tons, a small increase of only % when compared to export volumes in 2023 (million). No issues on price fluctuations were reported in the EU market.

2023/2024 imports of fresh bananas[40]			
Country	**2023 Total imports (tons)**	**2024 Total imports (tons)**	**Variation 2023 vs. 2024**
Costa Rica	1 053 503	1 075 573	+2%
Panama	157 038	223 187	+42%
Guatemala	217 124	214 147	-1%
Total	**1 427 665**	**1 512 907**	**+6%**

[40] Statistics refer to the EU27

ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE TRADE PILLAR OF THE ASSOCIATION AGREEMENT BETWEEN THE EU AND CHILE

1. THE AGREEMENTS

From 2003 until 31 January 2025, trade between the EU and Chile has operated under the framework of the **EU-Chile Association Agreement** (hereinafter 'the Agreement'), which includes a comprehensive Free Trade Agreement along with a political and a cooperation pillar. The Agreement entered into force in 2003 and was the first EU bilateral agreement subject to an ex-post evaluation, conducted in 2016.[41] The Agreement has worked well overall, as illustrated by the doubling of bilateral trade since its entry into force. A Commission impact assessment carried out in 2017 pointed at the need to modernise it, so as to adapt it to the new realities of global trade and investment, lifting it to the level of the more modern agreements that both the EU and Chile had concluded in the Americas and beyond, notably by complementing it with standard provisions enshrined in the latest version of deep and comprehensive trade agreements.

The modernisation of the Association Agreement (negotiated between 2017 and 2022) envisages two parallel legal instruments: the **Advanced Framework Agreement (AFA)**, that includes a) the Political and Cooperation pillar and b) the Trade and Investment pillar (inclusive of investment protection provisions); and the **Interim Trade Agreement (ITA)** covering trade and investment liberalisation. The ITA will expire when the Advanced Framework Agreement enters into force.

The EU and Chile signed the Advanced Framework Agreement and the Interim Trade Agreement on 13 December 2023 and the European Parliament gave its consent to the two Agreements on 29 February 2024. The Council of the EU adopted the Decisions to conclude the agreements on 18 March 2024.

Following Chile's ratification in November 2024, the ITA came into force on 1 February 2025, while the date for the provisional application of the relevant parts of AFA was still pending at the time of writing. In addition to a further liberalisation of trade in agriculture (under new conditions), public procurement, services and investment, the ITA **includes modernised rules** of origin and customs and trade facilitation provisions, ambitious commitments on IPR (including the protection of EU Geographical Indications for foodstuff) and non-tariff barriers, as well as a chapter on Trade and Sustainable Development. It also contains strong provisions on sustainability and energy & raw materials, which will help contribute to the green transition, as well as an ambitious chapter on SMEs and, for the first time in a bilateral EU agreement, separate chapters on trade and gender and on sustainable food systems. The AFA also includes state-of-the-art investment protection provisions (including an Investment Court System).

[41] https://trade.ec.europa.eu/doclib/docs/2012/august/tradoc_149881.pdf

2. MAIN IMPLEMENTATION ISSUES

2.1 Market Access: Progress and outstanding issues

In 2024, the implementation of the Association Agreement took place smoothly. No institutional meeting (Trade Committee or Subcommittees) was held in 2024, as the focus on both sides was on paving the way for the ITA (which came into force on 1 February 2025).

No new trade barriers or irritants were registered. Meanwhile technical work continued on the implementation of the Action Plan agreed on the last **Committee on SPS measures** held in July 2022. Also, the EU-Chile wines and spirits agreement, and the EU Chile reciprocal **agreement on mutual recognition of organic certifications** of a number of food items continued to apply. Throughout 2024, the EU Delegation had contacts with the Regulatory Department of the Ministry of Foreign Affairs, covering both SPS and TBT issues, as well as with sectorial Ministries on some of the outstanding barriers (e.g. Ministry of Public Works on public procurement).

The trade and investment liberalisation provisions of the **EU-Chile Interim Trade Agreement** are expected to contribute to solving some of the existing barriers, including in the following areas:

Intellectual Property Rights

The ITA lays down rules on the protection of **regulatory data related to pharmaceutical and agro-chemical products**. These rules feature a higher level of protection than that of Article 39.3 of the TRIPS Agreement and approximate Chilean law to the EU standards. Consequently, the ITA aims to improve the level and term of protection of regulatory data and remove existing legal uncertainty about the scope and conditions for that protection. Moreover, the provisions on cooperation in the Agreement will give the EU another forum to discuss the identified issues bilaterally with Chile.

Another barrier in the IPR field that will be partially solved (or at least alleviated) concerns the **enforcement of copyright and related rights in the internet** to tackle online piracy. The ITA aims to increase the standards of the enforcement measures available for right holders in Chile, approximating them to those available in the EU. These standards include the rules on the legal protection of technological measures and of rights management information. They also include effective, proportionate and dissuasive enforcement remedies, including the possibility of issuing injunctions (aimed at prohibiting the continuation of the infringement) against service providers such as internet platforms, whose services are used to infringe an IPR.

In 2024, monitoring activities continued to follow closely the procedure concerning requests for registration of several **trademarks** that, if registered, would conflict with Geographical Indications of EU cheeses and a meat product that Chile has agreed to protect under the Interim

Trade Agreement. All "bad faith" applications were ultimately rejected by the relevant Chilean courts (e.g. concerning Parmesan, Asiago, Mortadella and Feta).

Wine and spirits agreement (annex IV and V of the existing EU-Chile Agreement)

On 9 March 2023, the modified agreements on the protection of terms for wines and spirits (annex IV and V of the current Agreement) came into effect. These updated agreements aim to enhance bilateral trade in these products and play a significant role in agricultural trade for both the EU and Chile, which are both major global wine exporters. By modifying the agreements, the lists of protected terms have been updated, and it becomes easier to revise them in the future to ensure they align with any changes in the protected conditions of wines, aromatised wines, and spirits in both Chile and the EU, including respective oenological practises.

Public procurement

In the area of **public procurement,** the ITA establishes rules aimed at more transparency, non-discrimination and fairness in public procurement procedures, and an increased use of electronic procurement. This will help address requirements currently imposed by Chile, mostly for tenders run by the Ministry of Public Works, on local presence and local experience. In addition, Chile imposes designs and technical specifications that are an obstacle for EU companies, especially for newcomers, and applies excessively short deadlines for the submission of offers. The new Agreement introduces further disciplines, notably with regard to the use of objective and non-discriminatory criteria in determining the conditions for participation to tender procedures (including in relation to the criteria of experience in previous projects).

TBT

The provisions of the **TBT chapter** of the ITA are likely to mitigate several trade barriers that EU business continues to face in Chile:

- For example, imports of **hygiene products and cosmetics from the EU** presently suffer from **burdensome administrative procedures**, such as the cost experienced by EU industry for the registration of products and the short duration of the registration. The TBT Chapter of the ITA *inter alia* provides for the selection of conformity assessment procedures proportionate to the risk of the products, disciplines on fees and cooperation on facilitation of acceptance of conformity assessment results.

- Furthermore, imports of **EU electronic and fuel burning products are subject to a burdensome two-step certification procedure.** At present, certificates or tests carried out in the origin country, although valid in Chile, must be completed with tests in Chile, which increases the cost of importing goods. This requirement also applies to products certified in their country of origin by internationally recognised laboratories and which are based on international standards, except if a bilateral agreement with a Chilean

laboratory exists. The provisions on recognition of EU certificates in the TBT Chapter in the ITA will help to partially solve this issue.

Advancing sectoral work

- In the **wind energy sector**, the EU Delegation in Santiago de Chile continued its contacts with the relevant Chilean authorities on a problem raised by Member States: namely, delays caused by the need for police custody/escort for the transport of oversized elements, such as wind energy blades. An inter-ministerial solution was found. A new regulation establishes that a third party may take charge of the custody, after the police has examined the case. The new regulation has been successfully implemented as a pilot in the Antofagasta region and its extension to other regions is under evaluation. This situation consistently improved the transport of oversized elements schedule in the Antofagasta region and no major complaints from EU companies or Member States has been registered issued during 2024.

- In 2024, several non-conventional **renewable energy** utility-scale companies (solar and/or wind) from several EU Member States continued to face financial difficulties, due to the current regulatory set-up and pricing mechanism. The EU Delegation in Santiago undertook several demarches, including on the occasion of high-level visits by the EU to Chile, and vice-versa. Meanwhile Chile has launched an ***energy transition bill***, which includes norms on power transmission and storage, whereas the "extraordinary tariff revenues adjustments mechanism" (which may have at least assuaged the EU companies' concerns) was deleted from the text during the parliamentary discussions.

2.2 Trade and sustainable development: Progress and outstanding issues

Following the entry into force of the ITA on 1 February 2025, the EU and Chile intend to fulfil the commitments under the Joint Statement, which is to launch a formal review process of the Trade and Sustainable Development aspect of the agreements. The goal is to finalise the review within the set deadline of twelve months.

In 2024, through its regional cooperation programmes, the EU supported Chile's move towards a more **sustainable and environmentally friendly** economy, including the Mineral Development Platform on sustainable mining, the promotion of Responsible Business Conduct, civil aviation, dual use goods, AL Invest, all regional actions.

In the run-up to the entry into force of the EU-Chile ITA (which includes a chapter on Energy and Raw Material) and given Chile's role as a regional leader in renewable energy and critical raw materials and the European Union's strong commitment to sustainable development, a group of EU companies, EU Commission and EIB officials visited Chile from 4-8 November 2024 to identify mutually beneficial opportunities for the **development of sustainable value chains for critical raw materials.**

ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE TRADE PILLAR OF THE EU-MEXICO GLOBAL AGREEMENT

1. THE AGREEMENT

Mexico (after Brazil) is the EU's second biggest trading partner in Latin America today and was the first country in Latin America to sign an Economic Partnership, Political Coordination and Cooperation Agreement with the EU ('Global Agreement'). The **Global Agreement** was signed in 1997, and its trade provisions were later developed into a comprehensive **Free Trade Agreement** that entered into force in March 2000 for goods and in February 2001 for services (hereinafter called 'the FTA')[42].

In order to adapt the Global Agreement to the new realities of global trade and investment, negotiations on a **modernisation of the FTA** were launched in 2016. On 21 April 2018, after nine rounds of negotiations, an 'agreement in principle' was reached on the trade part outlining the numerous improvements to the legal framework of EU-Mexico bilateral trade relations. On 28 April 2020 the European Union and Mexico agreed on the exact scope of the reciprocal opening of public procurement markets at subcentral level and ensuring predictability and transparency in public procurement processes.

On 17 January 2025 an agreement on the last outstanding issues was reached and the parties are now moving towards putting in place the necessary procedures leading to the signature and conclusion of the modernised agreement. This modernisation will set a new and modern framework for EU-Mexico bilateral trade and investment relations based on reciprocity and will promote new opportunities for business, while including strong and clear commitments on trade and sustainable development (TSD), which are missing in the current FTA.

2. MAIN IMPLEMENTATION ISSUES

In 2024, the parties continued to **engage** in discussions **to address outstanding issues/trade barriers,** such as in the area of Sanitary and Phytosanitary measures (SPS), Customs, Standards and Technical Regulations, Intellectual Property matters and Government Procurement. Many of these issues are expected to be addressed by the modernised FTA once it enters into force.

SPS

In the area of **SPS**, the Parties continued to engage in technical discussions on the following outstanding issues affecting EU exports:

[42] The trade pillar was expanded by two decisions of the Joint Council: Decision No 2/2000 of the EC-Mexico Joint Council of 23 March 2000 related to trade in goods and Decision No 2/2001 of the EU-Mexico Joint Council of 27 February 2001 on trade in services.

- **Non application of "pre-listing"**[43] for EU export of products of animal origin. The EU applies the prelisting principle to Mexico; however Mexico does not reciprocate and continues to inspect every meat establishment before granting any export approval.

- **Non-recognition of the EU regionalization** measures for African Swine Fever (**ASF**).

- **Limiting regionalisation for Highly Pathogenic Avian Influenza** (HPAI) to some Member States.

- **Burdensome structure of Mexican Audits** which are not intended to assess the effectiveness of the EU's control measures and systems in place. Instead, they focus on evaluating individual establishments. Notably, the costs associated with these audits are not borne by the Mexican competent authorities, as would be expected, but are rather incurred by EU operators.

- **Delaying market access applications** for fruits and vegetables, and failure to process pending applications from EU Member States to export pig meat and poultry meat.

- **Problems for imports of Sawn Wood**: Mexican regulation is incompatible with international standards, as it requires imported sawn wood to be 100% bark free. This not only brings substantial additional and unnecessary costs to exporters but is also discriminatory towards EU exporters as Mexico in December 2024 put in place administrative simplification measures to expedite the importation of new sawn timber from the United States and Canada, allowing importers from these two countries to more easily comply with the Mexican Official Standard (Norma Official Mexicana) NOM-016-SEMARNAT-2013, while ensuring the respect of SPS provisions.

- **NEW:** Problems encountered by operators exporting day-old chicks and hatching eggs who were requested that the origin and export of the products must be from the same member state.

TBT

- At the Special Committee on Standards and Technical Regulations the EU underlined its concerns about Mexican **conformity assessment and certification**, which has repercussions across multiple sectors including automotive, medical devices and pharmaceuticals. Challenges include burdensome certification processes, insufficient certification capacities, lack of regulatory awareness among enforcing authorities and concerns regarding the registration and authorization of pharmaceutical products and medical devices.

[43] To be authorised to export a certain commodity to the European Union, an exporting country should demonstrate that its controls meet the EU requirements. If the exporting country's competent authority sees that an establishment meets the relevant EU import conditions, it can place the establishment on a list (often termed a "pre-list") of exporting establishments that meet relevant EU conditions.

Public Procurement

- Regarding **government procurement,** during the Special Committee on Government Procurement, the EU raised concerns regarding the handling of patent-protected products in public procurement processes in Mexico's health sector as well as more general concerns about Mexico's public procurement procedures, including tight submission deadlines, reliance solely on pricing criteria and direct awards without competitive bidding.

The EU and Mexico continued their **cooperation** on the following issues in particular:

IPR

- The EU and Mexico committed to using technical cooperation as a tool to ensure effective protection of intellectual property rights in accordance with the highest international standards, including effective means to enforce such rights.

- **The Special Committee on Intellectual Property Matters** met in April 2024 and discussed recent IP law reforms and their implementing legislation; protection and enforcement of IP rights, including at the border; and opportunities for technical cooperation. The EU referred to the persistent concerns expressed by EU companies operating in Mexico about the ineffective enforcement of intellectual property rights in the country, including at the border and both online and in physical marketplaces. These concerns, summarised in the 2023 Report on the protection and enforcement of intellectual property rights in third countries,[44] have led EU stakeholders to call for a **national anti-piracy plan** to address the main challenges posed by counterfeiting and piracy and to coordinate law enforcement actions at federal, state and local level.

- **IP Key Latin America**[45] remained in 2024 the main technical cooperation programme on intellectual property between the EU and Mexico, featuring a number of activities aimed at addressing some of the identified challenges in the area of intellectual property (e.g. symposium for judges, seminar on border enforcement, conference on geographical indications, etc.).

Customs matters

- In the area of **customs matters**, both parties continued their dialogue on Rules of Origin, Customs Cooperation and Trade Facilitation and Mutual Administrative Assistance. During the **Special Committee on Customs Cooperation**, the EU reported difficulties experienced by EU companies in relation to the application of customs rules and procedures in Mexico, including different interpretations and requirements depending on the port of entry, slow clearing processes, erroneous tariff classifications and disproportionate requirements, in particular regarding certification compliance.

[44] https://circabc.europa.eu/rest/download/7099aee0-c68f-42c5-ae30-5350a879a30e
[45] Latin America | IPKEY

Sectoral cooperation

- In 2024 the EU and Mexico organised a meeting of the respective officials responsible for the overall coordination of the FTA in the framework of the Trade Committee. Several concerns were raised by the EU which impact various sector including energy, pharma, medical devices, steel and aluminium and VAT claims against EU insurance companies.

Cooperation on Responsible Business Conduct

- In the framework of the EU **project on responsible business conduct**[46], Mexican authorities, private business and stakeholders continued to a second phase of cooperation activities, running up to June 2028, aimed at supporting responsible business conduct practices in line with the UN, ILO and OECD instruments. The project, which is financed under Al-Invest Next, will feed into the implementation of the future TSD Chapter under the modernised EU-Mexico Agreement, once it enters into force.

[46] The project is implemented together with the International Labour Organization (ILO), the Organization for Economic Co-operation and Development (OECD), and the United Nations Office of the High Commissioner for Human Rights (OHCHR).

PART III: EU NEIGHBOURING COUNTRIES

Mediterranean and Middle East countries – Free Trade Areas

ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE ECONOMIC PARTNERSHIP AGREEMENT BETWEEN THE EU AND ALGERIA

1. THE AGREEMENT

The EU and Algeria established a Free Trade Area (FTA) under the **EU-Algeria Association Agreement**, signed in 2002, which entered into force on 1 September 2005 (hereinafter called 'the Agreement'). The Agreement provides for a reciprocal liberalisation of trade in goods, with elements of asymmetry in favour of Algeria, such as a 12-years transitional period for dismantling tariffs for industrial goods and a selective liberalisation on agriculture. In 2012, the EU and Algeria agreed to review the timetable for tariff dismantling set forth in the Agreement for certain products (steel, textile, electronics, and automobiles), extending the transitional period from 12 to 15 years.

Market opening for agricultural products so far only concerns a limited number of tariff lines, which are subject to either full liberalisation, Tariff Rate Quotas (TRQ) or a reduction of Most Favoured Nation (MFN) rates respectively, for both Parties. The agreement does not include a specific Dispute Settlement Protocol, but only general provisions on dispute settlement, allowing a Party to refer the matter to the EU-Algeria Association Council in accordance with Article 100 of the Association Agreement. This process has been initiated twice by the EU side, first in June 2020 and second in June 2024 (see further information in section 2 below).

Algeria is a Contracting Party of the **Regional Convention on pan-Euro-Mediterranean preferential rules of origin** ("PEM Convention"). The main objective of the PEM Convention is to define common rules of origin in the PEM area, aimed at facilitating trade integration within this region. On 7 December 2023, the PEM Joint Committee adopted Decision n 1/2023 on the amendment to the PEM Convention. The rules of origin have been revised and modernized to simplify and enhance the rules' flexibility, as well as facilitate better integration into the global value chain. The revised rules of the PEM Convention entered into force on 1 January 2025, but Algeria does not apply them yet.

Algeria started negotiating its accession to the WTO in 1987. The EU continues to support Algeria's efforts but the negotiation process with the Accession Working Party remains stalled since 2014.

2. MAIN IMPLEMENTATION ISSUES

Dispute Settlement Procedures against Algeria: Several trade restrictive measures

On 24 June 2020, the EU initiated a **dispute settlement case** against Algeria under the EU-Algeria Association Agreement challenging five measures (*illegal safeguard duties, import ban on cars, import licensing scheme, custom duties on 129 products and payment restrictions in the maritime transport sector*). As a result of the EU's efforts to find a negotiated solution during consultations, three of the five measures challenged have been removed (customs duties, illegal safeguard duties, and payment restrictions). Nevertheless, Algeria has kept imposing new trade measures, which have substantially changed the trade and investment regime in Algeria to be more restrictive.

On 14 June 2024, the EU launched another **dispute settlement case** against Algeria under the EU-Algeria Association Agreement and requested consultations to address *several restrictions imposed on EU exports and investments*, including an import licensing system with the effects of an import ban; subsidies contingent on the use of local inputs for car manufacturing; a cap on foreign ownership for companies importing goods to Algeria and an import ban for ceramics and marble. Those trade and investment restrictive measures introduced since 2021 seem to be in violation of Algeria's commitments under the EU-Algeria Association Agreement. The EU is challenging those trade and investment restrictive measures as incompatible with Algeria's commitments under the EU-Algeria Association Agreement. Unfortunately, the consultations did not manage to resolve the EU's concerns. Therefore, on 15 July 2025, the EU proceeded to the next step in the dispute appointing an arbitrator.

ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE EU-EGYPT ASSOCIATION AGREEMENT

1. THE AGREEMENT

The EU and Egypt established a free trade area (FTA) as part of the **EU-Egypt Association Agreement (AA)**, signed in 2001. The AA was signed on 25 June 2001 and entered into force on 1 July 2004. It provides for the reciprocal liberalisation of trade in goods, with elements of asymmetry in favour of Egypt.

In October 2008, the EU and Egypt signed an **Agreement providing for liberalisation in agricultural, processed agricultural and fisheries goods**, which entered into force on 1 June 2010 and extended the list of agricultural products covered by the original Agreement.

In November 2010, the EU and Egypt signed a Protocol establishing a Dispute Settlement Mechanism (DSM) for which Egypt's ratification process is still pending.

Egypt is a Contracting Party of the **Regional Convention on pan-Euro-Mediterranean preferential rules of origin** ("PEM Convention") and has applied the transitional rules of origin applicable alongside the rules of the PEM Convention on a bilateral basis with the EU from 1 October 2024. The main objective of the PEM Convention is to define common rules of origin in the PEM area, aimed at facilitating trade integration within this region. On 7 December 2023, the PEM Joint Committee adopted Decision n 1/2023 on the amendment to the PEM Convention. The rules of origin have been revised and modernized to simplify and enhance the rules' flexibility, as well as facilitate better integration into the global value chain. The revised rules of the PEM Convention entered into force on 1 January 2025, but Egypt does not apply them yet. However, the transitional rules based on the revised PEM Convention are applicable already in 2025.

In November 2011, the Commission received negotiation guidelines to negotiate a Deep and Comprehensive Free Trade Area (DCFTA) with Egypt. While interested in enhancing bilateral cooperation on trade and investment, Egypt has shown limited interest in a full-fledged DCFTA so far.

Since 2020, the EU and Egypt are engaged in a **regular trade dialogue on market access challenges,** focusing on enhancing the implementation of FTA commitments, elimination of trade irritants as well as improving transparency of the legal framework for business.

2024 signalled an upgrading of the bilateral relationship. In March 2024 the EU and Egypt signed a **Joint Declaration establishing the bilateral Strategic and Comprehensive Partnership** committing the partners to enhance co-operation and fully implement and unleash the full potential of the bilateral Free Trade Area of the Association Agreement. The EU also supports Egypt's ongoing efforts to enhance its business and investment environment facilitating trade and investment flows in line with its international obligations, and in particular those in relation to the EU. In parallel, the partners committed a package of EUR 7.4 billion on top of existing bilateral aid; EUR 5 billion of this package *focus on* reforms including on competitiveness and the business environment. In June 2024, as a first deliverable, the EU and Egypt co-organised an Investment Conference, which led to the signing of investment

agreements and Memoranda of Understandings of over EUR 60 bn (mainly in renewable energy).

2. MAIN IMPLEMENTATION ISSUES

The implementation of the trade-related provisions of the Agreement is pursued within the framework of the Association Council, the Association Committee, and the various subcommittees, including the **Subcommittee on Industry, Trade, Services and Investment.**

In 2024, the EU and Egypt intensified their **trade dialogue** through regular technical consultations to further remove barriers to trade affecting businesses and investors, building on progress achieved in 2023. The **Association Committee took place in June 2023** and the **Association Council in January 2024**. Moreover, The **EU-Egypt Subcommittee on Industry, Trade, Services and Investment** was held on 29 November 2024 in Brussels. The meeting focussed on discussing trade barriers currently affecting bilateral trade flows. Egypt confirmed its engagement to actively continue the - more technical - trade dialogues in parallel to the Subcommittee with the objective of advancing the removal of outstanding trade irritants.

(Partial) progress was achieved on a number of **market access** issues in 2024:

- Discussions on Egypt's new measures (including field visits) for the **import of seed potatoes** continued to clarify the rules; in the meantime, Egypt continued the suspension of the requirement for field visits in the EU exporting countries and clarified certain requirements.

- Partial progress was achieved on Egypt's new **halal certification requirements** applicable since October 2021. On 12 March 2025, Egypt notified to the WTO the exclusion of imports of milk and dairy products from the scope of the Halal certification requirements. Efforts continue to address remaining problems related to rules and low transparency of the certification process.

- Regarding the **taxation of cosmetics' imports**, Egypt acknowledged that taxing only imports would be discriminatory and in violation of the EU-Egypt Association Agreement. Egypt signalled that it would extend the measure to local producers but change the methodology i.e. impose a tax on profits rather than on turnover. The new law is expected to be adopted in 2025.

- The EU continues to monitor the functioning of the registration system as amended following WTO consultations (**WTO dispute against Egypt: DS609 – Import Registration Requirements)**.

At the same time, several **market access barriers continue to exist** in Egypt and were subject to discussions in the relevant committees under the EU-Egypt Association Agreement in 2024:

- Blockages of EU shipments of certain goods (especially timber wood but also now of peat and peat moss) due to their allegedly **excessive radioactivity levels** – even though these levels are well within the standard of the International Atomic Energy Agency

(IAEA). The Commission has included alignment with international standards as an objective in a bilateral project with the Egyptian nuclear agency. The Commission has, in the meantime, proposed the provisional application of the international standard to facilitate trade; further discussions are due to take place in 2025.

- In addition, Egypt currently imposes **import licensing requirements** for meat and poultry, which raise concern as regards their WTO compatibility. The EU remains concerned about the system as EU exporters are facing significant delays and difficulties in obtaining the licences that are subject to a process without a clear and transparent timeframe. In some cases, companies have not been able to obtain permits for over a year. The Commission will continue to raise the issue with Egypt's relevant authorities.

ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE ASSOCIATION AGREEMENT BETWEEN THE EU AND LEBANON

1. THE AGREEMENT

The EU and Lebanon on 17 June 2002 signed an **Association Agreement**[47] (AA) creating a Free Trade Area (FTA). Its economic and trade provisions were provisionally applied as from 2003, based on an Interim Agreement, which entered into force on 1 March 2003. The AA entered into force on 1 April 2006. It **liberalised two-way trade in industrial goods** with an asymmetrical transition period of 12 years in favour of Lebanon. The phased-in liberalisation of industrial products by Lebanon started in 2008 and was completed in 2015.

In regard to agri-food trade, the AA as of its provisional application, **granted tariff-free access to the EU market** for most Lebanese agricultural and processed agricultural products (i.e. 89% of products enter tariff and quota free), with only 27 agricultural products facing a specific tariff treatment, mostly Tariff Rate Quotas (TRQs). On the other hand, agricultural liberalisation by Lebanon has been more limited.

In 2010, the EU and Lebanon signed an additional protocol on a **Dispute Settlement Mechanism,** which entered into force on 1 September 2018.

Lebanon is a Contracting Party of the **Regional Convention on pan-Euro-Mediterranean preferential rules of origin** ("PEM Convention"). In 2014, Lebanon signed the **Regional Convention on Pan-Euro-Mediterranean preferential rules of origin** (PEM Convention). The country notified its ratification in October 2017 and formally joined on 1 December 2017[48]. The main objective of the PEM Convention is to define common rules of origin in the PEM area, aimed at facilitating trade integration within this region. On 7 December 2023, the PEM Joint Committee adopted Decision n 1/2023 on the amendment to the PEM Convention. The rules of origin have been revised and modernised to simplify and enhance the rules' flexibility, as well as facilitate better integration into the global value chain. The revised rules of the PEM Convention entered into force on 1 January 2025.

On 7 December 2023, Lebanon adopted the revision of this PEM Convention, but the country does not apply them yet.

Lebanon is still in the process of applying to join the **WTO**, which the EU continues to support, including through technical assistance, considering the needs of the Lebanese government.

2. MAIN IMPLEMENTATION ISSUES

Between November 2022 and early 2025, Lebanon had a caretaker government. Mostly for this reason, and despite a continuous deterioration of the economic situation in Lebanon, there were no significant decisions concerning trade, and little dialogue with the EU on trade matters.

[47] https://ec.europa.eu/world/agreements/downloadFile.do?fullText=yes&treatyTransId=3121

[48] For more information see https://ec.europa.eu/taxation_customs/business/calculation-customs-duties/rules-origin/general-aspects-preferential-origin/arrangements-list/paneuromediterranean-cumulation-pem-convention_en

Neither the **Subcommittee on "Industry, Trade and Services, Customs"** nor the EU-Lebanon **Joint Working Group on Trade and Investment** have met since December 2019.

The temporary **additional duty** of 3% on most imports, introduced by Lebanon in 2019, remained in force in 2024 (and has been extended until end of 2025). Further additional duties on imports of about 18 groups of products, ten of which would affect imports from the EU, with duties ranging from 7% to 20%, were also adopted in 2019. Although these additional duties are not applied in practice on EU products, the risk that they could be applied persists. The issue was raised several times at the highest level vis-à-vis the Lebanese authorities, as they do not appear to be in line with the Agreement, since they affect selected goods and differentiate between trading partners.

A **10% import duty** on products having a locally produced substitute was adopted in 2022 but is not yet enforced. The Ministry of Industry has compiled a first draft list of products, which could be produced in Lebanon and to which this additional 10% import duty would be applied. The government has signalled that it is currently preparing a second list for luxury goods. The government has been alerted of the possible infringement of the Association Agreement with the EU.

Despite the **adoption by Lebanon in 2023 of the PEM transitional Rules of Origin** (i.e. the revised rules of the PEM Convention, applicable on a bilateral basis pending the adoption of the revised PEM Convention by all contracting parties, which entered into force in January 2025), the country referred the issue to its Ministry of Justice. The latter ruled that a specific law would need to be adopted by Parliament before Lebanon can sign these rules, which is likely to provoke a considerable delay in its application.

In February 2024, Lebanon's Council of Ministers approved the adoption of e-signatures through an implementation decree. This e-signature decree is particularly relevant for the potential implementation of the PEM transitional rules of origin, as it facilitates the secure and efficient exchange of electronic documents, ensuring compliance with EU requirements. While the approval of the implementing decree for e-signature is a step in the right direction, further regulatory adjustments are still required to fully align Lebanon's e-signature framework with EU and international standards, including approval of law by the Parliament.

ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE ECONOMIC PARTNERSHIP AGREEMENT BETWEEN THE EU AND JORDAN

1. THE AGREEMENT

The **Association Agreement** (AA) creating a **Free Trade Area** between the EU and Jordan was signed in 1997 and entered into force in 2002. It liberalised two-way trade in goods, with asymmetrical transition periods in favour of Jordan, whereby Jordan phased in tariff reductions over a 12-year period. Tariff dismantling has been completed.

The EU and Jordan upgraded the AA in 2006 concluding an **additional Agreement on trade in agricultural and processed agricultural products**. Today, all Jordanian agricultural products can enter the EU duty free except for virgin olive oil and cut flowers, which are under tariff rate quotas (TRQs), while agricultural liberalisation on the Jordanian side is substantial, but not complete.

A Protocol establishing a bilateral **Dispute Settlement Mechanism** was added to the Agreement in 2011 but is not operational, pending the establishment of the list of individuals to serve as arbitrators.

Jordan is a Contracting Party of the **Regional Convention on pan-Euro-Mediterranean preferential rules of origin** ("PEM Convention") and has applied the transitional rules of origin applicable alongside the rules of the PEM Convention on a bilateral basis with the EU since 1 September 2021. The main objective of the PEM Convention is to define common rules of origin in the PEM area, aimed at facilitating trade integration within this region. On 07 December 2023, the PEM Joint Committee adopted Decision n 1/2023 on the amendment to the PEM Convention. The rules of origin have been revised and modernised to simplify and enhance the rules' flexibility, as well as facilitate better integration into the global value chain. The revised rules of the PEM Convention entered into force on 1 January 2025 and Jordan applies them since 16 January 2025.

In 2016 the EU and Jordan agreed on a second set of Rules of origin (the so-called) **simplified Rules of Origin scheme**, applicable to companies employing Syrian refugees.

2. MAIN IMPLEMENTATION ISSUES

The **Subcommittee on trade, industry and services** last met in June 2023, after two years of break.

The EU side continued to raise **outstanding issues** in official meetings under the Agreement, including in written correspondence and technical meetings, notably the **need for predictability and information-sharing regarding the legislative and administrative measures**, which may have an impact on trade. The EU side also reiterated the importance for import requirements and enforcement measures to be transparent and that sufficient time is granted to producers, certifiers and the administration itself to adapt to any new rules.

3. ACTIVITIES OF SPECIFIC INTEREST

Under the **simplified Rules of Origin scheme,** adopted in 2016 and amended in 2018, Jordanian exporters of 52 product groups can benefit from the same rules of origin as those applied by the EU in respect to the Least Developed Countries, provided that certain conditions are met as regards to **employment of Syrian refugees**.

Despite the wide scope of the simplified Rules of Origin scheme, to date it is used by few exporters, mostly in the textile sector and has had limited success in promoting the employment of Syrian refugees. Discussions were held in 2024 with Jordanian authorities to assess the state of play and the challenges faced in the implementation of the scheme.

The **EU continues to support Jordan in its efforts to improve its export performance. Initiatives focus on boosting the country's general export capacity** and competitiveness by achieving a closer integration into global value chains and making better use of preferential access to the EU market. Trade-for-Development is a key element of the EU Partnership Priorities (2021-2027)[49]. Through its bilateral programming, the EU also supports private sector development, job creation and the business legislative framework and reforms.

Furthermore, the EU continues working with the ILO and the Jordanian Government to ensure **decent working conditions** in companies exporting to the EU.

On 29 January 2025, with the signature of Joint Declaration a **Strategic and Comprehensive Partnership**, the EU and Jordan strengthened bilateral cooperation on a wide range of areas. In the field of trade, this will include work on the review of the bilateral trade framework, to better adapt it to today's challenges, including the potential negotiation of a sustainable investment facilitation agreement. Moreover, a EUR 1 billion macro financial assistance package will support domestic reforms, including improvement of the business environment.

[49] https://data.consilium.europa.eu/doc/document/ST-3304-2022-ADD-1/en/pdf

ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE ECONOMIC PARTNERSHIP AGREEMENT BETWEEN THE EU AND MOROCCO

1. THE AGREEMENT

The EU and Morocco established a **Free Trade Area** (FTA) as part of the EU-Morocco **Association Agreement** (AA), signed in 1996, which entered into force on 1 March 2000. While the EU liberalised trade in industrial products from the start, Morocco benefited from a transitional period of 12 years. Since March 2012, trade in industrial products is now entirely liberalised, while market opening for agricultural products is also substantial.

The EU and Morocco also signed an agreement on **additional liberalisation of trade in agricultural products**, processed agricultural products, fish and fisheries products, which entered into force in October 2012. A number of EU products remain subject to tariff rate quotas[50] when exported to Morocco, while for the other products full liberalisation was completed on 1st October 2020. Only a few Moroccan products are still subject to tariff rate quotas when imported into the EU.

By way of an Agreement in the form of an exchange of letters between the EU and Morocco dated 25 October 2018, amending Protocols 1 and 4 of the Association Agreement, the tariff preferences of the EU-Morocco Association Agreement were extended to goods originating in Western Sahara.[51] The agreement entered into force on 19 July 2019. On 4 October 2024, the European Court of Justice annulled the Council Decision concluding the above mentioned agreement. The effects of the Council Decision remain in force for a period of twelve months as of the date of the ruling.

Morocco is a Contracting Party of the **Regional Convention on pan-Euro-Mediterranean preferential rules of origin** ("PEM Convention"). The main objective of the PEM Convention is to define common rules of origin in the PEM area, aimed at facilitating trade integration within this region. On 7 December 2023, the PEM Joint Committee adopted Decision n 1/2023 on the amendment to the PEM Convention. The rules of origin have been revised and modernised to simplify and enhance the rules' flexibility, as well as facilitate better integration into the global value chain. The revised rules of the PEM Convention entered into force on 1 January 2025, but Morocco does not apply them yet.

A protocol establishing a Dispute Settlement Mechanism was agreed upon by the EU and Morocco and entered into force in 2012 but is not operational pending the establishment of the list of arbitrators.

[50] Tariff rate quotas (TRQs) allow products imported within a certain quota to enter the European Union's market at a lower tariff rate than for quantities outside the quotas. They allow more variety to consumers whilst also encouraging non-EU countries to open up their markets to European goods. TRQs aim at mitigating impacts on sensitive sectors such as beef, rice or sugar.

[51] https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:22019A0206(01)

Negotiations in view of an Agreement for the Protection of Geographical Indications (GIs) were concluded in 2015. Ratification by Morocco is still pending.

Negotiations for a *Deep and Comprehensive Free Trade Agreement* started in 2013 but were put on hold at the request of Morocco. The Joint Statement of the EU–Morocco Association Council of June 2019 referred to the aim of creating an area of economic convergence and social cohesion.

2. MAIN IMPLEMENTATION ISSUES

Morocco has made trade - and exports in particular – an essential element of its economic development. It progressively integrated global value chains, notably in sectors such as automotive industry and aeronautics, and in particular with the European Union. In 2024, trade between Morocco and the EU grew to its highest level ever. Today, the EU is by far Morocco's biggest trading partner (with the EU having a solid trade surplus), first export market and first supplier, and accounts for 50% of FDI in Morocco. Morocco is the EU's biggest trading partner in Africa. The EU and Morocco in 2021 launched a Green Partnership, consolidating their cooperation on protecting the environment, conserving biodiversity and fighting climate change.

Building on previous initiatives, Morocco has introduced a **new industrial strategy** for 2024-2030, guided by the principle of sovereignty, as announced by the King at the First National Industry Day on 29 March 2023. This strategy focuses among others on promoting human capital, developing R&D and innovation, enhancing competitiveness, and fostering sustainable development. A newly created role of Secretary of State for Trade, reporting to the Minister of Industry and Trade, was established in October 2024 following a government reshuffle. The appointed official subsequently conducted consultations to develop a roadmap for foreign trade. The **Subcommittee on trade, industry and services** and the **Subcommittee on internal market** last met in April 2023 after a two years' break (the previous respective meetings had taken place in July 2020; the one before in December 2013). There was no meeting in 2024. A date for the next meeting remains to be set.

Morocco continues to prioritise import substitution in its industrial and trade policies, aiming at reducing imports, while actively supporting domestic production. This takes the form of the pursuit of an active industrial policy via an "industrial project bank", aimed at **supporting projects with the potential of substituting imports with domestic products,** the promotion of local integration through the investment charter, as well as **mandatory domestic preferences in public procurement** and the compulsory use of goods of Moroccan origin in public procurement for all goods.

In 2024, the EU continued to raise a number of more recent market access issues vis-à-vis Morocco, including the **system of conformity assessment** for imported products, **market access for pharmaceutical and cosmetic products** and **mandatory domestic preferences in public procurement,** in addition to other more long standing trade barriers.

The EU also raised the issue of **state aid/subsidy control rules,** as foreseen by Article 36 of the Association Agreement. It was agreed to organise several follow-up technical meetings.

In 2024, several **additional irritants surfaced**:

- In February 2024, Morocco **initiated a safeguard investigation** on imports of coated wood fibre boards, which resulted in the application of an additional duty for three years above a certain quota. Existing safeguard measures continued to apply to coated wood boards, welded steel pipes, hot rolled steel plates, cold rolled steel sheets and plated or coated sheets.

- In October 2024, Morocco launched a review investigation of the antidumping measure applied to imports of insulin from Denmark. The country also **continued to apply anti-dumping duties on polyvinyl chloride (PVC)**, including from some EU companies.

- In 2024, Morocco also introduced a system requiring the **registration of foreign food establishments on a Moroccan platform** as a condition to import food products into Morocco. This created additional burden for food establishments in the EU. Following the EU's request, Morocco introduced a transition period and agreed to simplify the certification requirements for EU national authorities, which enabled EU Member States to comply with the new rules without trade disruptions.

- Finally, Morocco has reinforced an SPS measure to fight the spread of Xylella Fastidiosa, a step which further complicates imports of plants from France, Italy, Portugal and Spain.

European General Court rulings on Western Sahara - state of play

On 4 October 2025, the European Court of Justice rejected the appeals lodged by the Council and the Commission in December 2021 and confirmed the ruling of the General Court of 29 September 2021. By its judgement, the Court of Justice annulled the Council Decision concluding the agreement in the form of an exchange of letters which extended the tariff preferences concluded under the EU-Morocco Association Agreement to the territory of Western Sahara. The Court further ruled to maintain, for a period of twelve months from the date of delivery of the ruling, the effects of the Council Decision concluding the agreement on tariff preferences, having taken due consideration of the serious negative consequences which an immediate annulment would entail and for reasons of legal certainty for businesses.

Background:

On 29 September 2021 the General Court of the EU annulled two Council decisions relating to international agreements with Morocco:

- the agreement between the EU and Morocco extending tariff preferences to products originating in Western Sahara;
- the Sustainable Fisheries Partnership Agreement.

The Council and the Commission both lodged appeals in December 2021, which maintained the implementation of the agreement.

Since 2020, the Commission has regularly evaluated the impact and benefits for the people of Western Sahara of extending tariff preferences provided under the EU-Morocco Association Agreement to products originating in Western Sahara. On 15 March 2024 the European Commission issued its fourth staff working document (covering 2022 data).[52] The report finds that exports to the EU decreased from EUR 681 million in 2021 to EUR 590 in 2022, while the implementation of the agreement allowed local producers to save EUR 44.4 million in customs duties upon import of the goods into the EU in 2022. Levels of local employment continue to show a trend of moderate increase. This is due to the favourable economic conditions of Western Sahara including the granting of tariff preferences under the Agreement.

[52] https://taxation-customs.ec.europa.eu/system/files/2023-03/TAXUD-2023-00033-00-00-EN-TRA-00.DOCX.pdf

ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE ASSOCIATION AGREEMENT BETWEEN THE EU AND TUNISIA

1. THE AGREEMENT

A **Free Trade Area** (FTA), as part of the **EU-Tunisia Association Agreement** (hereinafter 'the Agreement'), was signed on 17 July 1995 and entered into force on 1 March 1998. This provided for reciprocal liberalisation of trade in goods. Since the day of entry into force of the Agreement, Tunisia is free to export to the EU all industrial products covered by the Agreement duty-free, while it benefited from a transitional period of 12 years for imports from the EU, which ended in 2010. The FTA thus established the principle of **two-way trade free of any trade duties for industrial goods**.

As regards **agricultural, agri-food and fisheries products, the FTA foresees liberalisation for selected products**, with the EU granting tariff-free quotas for a number of products. Contrary to other countries in the region (e.g. Morocco or Egypt), the EU and Tunisia have not yet negotiated an agricultural top-up and hence market access on both sides is more limited than is the case with most other Southern Mediterranean partners.

The EU and Tunisia signed a bilateral protocol in 2009 on the establishment of a Dispute Settlement Mechanism, which entered into force in September 2011, but which is not yet operational pending the establishment of the list of arbitrators.

Tunisia is a Contracting Party of the **Regional Convention on pan-Euro-Mediterranean preferential rules of origin** ("PEM Convention") and is applying the transitional rules of origin applicable alongside the rules of the PEM Convention on a bilateral basis with the EU since 1 March 2025. The main objective of the PEM Convention is to define common rules of origin in the PEM area, aimed at facilitating trade integration within this region. On 7 December 2023, the PEM Joint Committee adopted Decision n 1/2023 on the amendment to the PEM Convention. The rules of origin have been revised and modernised to simplify and enhance the rules' flexibility, as well as facilitate better integration into the global value chain. The revised rules of the PEM Convention entered into force on 1 January 2025, but Tunisia does not apply them yet. However, the transitional rules based on the revised PEM Convention are applicable already in 2025.

While negotiations on a *Deep and Comprehensive Free Trade Agreement* (DCFTA or "Accord de libre échange complet et approfondi" ALECA in French) remain on hold, the EU and Tunisia signed in July 2023 a **memorandum of understanding,** suggesting that the parties will "implement measures to promote and enhance the modernisation of the framework for trade and investment relations between the European Union and Tunisia in order to improve market access conditions". This is important to meet common challenges, notably in the field of resilient value chains, climate change and quality job creation.

2. MAIN IMPLEMENTATION ISSUES

In 2024, several **market access issues remained** unresolved. They mainly concern the following type of restrictions: i) mandatory licences for import of certain products, which were subject of several meetings and exchange of letters with Tunisian authorities; ii) systematic **technical controls on imports** without risk analysis and technical specifications that can impose restrictive conditions on the product and/or the importer; iii) **burdensome customs measures** (such as the request for an export declaration or a free sale certificate by EU operators); iv) sectorial market access limitations on pharmaceuticals and tyres. Tunisia has also put in place **SPS measures**, which act as *de facto* barriers to the exports of agricultural products to Tunisia, (e.g. apples, honey).

A deficit can also be noted on Tunisia's implementation of the **state aid/subsidy control rules** as foreseen by Article 36 of the Association Agreement, which are needed to secure a level playing field.

Finally, the objective of liberalisation of **public procurement** set in Article 41 of the Association Agreement has not been taken forward yet. By contrast, the decree-law 2022-68 of November 2022 increased the thresholds for local content requirement and national preference in public procurement.

At the most recent meeting of the **Subcommittee on trade, industry and services** held in April 2024 the above measures were discussed. It was agreed at the meeting to organise a series of technical level meetings to discuss these issues in detail.

ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE INTERIM ASSOCIATION AGREEMENT BETWEEN THE EU AND PALESTINE

1. THE AGREEMENT

The **Interim Association Agreement** creating a Free Trade Area (FTA) between the EU and Palestine[53] (hereinafter called 'the Interim Association Agreement' or IAA) was signed in 1997 and entered into force on 1 July 1997. The IAA **liberalised two-way trade in industrial goods** by providing duty-free and quota-free access for industrial goods traded in both directions, with some **limited liberalisation of agricultural products** by both parties. The latter was an asymmetrical liberalisation to the extent that the EU dismantled its tariffs on the first day of the agreement while Palestine had a phased reduction of tariffs.

The IAA was first updated in 2005, and a more **significant update was signed in 2011 to further liberalise trade in agricultural**, processed agricultural products (PAPs), fish and fishery products. **The EU removed all tariffs and quotas on agricultural products and PAPs imported into the EU for a period of ten years, which is renewable**. Palestine continues to maintain several tariffs and quotas on selected agricultural and PAP imports from the EU.

Products from Israeli settlements in Palestinian territory do not benefit from the preferential tariff preferences under the EU-Palestine Interim Association Agreement or the EU-Israel Association Agreement.

Palestine is party to the **Regional Convention on pan-Euro-Mediterranean preferential rules of origin** (PEM Convention), which it signed in 2013 and notified the EU of its ratification in 2014. Diagonal cumulation under the original Convention is available for EU-Palestine trade since March 2016. **Palestine** is a Contracting Party of the **Regional Convention on pan-Euro-Mediterranean preferential rules of origin** ("PEM Convention") and has applied the transitional rules of origin applicable alongside the rules of the PEM Convention on a bilateral basis with the EU since 1 September 2021. The main objective of the PEM Convention is to define common rules of origin in the PEM area, aimed at facilitating trade integration within this region. On 7 December 2023, the PEM Joint Committee adopted Decision n 1/2023 on the amendment to the PEM Convention. The rules of origin have been revised and modernized to simplify and enhance the rules' flexibility, as well as facilitate better integration into the global value chain. The revised rules of the PEM Convention entered into force on 1 January 2025, but Palestine does not apply them yet.

[53] This designation shall not be construed as recognition of a State of Palestine and is without prejudice to the individual positions of the Member States on this issue.

2. MAIN IMPLEMENTATION ISSUES

The (Palestine/Israel) **Joint Economy Committee** in charge of the follow-up of the Paris Protocol (agreement dealing with trade related issues under the Oslo Accord) has not met since 2009. The Palestinian Authority undertook efforts with **limited results to re-activate the committee**.

The EU-**Palestinian Subcommittee on Trade** met on 13 March 2025. Trade relations were discussed both in bilateral and regional context, notably focussing on how the EU could facilitate trade talks between Israel and the Palestinian Authority, either in bilateral or trilateral format.

The Interim **Association Agreement is far from reaching its full potential**, hindered by restrictions imposed by the Israeli authorities. Moreover, Palestinian trade also faces competitiveness issues and has often difficulties in meeting the standards required on the EU market.

The EU continues to support the expansion of Palestinian trade within the broader Euro-Mediterranean region and remains committed to engage with both the Israeli and the Palestinian sides to improve the conditions of Palestinian trade. Some concrete progress was achieved with the introduction of a pilot project for containerised transport between the West Bank and Jordan via the Allenby bridge, a project that was supported by the EU Delegation in Jerusalem.

In the framework of the **European Joint Strategy in support of Palestine 2021-2024** and through the Team Europe Initiative "Sustainable Growth, Jobs, and Resilience", the EU is implementing a trade-assistance programme, which aims at supporting the expansion and diversification of Palestinian trade and has the following focus areas: (i) enhancing the formulation and implementation of trade policy and delivery of trade-related public services; (ii) increasing Palestine's private sector presence abroad and supporting the promotion of Palestinian exports; (iii) enhancing the technical and SPS standards of Palestinian products, and (iv) improving the trade-related, physical economic infrastructure.

ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE ECONOMIC PARTNERSHIP AGREEMENT BETWEEN THE EU AND ISRAEL

1. THE AGREEMENT

EU-Israel relations are governed by an **Association Agreement** "AA") that has been provisionally applied since 1996 and fully entered into force in 2000. The AA replaces the old EU-Israel FTA from 1975, which had already eliminated duties on industrial products and over 80% of agricultural tariff lines. The terms of the AA provided for full elimination of customs duties applicable to industrial products and partial liberalisation for agricultural products creating a Free Trade Area (FTA). Furthermore, the AA improved the provisions on rules of origin and included a series of further reciprocal agricultural concessions. However, the FTA does not include commitments on services and investments, regulatory convergence or modern trade rules. Products produced in the Israeli settlements located within the territories brought under Israeli administration since June 1967 are not entitled to benefit from preferential tariff treatment under the AA.

The EU and Israel subsequently **upgraded the FTA by signing agreements, which further liberalised trade in agricultural products, notably in processed agricultural products (PAPs) and fish and fishery products.** The first agreement was signed in 2003 and the second is in force since 2010. The latter further increased reciprocal market access in agri-food products and is based on the "negative list approach" (i.e. all agri-food trade is liberalised on both sides apart from a limited number of sensitive lines on either side). For sensitive agricultural products such as fruit and vegetables, sugar, etc., market access on both sides is provided in the form of duty free quotas (Tariff Rate Quotas of TRQs). Moreover, the EU maintains its entry price system, but with an ad valorem duty component set at 0%.

Discussions for a Dispute settlement protocol under the FTA took place in 2008 and also in December 2016 on the occasion of the EU-Israel Trade Subcommittee but have *not* been finalised. There are currently no discussions on resuming this process.

The EU and Israel also have in place **an Agreement on Conformity Assessment and Acceptance of industrial products (ACAA) on pharmaceuticals**, in force since January 2013, which facilitates trade on both sides, as it recognises each partner's certification of conformity of pharmaceutical products without the need for re-testing at import.

In 1999, the EU and Israel signed a "**Good Laboratory Practice" (GLP) agreement**, ensuring the high quality, validity and reliability of health and environmental data generated during the testing of cosmetics, industrial chemicals, pharmaceuticals, food additives, animal feed additives and pesticides by means of mutual recognition of OECD principles of good laboratory practice (GLP) and compliance monitoring programmes.

Israel is a Contracting Party of the **Regional Convention on pan-Euro-Mediterranean preferential rules of origin** ("PEM Convention"). The main objective of the PEM Convention is to define common rules of origin in the PEM area, aimed at facilitating trade integration

within this region. On 7 December 2023, the PEM Joint Committee adopted Decision n 1/2023 on the amendment to the PEM Convention. The rules of origin have been revised and modernised to simplify and enhance the rules' flexibility, as well as facilitate better integration into the global value chain. The revised rules of the PEM Convention entered into force on 1 January 2025, but Israel does not apply them yet.

2. MAIN IMPLEMENTATION ISSUES

The adoption by Israel in 2024 of a new **import reform** is a step in the good direction. The law entered into force in January 2025 and its title is "*What is good for Europe is good for Israel*". It covers many consumer goods (food, cosmetics, electric home appliances, toys, etc.). and streamlines control procedures at importation for certain categories of goods that comply with EU regulations and standards based on importers' declaration, alongside with smart and effective *ex post* market surveillance. In principle, this reform facilitates and removes barriers to imports from the EU. to the EU continues to monitor the implementation of this reform to see whether it achieves its intended results and effectively aligns with EU legislation and standards.

Partial progress has also been achieved regarding the authorisation of EU **medical devices** imports**.** While Israel still does not apply fast-track authorisation to EU Member States, who joined the EU after 2004, nor Luxembourg, a pilot project was agreed that *de facto* makes the import regime equivalent for all imports. However, this temporary regime needs to be renewed on an annual basis and creates uncertainty (the latest renewal was published in December 2024 and will remain in force till the end of 2025).

A few EU consignments of medical devices destined to the West Bank keep being rejected by Israeli authorities due to security considerations without further justifications, making business more unpredictable.

Burdensome certification requirements applied to **imports into Israel of kosher food** continue to be perceived as a barrier by EU exporters, even though they appear to have internalised the related costs in agreement with the Israeli importers.

The **EU-Israel subcommittee on industry, trade and services** last met on 25 March 2025 to discuss bilateral trade relations, including existing trade irritants. The EU and Israel also exchanged on multilateral and regional developments, sustainability, digital trade and Israel's recent import reform.

Eastern countries – Deep and Comprehensive Free Trade Areas

ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE DEEP AND COMPREHENSIVE FREE TRADE AREA BETWEEN THE EU AND UKRAINE

1. THE AGREEMENT

The **Deep and Comprehensive Free Trade Area (DCFTA)** between the EU and Ukraine, the trade part of the Association Agreement[54], provisionally entered into force on 1 January 2016 while the full Association Agreement formally entered into force on 1 September 2017.

This information sheet constitutes the assessment of the trade-liberalisation measures under Article 6 of Regulation (EU) 2024/1392.

Ukraine was **granted EU candidate status** in June 2022. In December 2023, the **EU agreed to open accession negotiations with Ukraine**. The screening exercise in view of opening the accession negotiation of the EU acquis falling under Cluster 6 (External Relations) – which covers inter alia Chapter 30 on the Common Commercial Policy – is underway, with the explanatory meeting having taken place on 16 May 2024, and the bilateral meeting having taken place on 30 January 2025.

Furthermore, to support Ukraine's economy during the war, the EU adopted **autonomous trade measures (ATMs) on 30 May 2022**[55] suspending all duties and trade defence measures on imports from Ukraine.

- The ATMs were extended in June 2024 for another year.[56] The latest renewal of the Autonomous Trade Measures, which entered into force on 6 June 2024, included a strengthened safeguard mechanism that allowed for quick remedial action to be taken in case of significant disruptions to the EU market or the markets of one or more Member States. In addition, an emergency brake applied to eggs, poultry, sugar, oats, maize, groats, and honey, which was automatically triggered for oats, eggs, sugar, groats and honey since import volumes in 2024 reached the average yearly imports recorded between 1 July 2021 and 31 December 2023.

- The ATMs expired on 5 June 2025. On 2 June 2025 the EU and Ukraine started consultations pursuant to Article 29 of the DCFTA to agree on further reciprocal tariff liberalisation compared to the original 2016 DCFTA levels. On 30 June 2025, the EU

[54] The EU-Ukraine Association Agreement was published in OJ L 161, 29.5.2014, p. 3–2137. https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A22014A0529%2801%29

[55] Regulation (EU) 2022/870 of the European Parliament and of the Council of 30 May 2022 (OJ L 152 of 3.6.22, p. 103)

[56] Regulation (EU) 2024/1392 of the European Parliament and of the Council of 14 May 2024 on temporary trade-liberalisation measures supplementing trade concessions applicable to Ukrainian products under the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Ukraine, of the other part

and Ukraine **reached an agreement in principle**[57] **on this review** that includes increased market access, a commitment by Ukraine to align to EU food production standards as well as a robust safeguard mechanism. The review will enter into force once both the EU and Ukraine have completed their internal procedures for endorsement.

Since the entry into force in 2016 of the AA and its DCFTA, bilateral trade more than doubled and surpassed EUR 67 billion in 2024. EU-Ukraine trade maintains high volumes despite Russia's war of aggression against Ukraine and the EU remains an essential route for Ukraine exports, including to third countries with the help of the EU Solidarity Lanes initiative.

The EU Commission monitors imports from Ukraine, and in particular those under **TRQs otherwise applicable under the DCFTA** [58]. The monitoring shows a decrease in 2024 compared to the high levels of imports in 2023 for some products such as poultry and sugar, while imports of wheat have remained steady, and imports of eggs have continued to increase. These increased exports since the entry into force of the first Autonomous Trade Measures in June 2022 have a positive socio-economic impact on Ukraine. The impact of these imports on the Union market is being monitored closely. No adverse effects were observed on the EU market, but it is possible that Ukrainian imports can have adverse effects, which are more localised. Many stakeholders have brought to the attention of the Commission such possible impacts on local and regional markets, also having socio-economic impacts on the local farming communities. In view of this, the Commission launched a call for evidence, which accompanied the recent negotiation of TRQs in the DCFTA under the Article 29[59].

On 30 June 2025, the EU and Ukraine **reached an agreement in principle on the review of the their Deep and Comprehensive Free Trade Area** (DCFTA) under Article 29 of the Association Agreement. The Priority Action Plan (PAP) for enhanced implementation of the EU-Ukraine DCFTA in 2025-2026 lays down a set of concrete actions to monitor the full implementation of the DCFTA and to provide Ukraine with further access to the EU Single Market.

Ukraine is a Contracting Party of the **Regional Convention on pan-Euro-Mediterranean preferential rules of origin** ("PEM Convention") and has applied the transitional rules of origin applicable alongside the rules of the PEM Convention on a bilateral basis with the EU since 1 December 2023.

The main objective of the PEM Convention is to define common rules of origin in the PEM area, aimed at facilitating trade integration within this region. On 7 December 2023, the PEM Joint Committee adopted Decision No 1/2023 on the amendment to the PEM Convention. The

[57] More info in the press release: https://ec.europa.eu/commission/presscorner/detail/en/ip_25_1672
[58] See overview on DG TRADE's website: EU trade relations with Ukraine (europa.eu)
[59] Call for evidence and all replies are available here: https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/14393-EU-Ukraine-trade-further-reciprocal-tariff-liberalisation-under-Art-29-of-the-EU-Ukraine-Association-Agreement_en

rules of origin have been revised and modernized to simplify and enhance the rules' flexibility, as well as facilitate better integration into the global value chain.

The revised rules of the PEM Convention entered into force on 1 January 2025 and Ukraine applies them since then.

2. MAIN IMPLEMENTATION ISSUES

2.1 Market access: Progress and outstanding issues

Ukraine's **regulatory approximation** to the EU acquis continued to progress well despite the difficult situation caused by Russia's war of aggression against Ukraine.

Overall implementation of the DCFTA was discussed during the **9th EU-Ukraine Association Committee** in Trade Configuration (ACTC), held on 5 November 2024 in hybrid form (in Brussels and online).

The "**Priority Action Plan for enhanced implementation of the EU-Ukraine DCFTA in 2023-2024**" served as a roadmap to accelerate and monitor the full implementation of the DCFTA, thus facilitating and increasing Ukraine's access to the EU internal market. It was agreed to further extend the Priority Action Plan to cover the period 2025-2026. In 2024, the Priority Action Plan recorded good progress:

- Ukraine continued to make progress towards an **Agreement on Conformity Assessment and Acceptance of industrial products (ACAA)**, including towards meeting the EU's key recommendations on the country's alignment with the relevant horizontal and sectoral EU acquis, notably on a market surveillance law. Once Ukraine will adopt its Market Surveillance Law, the next steps will be a formal assessment by the Commission, triggering the process towards the launch of formal negotiations of an ACAA.

- The agreed list of rules applicable to **Telecommunications Services** (Appendix XVII-3 to the Association Agreement) was first amended in April 2023 to include the EU legislation relevant for roaming. A second amendment was adopted on 28 February 2025 to grant Ukraine more time to comply with some specific rules on roaming, considering the current war context. In a subsequent step, the EU assessed Ukraine's transposition and implementation of the EU acquis. On that basis, a Council decision was taken to authorize the integration of Ukraine into the EU's 'Roam Like at Home Area' area as from 1 January 2026, as proposed by the Commission.

- Progress was also made on a number of **customs related**[60] **issues,** notably on the adoption of the modernised PanEuroMed rules of origin, - which will have concrete benefits for EU and Ukrainian exporters, as well as for economic integration in the whole Pan-Euro-Mediterranean area. Work also progressed on the approximation of the

[60] The 8th Customs Subcommittee took place on 8 October 2024.

Ukrainian Customs Code to the EU customs acquis. The draft of a new Ukrainian Customs Code, mirroring the Union Customs Code provisions, was adopted by the Cabinet of Ministers of Ukraine (CMU) on 26 August 2025. Ukraine is advancing with the Authorised Economic Operators (AEOs) programme implementation, with a view to negotiating a mutual recognition agreement in the years to come. Since 1 October 2022 Ukraine is an active Contracting Party of the Common Transit Convention and related New Computerised Transit System. Since 1 January 2022 Ukraine is using CUSTOMS and FISCALIS programs.

- With regard to **public procurement**, the EU and Ukraine completed phases 1 and 2 of the public procurement roadmap in Annex XXI-A, adopting Decision 2/2023 and Decision 3/2023 of the EU-Ukraine Association Committee in Trade Configuration. This was followed by the granting of additional market access (see Decision 1/2024 [61] and Decision 2/2024 [62] of the Association Council). Ukraine's work to comply with phases 3 to 5 is ongoing, notably within the context of the public procurement law and a draft law on concessions and public-private partnerships. The Commission commented at various occasion on the draft legislation. The Priority Action Plan for 2025-2026 commits Ukraine to accelerate the adoption of Ukraine 's key legislation approximating its acquis to the EU acquis by the end of 2025.

- In the area of **SPS**[63], Ukraine continued to implement the SPS strategy. On 27 December 2024, Ukraine recognized the regionalization for African swine fever (ASF) for all EU Member-States.

Mutual engagement continued in the following areas:

- The 21st **Intellectual Property Rights Dialogue (IPR)** took place on 22 October 2024, taking stock of Ukraine's progress in the area, notably following up on the entry into force of the copyright law in January 2023 and the adoption of the Intellectual Property enforcement law in March 2023, as well as the institutional reform in the end of 2022. Ukraine also informed about the development of the national IP Strategy for 2025-2030.

[61] DECISION NO 1/2024 OF THE EU-UKRAINE ASSOCIATION COUNCIL of 1 October 2024 on the granting of reciprocal market access for supplies for central government authorities in accordance with Annex XXI-A to Chapter 8 of the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Ukraine, of the other part [2025/59], OJ L 14.1.2025

[62] DECISION NO 2/2024 OF THE EU-UKRAINE ASSOCIATION COUNCIL of 1 October 2024 on the granting of reciprocal market access for supplies for state, regional and local authorities and bodies governed by public law in accordance with Annex XXI-A to Chapter 8 of the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Ukraine, of the other part [2025/68], OJ 14.1.2025

[63] The 7th SPS Subcommittee took place on 27 November 2024.

As regards **Geographical Indications (GIs)**[64], cooperation continued in order to ensure alignment of Ukraine's GI system with EU norms and standards.

- In the **field of competition** including State aid, the Law on State aid remains suspended during the martial law.

- As regards the **wood export ban**, a long-standing trade irritant, a Panel found it incompatible with Article 35 of the Association Agreement[65], Ukraine is still referring to ongoing legislative work on this issue but has not yet complied with the panel's recommendations.

- In September 2025 Ukraine introduced an **export duty on soyabeans and rapeseed**.

2.2 Trade and sustainable development: Progress and outstanding issues

In the context of the above mentioned Priority Action Plan, the 7th **Ukraine – EU Trade and Sustainable Development Subcommittee** was held on 11 June 2024 via videoconference. The Subcommittee noted that more than two years had passed since the start of Russia's war of aggression and the EU reiterated its full support for Ukraine. The subcommittee noted the importance of civil society participation and the contribution of the EU and Ukrainian Domestic Advisory Groups.

- Regarding **labour matters** Ukraine updated on developments and the EU expressed appreciation for the continued engagement even in the current extremely difficult circumstances. It highlighted the importance of upholding labour rights as much as possible, even in times of war and reiterated that ensuring labour rights and decent working conditions in line with the EU acquis and international labour standards will be key for a sustainable recovery after the war. The EU highlighted the importance of genuine participation of social partners when developing legislation including the modernisation of labour relations and reiterated its availability to provide the necessary technical support.

- Ukraine informed about the **environmental and climate** damage caused by the war. The EU pointed to the need to restore nature after the war, stressed the role of municipalities and civil society. The Parties updated each other on European Green Deal

[64] The 7th GI Subcommittee took place on 9 December 2024.
[65] On 11 December 2020 the panel of experts found that Ukraine's 2015 temporary export ban is illegal.

initiatives and on Ukraine's efforts to reduce emissions and its work on framework legislation for environmental protection.

On 13 June 2024, the parties debriefed the **Civil Society Forum** on the issues discussed during the last meeting of the TSD Subcommittee.

ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE DEEP AND COMPREHENSIVE FREE TRADE AREA BETWEEN THE EU AND GEORGIA

1. THE AGREEMENT

The **Deep and Comprehensive Free Trade Area** (DCFTA) between the EU and Georgia is the main economic pillar of the of the EU-Georgia **Association Agreement**[66] (AA) and entered into force on 1 July 2016, after having been applied on a provisional basis since 1 September 2014.[67]

This information sheet constitutes the report on the implementation of the EU-Georgia DCFTA.

Georgia was **granted EU candidate status** in December 2023, on the understanding that Georgia would take the relevant steps as set out in a Commission recommendation. However, the rapid democratic backsliding of the country, the reported irregularities surrounding the parliamentary elections of 26 October 2024 and the anti-EU rhetoric of the Georgian authorities have been affecting the country's trajectory towards the EU and Georgia's accession process has *de facto* been halted[68]. Nevertheless, in December 2024, the Georgian authorities adopted the "**2025 Action Plan**[69] **for the Implementation of the Deep and Comprehensive Free Trade Area Agreement** (DCFTA) between Georgia and the European Union and other commitments beyond it".

Similarly to its previous editions, this report outlines the priorities of the association agenda in several sectors (including for example Technical Barriers to Trade, SPS measures, customs or IPR) and the relevant planned activities with mention of indicators, responsible implementing institutions and timeframe for implementation.

Georgia is a member of the **Convention on pan-Euro-Mediterranean preferential rules of origin** ("PEM Convention") and applies the transitional set of rules of origin applicable alongside the rules of the PEM Convention on a bilateral basis with the EU since 1 September 2021. On 7 December 2023, the country adopted the revision of this PEM Convention that modernises the rules of origin applicable in the PEM area, which entered into force on 1 January 2025.

Georgia officially became a Contracting Party to the **Energy Community Treaty** on 1 July 2017.

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[66] The EU-Georgia Association Agreement was published in OJ L 261, 30.08.2014. http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:L:2014:261:FULL&from=EN

[67] When it comes to DCFTA application to breakaway regions Abkhazia and South-Ossetia, the EU gives its full support to Georgia's territorial integrity. However, in accordance with Article 429 (Territorial application) of the Association Agreement, conditions enabling effective implementation of the DCFTA, and notably de facto government control over those territories, would need to be created in either Abkhazia or South Ossetia for the DCFTA to apply to those regions, which is not the case at present.

[68] DCFTA AP 2021-2023 ENG.pdf

[69] (ENG)_DCFTA_AP_2025.pdf

2. MAIN IMPLEMENTATION ISSUES

2.1 Market Access: Progress and outstanding issues

The last **Association Committee in Trade Configuration** was held in Tbilisi on 12-13 December 2023. Due to the deteriorating political situation, no Association Committee took place in 2024 and the overall status of the implementation of the DCFTA was not reviewed. In 2024 Georgia nevertheless made some **progress** in several areas of **legal approximation**:

- In the area of **SPS,** while no significant developments have been recorded on aquaculture, Georgia completed a questionnaire related to the process allowing Georgia to export queen bees to the EU, which has been under consideration by the EU.

- In the area of **IPR**, the Georgian Government continued its efforts to **reform the intellectual property protection and enforcement system**, especially concerning the patent law, the law on appellations of origin and Geographical Indications (GIs)s, the law of trademarks and the law on copyright. Legislation on copyright and industrial property rights remains partially aligned with the EU acquis. The Agreement between the Government of Georgia and the European Patent Organisation (EPO) on Validation of European Patents (Validation Agreement) entered into force on 15 January 2024 allowing for validation of European patents on the territory of Georgia, based on a single European patent application. Amendments to the Trademark Law were adopted in February 2024, introducing changes to the grounds of appeal, new types of trademarks and changes to the examination procedure of trademarks. In the area of enforcement, stronger border, criminal, civil and administrative enforcement is needed.

- In the area of **energy policy**, Georgia, since joining the Energy Community in 2017, has continued to work towards approximating its energy acquis according to the Energy Community work programme. Georgia continues to develop the related framework, methodologies and regulations relating to the implementation of the Energy Efficiency Law, Law on Energy Performance of Buildings and Law on Energy Labelling. The transition model of day-ahead and intraday electricity markets was launched on 1 July 2024. As for the Electricity Integration Package, work continued to prepare the necessary amendments for transposition and implementation of the applicable provisions. The feasibility study of the project on the Black Sea Submarine Cable Project was completed in July 2024.

- In the area of **customs and trade facilitation**, Georgia acceded to the Common Transit Convention and related New Computerized Transit System on 1 February 2025.

- Georgia has also continued the **approximation of its customs legislation** to the EU *acquis* and is working on the development of the national programme of Authorised Economic Operators (AEO). Georgia was one of countries where the modernised transitional Pan-Euro-Med Rules of Origin were applicable from 1 September 2021. Georgia and EU signed the Agreement on the accession to the EU CUSTOMS and FISCALIS programmes in 2022.

2.2 Trade and sustainable development: Progress and outstanding issues

The **8th TSD Subcommittee** met on 18 June 2024 followed by a Civil Society Dialogue Forum. During the meeting a new action plan covering the period 2024-2026 was adopted. Progress was made on **environment protection related commitments:**

- Georgia adopted the **National Climate Change Strategy 2030** and its Action Plan 2021-2023, that identifies measures and actions that support the development of the Georgian economy and infrastructure in a way which sets Georgia on a pathway to meet its international obligations and national ambitions for climate change mitigation.

- Georgia adopted several **decrees regarding forest management, record keeping and monitoring,** for example the "The list of Forest Forming Wood Species", "The Criteria and Indicators of Sustainable Forest Management" and the new national forest programme.

- **Georgia submitted its long-term low emission development strategy** and is preparing to send its 5th National Communication to the UNFCCC.

With regard to **labour issues:**

- Georgia reported on **strengthening its labour inspections system**, through new recruitments, training and capacity building and an increase of unannounced labour inspections and improving statistics. The EU side underlined the importance of adequate capacities and training and encouraged the ratification of convention C81 on labour inspections.

- The parties discussed the importance of ensuring **occupational health and safety**, preventing and combing child labour, ensuring effective social dialogue and promoting collective bargaining.

- The EU encouraged Georgia to pursue efforts to complete **alignment of its legal framework to ILO fundamental Conventions** 100 (Equal Remuneration) and 111 (Non-discrimination).

The Domestic **Advisory Group** under the EU-Georgia DCFTA met on 17 June 2024. Its joint conclusions were discussed in the Civil Society Dialogue Forum on 18 June 2025. They conveyed deep concern about the adoption of the law on" Transparency of foreign influence" and urged the withdrawal of the draft bill "On Family Values and Protection of Minors", which in its form would prevent the implementation of the ILO conventions 111 and 190 against violence and harassment in the workplace.

3. MONITORING IN SPECIFIC AREAS

An **anti-circumvention mechanism** applies to several agricultural goods i.e. beef, pork, sheep and poultry meat, dairy products, eggs and albumins, mushrooms, cereals, malt, starches and sugars as well as to processed agricultural products such as sweetcorn, processed sugars and cereals and cigarettes. For none of the products under the anti-circumvention mechanism the respective trigger levels were exceeded in 2024, due to the low level of trade flows for those products in the analysed period.

ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE DEEP AND COMPREHENSIVE FREE TRADE AREA BETWEEN THE EU AND MOLDOVA

1. THE AGREEMENT

The **Deep and Comprehensive Free Trade Area** (DCFTA) between the EU and Moldova is the main economic pillar of the **Association Agreement** (AA). It has been provisionally applied since 1 September 2014 and fully entered into force on 1 July 2016. The DCFTA comprises two main components: trade liberalisation (in the form of a Free Trade Agreement) and regulatory approximation to the EU acquis. The EU and Moldova on 24 July 2025 reached an **agreement to review and update** the trade terms of the DCFTA.

The DCFTA applies to the entire territory of the Republic of Moldova (i.e. including Transnistria) since 1 January 2016, as per Decision No 1/2015 of the EU-Republic of Moldova Association Council. The EU monitors the implementation of these arrangements and its adherence by both Chisinau and Tiraspol on a yearly basis, and progress is assessed in the framework of the annual Association Committee in Trade Configuration.

Moldova is a Contracting Party of the **Regional Convention on pan-Euro-Mediterranean preferential rules of origin** ("PEM Convention") and has applied the transitional rules of origin applicable alongside the rules of the PEM Convention on a bilateral basis with the EU since 16 November 2021. The main objective of the PEM Convention is to define common rules of origin in the PEM area, aimed at facilitating trade integration within this region. On 07 December 2023, the PEM Joint Committee adopted Decision n 1/2023 on the amendment to the PEM Convention. The rules of origin have been revised and modernized to simplify and enhance the rules' flexibility, as well as facilitate better integration into the global value chain.

The revised rules of the PEM Convention entered_into force on 1 January 2025 and Republic of Moldova applies them since then.

This information sheet constitutes the report on the implementation of the EU-Moldova DCFTA, in line with the reporting requirements of the Regulation implementing the anti-circumvention mechanism provided for in the EU-Moldova Association Agreement.[70] It also

[70] Regulation (EU) 2016/400 of the European Parliament and of the Council of 9 March 2016 implementing the anti-circumvention mechanism provided for in the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Moldova, of the other part (OJ L 77/53 of 23.3.2016). According to its Article 14, the Commission shall submit an annual report on implementation of this Regulation and Title V (DCFTA) of the Association Agreement. The report shall, inter alia, include information about the application of the anti-circumvention mechanism and set out a summary of the statistics and the evolution of trade with Moldova.

constitutes the assessment of the implementation of the trade-liberalisation measures as per Article 6 of Regulation (EU) 2024/1501[71].

Moldova was granted EU candidate status in June 2022, and in December 2023 **the EU agreed to open accession negotiations with Moldova**. The screening exercise in view of opening the accession negotiation of the EU acquis falling under Cluster 6 (External Relations) – which covers inter alia Chapter 30 on the Common Commercial Policy – is underway, with the explanatory meeting having taken place on 16 May 2024, and the bilateral meeting having taken place on 5 February 2025.

Furthermore, following Russia's unprovoked and unjustified war of aggression against Ukraine, the EU adopted **autonomous trade measures (ATMs)** on 18 July 2022 to temporarily increase the size of the tariff-rate quotas (TRQs) for seven agricultural products[72] for a period of one year. These ATMs were extended for another year on 20 July 2023 and 25 July 2024 respectively and enhanced to suspend temporarily all outstanding tariffs (TRQs and the entry price system) under the DCFTA. All other Moldovan exports to the EU are already tariff and quota free.

The social impact of the trade-liberalisation measures in the EU can be assessed to be rather modest. On the other hand, the impact on Moldova has been positive, as they have helped to show the people of Moldova the value of its European choice and support the country's gradual integration into the EU internal market.

2. MAIN IMPLEMENTATION ISSUES

2.1. Market Access: Progress and outstanding issues

In 2023, the EU and Moldova agreed a ***Priority Action Plan (PAP)*** which identifies immediate actions that can be undertaken in the period up to the end of 2024 to accelerate the implementation of the DCFTA and enhance access to the EU internal market. The PAP has been a success as there have been positive developments towards completing almost all the actions in the PAP. At the last meeting of the Trade Committee in November 2024, it was agreed to fold the PAP into the new Growth Plan for Moldova[73] and not to extend it upon its expiry at the end of 2024.

In 2024, Moldova took **further steps to approximate its legislation** to the EU acquis and comply with the commitments under the DCFTA. Such approximation needs to be

[71] Regulation (EU) 2024/1501 of the European Parliament and of the Council of 14 May 2024 on temporary trade liberalisation measures supplementing trade concessions applicable to products from the Republic of Moldova under the Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Moldova, of the other part (OJ L, 29.5.2024, p. 1–5)
[72] Plums, cherries, apples, table grapes, grape juice, tomatoes, and garlic.

[73] Commission Communication on the Moldova Growth Plan

accompanied by effective enforcement by independent and transparent institutions, which is challenging in some areas, as well as by the necessary secondary legislation.

Implementation of the DCFTA was discussed during the **11th EU-Moldova Association Committee in Trade Configuration (ACTC)**, which was held in Brussels on 14-15 November 2024, noting progress made on several issues:

- As regards **TBT**, the parties noted that work is proceeding according to plan on a possible future Agreement on Conformity Assessment and Acceptance of Industrial Products (ACAA) in the field of electrical and electronic equipment and electromagnetic compatibility (EMC). The preliminary legal assessment was completed in 2024, and operational missions are currently underway on standardization and accreditation. Moldova noted that a substantial legislative programme is underway to overhaul the laws on standardization, accreditation and metrology.

- In the area of **SPS**, Moldova continued its approximation to the EU acquis. Following EU authorization, Moldova is now exporting class A eggs and fresh and processed poultry meat to the EU. Moldova also reported that it had put in place a pesticide residue monitoring plan and adopted the regionalisation principle (in line with the EU approach).

- In regard to **public procurement**, the draft legislation on concessions which has been submitted to parliament represents a high level of alignment with the EU concessions Directive. New draft legislation amending the public procurement law has also been developed and sent to the Commission for comments. On the other hand, the draft legislation on public-private partnerships continues to raise concerns; and there has been little progress on e-procurement, where the whole system still requires a redesign.

- In the area of **customs,** the Moldovan Customs Code came into force on 1 January 2024 and is now broadly in line with the EU acquis although transitional measures are still in place including in respect of companies established in Moldova's Free Economic Zones (FEZs). The Authorised Economic Operator (AEO) programme is also working well (Moldova now has 146 AEOs). Moldova is also showing good progress on legal approximation to the Common Transit Convention (CTC) which it hopes to join in Q4 2025.

- On **Telecommunications Services**, Moldova reported that parliamentary approval of legislation on alignment with the EU roaming acquis is expected in Q1 2025.

- **On postal services**, Moldova has made good progress and is now aligned with the EU postal acquis (Postal Services Directive, and the Regulation on cross-border parcel delivery services).

- On **IPR** cooperation has improved between Moldova's State Agency on Intellectual Property (AGEPI) and the European Union Intellectual Property Office (EUIPO). Moldova was invited to take full benefit of the ongoing EU4IP project which will also enable Moldova to continue to benefit from collaboration with the EUIPO to improve aligning its legislation with the EU acquis and enforcement.

2.2 Trade and Sustainable Development: Progress and outstanding issues

As it embarks on the **accession process**, Moldova will use the DCFTA implementation to build administrative capacity and reform its legal framework on sustainability.

Following the meeting of the **TSD Subcommittee** on 16 March 2023 during the Association Committee in Trade Configuration (ACTC) of 14-15 November 2024 TSD related topics were discussed, and progress on the following issues was noted:

- As regards **labour matters**, Moldova ratified the ILO convention 190 (on violence and harassment) in March 2024 and reported improvements introduced to its **labour inspections** system, which now allows for unannounced inspection visits in specific cases. This increases Moldova's capacity to detect and regularise undeclared work[74]. The parties also agreed on the importance of **duly involving and consulting social partners** in the development of labour legislation and of strengthening occupational health and safety. Moreover, some progress in combatting **child labour** was reported**,** with further progress expected such as in the agricultural field.

- In the area of the **environment** Moldova reported on steps taken to develop legislation governing ecolabelling, the expansion of Extended Producers Responsibility Schemes and alignment of Moldova's acquis with EU legislation on air quality. In the area of **climate action** both Moldova's law on climate change and the Low Emission Development programme 2030 became effective in 2024. Moldova also confirmed its intention to submit its Nationally Determined Contributions under the Paris Agreement soon as well as adopt a long-term low emission strategy.

The EU and Moldovan Domestic Advisory Group started preparations for the Civil Society Dialogue Forum on 22 May 2025, which includes agreeing on implementation priorities in the Joint Conclusions.

3. MONITORING IN SPECIFIC AREAS

An **anti-circumvention mechanism** applies to several agricultural goods (including pork and poultry meat, dairy products, eggs, sugar and some cereals such as wheat, barley and maize) as well as to processed agricultural products such as sweet corn, processed sugars, dairy and

[74] However, despite these positive developments, the legal framework governing labour inspections in Moldova needs to be further aligned with ILO Conventions 81 and 129. This is a point regularly raised by the Commission in different contexts, including in the TSD subcommittees.

cereals and cigarettes. In 2024, Moldova's imports of wheat, processed cereals and sweetcorn exceeded 100% and imports of barley exceeded 80% of the volume indicated in the DCFTA. After analysis, the Commission considered the justifications delivered by Moldova in December 2024 to be acceptable.

Western Balkans – Stabilisation and Association Agreements

ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE TRADE PILLAR OF THE EU-KOSOVO STABILISATION AND ASSOCIATION AGREEMENT

1. THE AGREEMENT

The EU and Kosovo signed a **Stabilisation and Association Agreement** (SAA) on 27 October 2015, which entered into force in its entirety on 1 April 2016. The SAA is the prime instrument of the EU's overall policy towards the EU accession of Western Balkan partners.

The **SAA** established a free-trade area over a transitional period of 10 years. It covers products in all Chapters of the Harmonised System. Only a few exceptions, concerning a limited number of agricultural and fishery products were not fully liberalised and are still subject to preferential quantitative concessions (Tariff Rate Quotas).

The SAA also includes provisions concerning competition and state aid, investment and related payments, a high level of protection of intellectual property rights, strengthened co-operation in customs matters as well as in social and labour market policies, disciplines on government procurement and legislative approximation in many areas including standardisation, as well as provisions regarding services and establishment.

The implementation of the trade related part of the SAA is discussed in the sub-committee on Trade, Industry, Customs and Taxation, which last took place for Kosovo in July 2025.

Kosovo is a Contracting Party of the **Regional Convention on pan-Euro-Mediterranean preferential rules of origin** ("PEM Convention") and has applied the transitional rules of origin applicable alongside the rules of the PEM Convention on a bilateral basis with the EU since 15 October 2022.

The main objective of the PEM Convention is to define common rules of origin in the PEM area, aimed at facilitating trade integration within this region. On 07 December 2023, the PEM Joint Committee adopted Decision n 1/2023 on the amendment to the PEM Convention. The rules of origin have been revised and modernized to simplify and enhance the rules' flexibility, as well as facilitate better integration into the global value chain. The revised rules of the PEM Convention entered into force on 1 January 2025 and Kosovo (*) applies them since then.

Kosovo continues to benefit from **Autonomous Trade Measures** (ATMs) introduced under Regulation 2024/823[75], which provides additional market access for certain fruits, vegetables and wines, thereby allowing nearly all Kosovan exports to enter the EU without customs duties or limits on quantities. The current ATM Regulation is due to expire at the end of December 2025.

[75] Regulation (EU) 2024/823 of the European Parliament and of the Council of 28 February 2024 on exceptional trade measures for countries and territories participating in or linked to the Stabilisation and Association process (codification)

The Commission was informed in November 2019 of Kosovo's plans to apply for WTO observer status.

2. MAIN IMPLEMENTATION ISSUES

Kosovo has made good progress in implementing the trade provisions of the SAA since its entry into force. However, insufficient **administrative capacity** and coordination among institutions remain a challenge. In particular, the lack of **legislation on losses of petroleum (through evaporation) during transportation** remains a longstanding concern among EU investors, as such losses are not deducted by Kosovo's authorities and are thus not considered when they calculate customs duties and taxes.

In October 2024, the "**temporary operational security measure**" blocking the entry of Serbian finished products into Kosovo was adjusted to an "increased control" measure, imposing specific manual security checks on the import of Serbian finished products. Currently, the import of Serbian finished goods is only permitted through the Merdare crossing point. In contrast, goods that do not fall under the category of finished products can continue to be imported through other crossing points. While this marks an improvement over the security bans imposed in mid-June 2023, the limited capacity of the Merdare crossing and its associated customs clearance terminal frequently results in lengthy delays. An expansion of the import possibilities for finished goods from Serbia through additional crossing points, and an end to the detailed manual checks was made contingent upon upgrading these crossing points with X-ray scanners, a process which is currently underway.

ANNUAL INFORMATION SHEET ON IMPLEMENTATION OF THE TRADE PILLAR OF THE EU-SERBIA STABILISATION AND ASSOCIATION AGREEMENT

1. THE AGREEMENT

The EU and Serbia signed a **Stabilisation and Association Agreement** (SAA) on 29 April 2008, which **entered into force in its entirety on 1 September 2013,** although the trade-related part entered into force already through an Interim Agreement on 1 February 2009 for Serbia, and on 8 December 2009 for the EU. The SAA is the prime instrument of the EU's overall policy towards the Western Balkan partners' EU accession process. Serbia was granted EU candidate status in March 2012, and the EU opened accession negotiations with Serbia in January 2014. Chapter 30, covering acquis falling, inter alia, under the Common Commercial Policy, has been open for Serbia since December 2017.

The SAA established a free-trade area over a transitional period of six years. The SAA covers products in all Chapters of the Harmonised System. Regarding agricultural products, EU agricultural imports from Serbia are almost completely liberalised (with very few exceptions). On the other hand, some EU agricultural exports to Serbia remain subject to tariffs and tariff rate quotas (TRQs).

The SAA also includes provisions concerning competition and state aid, investment and related payments, a high level of protection of intellectual property rights, strengthened co-operation in customs matters as well as in social and labour market policies, disciplines on government procurement and legislative approximation in many areas including standardisation, as well as provisions regarding services and establishment.

Serbia benefits from **Autonomous Trade Measures** (ATMs) introduced under Regulation 2024/823 [76], which provides additional market access for certain fruits, vegetables and wines, thereby allowing nearly all Serbian exports to enter the EU without customs duties or limits on quantities. The current ATM Regulation is due to expire at the end of December 2025.

Serbia is a Contracting Party of the **Regional Convention on pan-Euro-Mediterranean preferential rules of origin** ("PEM Convention") and has applied the transitional rules of origin applicable alongside the rules of the PEM Convention on a bilateral basis with the EU since 06 December 2021. The main objective of the PEM Convention is to define common rules of origin in the PEM area, aimed at facilitating trade integration within this region. On 07 December 2023, the PEM Joint Committee adopted Decision n 1/2023 on the amendment to the PEM Convention. The rules of origin have been revised and modernized to simplify and enhance the rules' flexibility, as well as facilitate better integration into the global value chain. The revised rules of the PEM Convention entered into force on 1 January 2025 and Serbia applies them since then.

[76] Regulation (EU) 2024/823 of the European Parliament and of the Council of 28 February 2024 on exceptional trade measures for countries and territories participating in or linked to the Stabilisation and Association process (codification)

Serbia started negotiating its accession to the **WTO** in 2004. The EU continues to support Serbia's efforts, but the negotiation process has been stalled for several years. [2]

2. MAIN IMPLEMENTATION ISSUES

Serbia has generally made good progress in implementing the trade provisions of the SAA since its entry into force.

At the same time, as observed over the past couple of years, Serbia has a tendency of introducing *ad hoc* temporary trade restrictive measures, which are in contradiction to what is stipulated by the SAA.

Quantitative restrictions on imports of **sunflower oil and margarine** introduced in March 2024 and an import ban on **wood pellets** introduced in April 2024 were **removed** in March 2025. Additionally, in May 2025 Serbia revoked previously issued import licences and terminated the issuance of new licences concerning many dairy and meat products, significantly disrupting trade, but most of the licences seem to have been reissued by August 2025. An export ban on arms and military equipment that was introduced in July 2025 remains in force.

Furthermore, a number of ***de facto* trade irritants remained** in place in 2024 and early 2025**.** This includes **delays in issuance of import licences** and the shortening of the time frame for import licences by the Serbian Veterinary Directorate (notably as regards dairy products), as well as lengthy and recuring veterinary and SPS border inspections.

In addition, Serbia's management of the tariff rate quotas granted to the EU for wine continues to rely on allocations over 4 quarters, with a maximum quantity per trader (rather than on a first come/first served system). This risks harming market access by EU exporters.

Serbia continued to raise concerns regarding the impact of the **EU's steel safeguard measures**.

ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE TRADE PILLAR OF THE EU-BOSNIA AND HERZEGOVINA STABILISATION AND ASSOCIATION AGREEMENT

1. THE AGREEMENT

The EU and Bosnia and Herzegovina signed a **Stabilisation and Association Agreement** (SAA) on 16 June 2008, which entered into force in its entirety on 1st June 2015, although the trade-related part of the SAA entered into force already through an Interim Agreement on 1st July 2008. The SAA is the prime instrument of the EU's overall policy towards the Western Balkan partners' EU association process.

Bosnia and Herzegovina was granted **EU candidate status** in December 2022. Following the Commission's report on progress in Bosnia and Herzegovina, the European Council decided on 21 March 2024 to open accession negotiations with Bosnia and Herzegovina. The European Council invited the Commission to prepare a negotiating framework with a view to its adoption by the Council the moment all relevant steps set out in the Commission's recommendation of October 2022 are taken.

The SAA established a free-trade area over a transitional period of five years. The Agreement covers products in all Chapters of the Harmonised System. Regarding agricultural products, EU agricultural imports from Bosnia and Herzegovina are almost completely liberalised (with very few exceptions). On the other hand, some EU agricultural exports to Bosnia and Herzegovina remain subject to tariffs and tariff rate quotas (TRQs).

The Agreement also includes provisions concerning competition and state aid, investment and related payments, a high level of protection of intellectual property rights, strengthened co-operation in customs matters as well as in social and labour market policies, disciplines on government procurement and legislative approximation in many areas including standardisation, as well as provisions regarding services and establishment.

The implementation of the trade related part of the SAA is discussed in the sub-committee on Trade, Industry, Customs and Taxation, which last took place for Bosnia and Herzegovina in April 2025.

Bosnia and Herzegovina benefits from **Autonomous Trade Measures** (ATMs) introduced under Regulation 2024/823[77], which provide additional market access for certain fruits, vegetables and wines, thereby allowing nearly all products from Bosnia and Herzegovina to enter the EU without customs duties or limits on quantities. The current ATM Regulation is due to expire at the end of December 2025.

Bosnia and Herzegovina is a Contracting Party of the **Regional Convention on pan-Euro-Mediterranean preferential rules of origin** ("PEM Convention") and has applied the

[77] Regulation (EU) 2024/823 of the European Parliament and of the Council of 28 February 2024 on exceptional trade measures for countries and territories participating in or linked to the Stabilisation and Association process (codification)

transitional rules of origin applicable alongside the rules of the PEM Convention on a bilateral basis with the EU since 11 December 2023.

The main objective of the PEM Convention is to define common rules of origin in the PEM area, aimed at facilitating trade integration within this region. On 07 December 2023, the PEM Joint Committee adopted Decision n 1/2023 on the amendment to the PEM Convention. The rules of origin have been revised and modernized to simplify and enhance the rules' flexibility, as well as facilitate better integration into the global value chain. The revised rules of the PEM Convention entered into force on 1 January 2025 and Bosnia and Herzegovina applies them since then.

Bosnia and Herzegovina started negotiating its accession to the WTO in 1999. The EU continues to support Bosnia and Herzegovina's efforts to conclude WTO accession negotiations.

2. MAIN IMPLEMENTATION ISSUES

Bosnia and Herzegovina has made reasonable progress in implementing the trade provisions of the SAA since its entry into force.

The latest Sub-committee on Trade, Industry, Customs and Taxation took place in April 2025. It discussed outstanding trade irritants, notably in the area of pharmaceuticals and in relation to alcoholic beverages (beer).

Progress was made in 2024 and early 2025 in the area of pharmaceuticals, removing a **trade irritant** introduced in 2022 when various EU medicines were removed from the official lists of medicines which can be prescribed and dispensed by health insurance funds in four cantons. In 2024, the European Commission continued to engage with the authorities asking for the measure to be removed.

As a result, all cantons adopted new lists of medicines that no longer discriminate non-domestic/EU pharmaceutical companies.

Bosnia and Herzegovina's **excise duties on beer**, a long-standing trade irritant introduced in 2014, was discussed during the 8th Meeting of the Sub-Committee on Trade, Industry, Customs and Taxation in April 2025. The relevant law allows reduced excise duties for breweries with a production of less than 400,000 hl (average past 3 years).[78,] de facto benefitting Bosnia and Herzegovina's domestic breweries and their production, as compared to non-domestic ones. Bosnia and Herzegovina should bring the legislation on VAT and on excise duties in line with the EU acquis, notably on excise duties on beer, and avoid further deviation from the EU acquis, notably regarding excise on petroleum products (Q1 2026). Bosnia and Herzegovina should also eliminate the administrative burdens in the area of electronic signature (e-signature) in order to ensure its interoperability and a harmonised countrywide system (Q1 2026).

[78] The EU also allows reduced excise duties for small brewers under EU Directive 92/83/EEC, but the ceiling of production is 200,000 hl/year.

ANNUAL INFORMATION SHEET ON IMPLEMENTATION OF THE TRADE PILLAR OF THE EU-MONTENEGRO STABILISATION AND ASSOCIATION AGREEMENT

1. THE AGREEMENT

The EU and Montenegro on 15 October 2007 signed a **Stabilisation and Association Agreement (SAA)**, which entered into force in its entirety on 1 May 2010, although the trade-related part of the SAA entered into force already through an Interim Agreement on 1 January 2008. The SAA is the prime instrument of the EU's overall policy towards the Western Balkans' EU association process.

Montenegro was granted **EU candidate status** in December 2010, and the EU opened accession negotiations with the country in June 2012. Chapter 30 covering, inter alia, acquis falling under the Common Commercial Policy has been provisionally closed for Montenegro in 2017.

The SAA established a free-trade area over a transitional period of five years. It covers products in all Chapters of the Harmonised System. Regarding agricultural products, EU agricultural imports from Montenegro are almost completely liberalised (with very few exceptions). On the other hand, some EU agricultural exports to Montenegro remain subject to tariffs and tariff rate quotas (TRQs).

The SAA also includes provisions concerning competition and state aid, investment and related payments, a high level of protection of intellectual property rights, strengthened co-operation in customs matters as well as in social and labour market policies, disciplines on government procurement and legislative approximation in many areas including standardisation, as well as provisions regarding services and establishment.

Montenegro benefits from **Autonomous Trade Measures** (ATMs) introduced under Regulation 2024/823[79], which provide additional market access for certain fruits, vegetables and wines, thereby allowing nearly all Montenegrin exports to enter the EU without customs duties or limits on quantities. The current ATM Regulation is due to expire at the end of December 2025.

Montenegro is a Contracting Party of the **Regional Convention on pan-Euro-Mediterranean preferential rules of origin** ("PEM Convention") and has applied the transitional rules of origin applicable alongside the rules of the PEM Convention on a bilateral basis with the EU since 02 February 2022.

The main objective of the PEM Convention is to define common rules of origin in the PEM area, aimed at facilitating trade integration within this region. On 7 December 2023, the PEM

[79] Regulation (EU) 2024/823 of the European Parliament and of the Council of 28 February 2024 on exceptional trade measures for countries and territories participating in or linked to the Stabilisation and Association process (codification)

Joint Committee adopted Decision n 1/2023 on the amendment to the PEM Convention. The rules of origin have been revised and modernized to simplify and enhance the rules' flexibility, as well as facilitate better integration into the global value chain. The revised rules of the PEM Convention entered into force on 1 January 2025 and Montenegro applied them since then.

Montenegro has been a member of the **WTO** since 29 April 2012.

2. MAIN IMPLEMENTATION ISSUES

The implementation of the trade related part of the SAA is discussed in the sub-committee on Trade, Industry, Customs and Taxation, which last took place for Montenegro in July 2025.

Montenegro continues to make good progress in implementing the trade provisions of the SAA since its entry into force. There were no trade restricting measures in place in 2024.

ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE TRADE PILLAR OF THE EU-ALBANIA STABILISATION AND ASSOCIATION AGREEMENT

1. THE AGREEMENT

The EU and Albania signed a **Stabilisation and Association Agreement** (SAA) on 12 June 2006, which entered into force in its entirety on 1 April 2009, although the trade-related part of the SAA entered into force already through an Interim Agreement on 1 December 2006. The SAA is the prime instrument of the EU's overall policy towards the Western Balkans' EU association process.

Albania was granted **EU candidate status** in June 2014, and the EU opened accession negotiations with the country in July 2022. Chapter 30, covering acquis falling, inter alia, under the Common Commercial Policy, has been open for Albania since December 2024.

The SAA established a free-trade area over a transitional period of ten years. It covers products in all Chapters of the Harmonised System. Regarding agricultural products, EU agricultural imports from Albania are almost completely liberalised (with very few exceptions). On the other hand, some EU agricultural exports to Albania remain subject to tariffs and TRQs. The SAA also includes provisions concerning competition matters and state aid, investment and related payments, a high level of protection of intellectual property rights, strengthened co-operation in customs matters as well as in social and labour market policies, disciplines on government procurement and legislative approximation in many areas including standardisation, as well as provisions regarding services and establishment.

Since 2000 Albania has also been benefiting from the '**Autonomous Trade Measures**' introduced under Regulation 2024/823[80], which provide additional market access for certain fruits, vegetables and wines, thereby allowing nearly all Albanian exports to enter the EU without customs duties or limits on quantities. The current ATM Regulation is due to expire at the end of December 2025.

Albania is a Contracting Party of the **Regional Convention on pan-Euro-Mediterranean preferential rules of origin** ("PEM Convention") and has applied the transitional rules of origin applicable alongside the rules of the PEM Convention on a bilateral basis with the EU since 01 September 2021. The main objective of the PEM Convention is to define common rules of origin in the PEM area, aimed at facilitating trade integration within this region. On 07 December 2023, the PEM Joint Committee adopted Decision n 1/2023 on the amendment to the PEM Convention. The rules of origin have been revised and modernized to simplify and enhance the rules' flexibility, as well as facilitate better integration into the global value chain. The revised rules of the PEM Convention entered into force on 1 January 2025 and Albania applies them since then.

[80] Regulation (EU) 2024/823 of the European Parliament and of the Council of 28 February 2024 on exceptional trade measures for countries and territories participating in or linked to the Stabilisation and Association process (codification)

Albania has been a member of the **WTO** since 8 September 2000.

2. MAIN IMPLEMENTATION ISSUES

The implementation of the trade related part of the SAA is discussed in the sub-committee on Trade, Industry, Customs and Taxation, which last took place for Albania in October 2024.

Albania continues to make good progress in implementing the trade provisions of the SAA since its entry into force.

There are **no significant trade barriers** while the Commission continued its engagement with the Albanian authorities in 2024 to make progress on the following issues, including:

Rakia produced in Albania is subject to a rate of excise duty, which is less than 25% of the rate applied to all other spirituous beverages, including EU imports.

- In the area of public procurement, a potentially problematic amendment introduced in 2024 to the Albanian Public Procurement Law allows the Council of Ministers, for a period of 3 years, to authorise central government institutions to negotiate and conclude international consultancy agreements in 'areas of strategic interest' and thus exempting them from opening competition. The Commission continued its engagement with the Albanian authorities to prevent this trade irritant from materialising.

- Furthermore, Albania has not yet complied with its commitment to enable EU nationals and entities to acquire agricultural real estate.

ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE TRADE PILLAR OF THE STABILISATION AND ASSOCIATION AGREEMENT BETWEEN THE EU AND NORTH MACEDONIA

1. THE AGREEMENT

The EU and North Macedonia signed a **Stabilisation and Association Agreement** (SAA) on 9 April 2001, which entered into force on 1 April 2004, although the trade-related part of the SAA entered into force already through an Interim Agreement on 1 June 2001. The SAA is the prime instrument of the EU's overall policy towards the Western Balkan partners' EU association process.

North Macedonia was granted **EU candidate status** in December 2005, and the EU opened accession negotiations with the country in July 2022. The screening report covering Chapter 30 which includes, inter alia, the Common Commercial Policy, was presented to the Council Working Party on Enlargement and Countries Negotiating Accession to the EU (COELA) in October 2024.

The SAA established a free-trade area over a transitional period of ten years. It covers products in all Chapters of the Harmonised System. Regarding agricultural products, EU agricultural imports from North Macedonia are almost completely liberalised (with very few exceptions). On the other hand, some EU agricultural exports to North Macedonia remain subject to tariffs and Tariff Rate Quotas (TRQs).

The SAA also includes provisions concerning competition matters and state aid, investment and related payments, a high level of protection of intellectual property rights, strengthened co-operation in customs matters as well as in social and labour market policies, disciplines on government procurement and legislative approximation in many other areas including standardisation, as well as provisions regarding services and establishment.

North Macedonia benefits from **Autonomous Trade Measures** (ATMs) introduced under Regulation 2024/823[81], which provide additional market access for certain fruits, vegetables and wines, thereby allowing nearly all exports from North Macedonia to enter the EU without customs duties or limits on quantities. The current ATM Regulation is due to expire at the end of December 2025.

North Macedonia is a Contracting Party of the **Regional Convention on pan-Euro-Mediterranean preferential rules of origin** ("PEM Convention") and has applied the transitional rules of origin applicable alongside the rules of the PEM Convention on a bilateral basis with the EU since 09 September 2021.

The main objective of the PEM Convention is to define common rules of origin in the PEM area, aimed at facilitating trade integration within this region. On 07 December 2023, the PEM

[81] Regulation (EU) 2024/823 of the European Parliament and of the Council of 28 February 2024 on exceptional trade measures for countries and territories participating in or linked to the Stabilisation and Association process (codification)

Joint Committee adopted Decision n 1/2023 on the amendment to the PEM Convention. The rules of origin have been revised and modernized to simplify and enhance the rules' flexibility, as well as facilitate better integration into the global value chain. The revised rules of the PEM Convention entered into force on 1 January 2025 and Republic of North Macedonia applies them since then.

North Macedonia has been a member of the **WTO** since 4 April 2003.

2. MAIN IMPLEMENTATION ISSUES

The implementation of the trade related part of the SAA is discussed in the sub-committee on Trade, Industry, Customs and Taxation, which last took place in April 2025.

North Macedonia has made good progress in implementing the trade provisions of the SAA since its entry into force. There were no trade restricting measures in place in 2024.

The United Kingdom

ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE EU-UNITED KINGDOM TRADE AND COOPERATION AGREEMENT

1. THE AGREEMENT

The **EU-United Kingdom Trade and Cooperation Agreement ("TCA")** concluded between the EU and the United Kingdom (UK) sets out preferential arrangements in areas such as trade in goods and services, digital trade, intellectual property, public procurement, air transport and aviation safety, road transport, energy, fisheries, social security coordination, law enforcement and judicial cooperation in criminal matters, thematic cooperation and participation in Union programmes. It is underpinned by provisions ensuring a level playing field and sustainable development (LPFS) as well as respect for fundamental rights.

While a trade agreement can never duplicate the benefits of being part of the EU, the TCA remains one of the EU's most ambitious trade agreements. On goods, it offers zero tariffs or quotas on goods if rules of origin are met and ambitious rules on self-certification. In the area of trade in services, the TCA covers all modes of supply in almost all economic sector, specific regulatory provisions for a number of services sectors like legal services, and a mechanism to adopt mutual recognition arrangements for professional qualifications. Within intellectual property rights, the commitments cover topics like copy rights, design, trademarks, and trade secrets. On public procurement, the TCA incorporates the WTO's Agreement of Public Procurement (GPA) but goes further in terms of market access. For instance, EU companies who are established in the UK cannot be discriminated, even for small procurement. In the TCA, the EU and the UK have also committed to ensuring a level playing field, e.g. with comprehensive rules to prevent and address distortions created by subsidies, and high levels of protection of labour, social, environment and climate standards, which cannot be lowered by neither the EU nor the UK in a manner that affect trade and investment.[82]

The TCA was signed on 30 December 2020, was applied provisionally as of 1 January 2021 and entered into force on 1 May 2021. The Commission presented a fourth annual report on the implementation and application of the TCA on 4 April 2025.[83] The Parties continued to meet in the joint bodies established by the TCA to supervise and facilitate its implementation. The

[82] See DG TRADE's website for more information: https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/countries-and-regions/united-kingdom_en

[83] See fourth implementation report on the EU- United Kingdom-TCA; published 4 April 2025: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52025DC0149

Commission published the agendas and the minutes of the ten **Trade Specialised Committee**[84] meetings and the **Trade Partnership Committee**[85].

2. MAIN IMPLEMENTATION ISSUES

2.1 Market access: Progress and outstanding issues

- The consequences of the United Kingdom's decision to leave the EU Customs Union and Single Market **inevitably created barriers** to trade that did not exist before. The EU has consistently raised these with the UK in the TCA joint bodies, emphasising the critical importance of providing timely and accurate information on border procedures and avoiding excessive trade burdens.

- The fourth meeting of the Trade Partnership Committee met on 12 December 2025. **Progress was made** on a limited number of these issues flagged by stakeholders, notably on conformity assessment (certificates and labelling requirements). On 24 January 2024, the **United Kingdom** announced that it intends to legislate to **recognise the CE marking indefinitely** for an additional range of product regulations. This will include the 18 regulations previously announced as well as three additional regulations: Ecodesign for Energy-Related Products 2010 Regulations, the Explosives Regulations 2014, and the Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment Regulations 2012.

- By contrast, **no progress** was made on developing a **Mutual Recognition Arrangement** (MRA) **on architects**, based on the joint recommendation from the professional bodies in 2022. Such MRAs are foreseen by Article 158 of the TCA and the Commission is positive towards adopting them – as long as the MRAs are balanced and do not provide a more beneficial market access for UK professionals compared to EU professionals.

In 2024, the **Commission continued its engagement with the United Kingdom** on the following outstanding issues, among others:

- In the area of **services, investment and digital trade**, the UK's **sponsorship system** remains a strong disincentive for companies when considering the hiring of EU services suppliers to provide contracted services in the United Kingdom. This can be seen from the low number of visas (17) granted in 2024 for EU service suppliers (Independent Professionals and Contractual Service Suppliers) despite the close economic ties between the EU and the UK and the ambitious market access commitments in the TCA.

[84] The ten EU-UK Trade Specialised Committees cover the following topics: Administrative Cooperation in VAT and Recovery of Taxes and Duties; Sanitary and Phytosanitary Measures; Intellectual Property Rights; Public procurement; Level Playing Field for Open and Fair Competition and Sustainable Development; Customs and Rules of Origin; Technical Barriers to Trade; Services, Investment and Digital Trade; Goods; and Regulatory Cooperation.

[85] Meetings of the EU-UK Partnership Council and Specialised Committees under the Trade and Cooperation Agreement - European Commission

The EU therefore continued to ask the UK to exempt services suppliers covered by the TCA from the sponsorship system, as it de facto undermines the UK's commitments under the TCA concerning the supply of services through temporary presence. In addition, **no progress** was made on developing a EU-UK **Mutual Recognition Arrangement** (MRA) **on architects**. A joint recommendation from the professional bodies was submitted in 2022 under Article 158 of the TCA. The Commission is positive towards adopting them – as long as the MRAs are balanced and do not provide a more beneficial market access for UK professionals compared to EU professionals, which is not the case in the received joint recommendation.

The Commission also continued to **monitor the implementation by the United Kingdom of its new Border Target Operating Model** published in August 2023[86]. The responsibility for implementing the Border Target Operating Model and electronic certification for imports into Great Britain lies with the UK and the Commission is helping EU stakeholders to prepare for the new import requirements. The implementation of the new import regime has been posing some difficulties such as frequent changes in risk categorisation without proper notification, inconsistent interpretation of import requirements by different border posts, failure to respect the EU as a single Sanitary and Phyto-Sanitary entity, outdated import requirements not compatible with the international standards, delays in introducing electronic certification, or long delays in carrying out control.

2.2 Level playing field and Trade and Sustainable Development: Progress and outstanding issues

The fourth meeting of the **Trade Specialised Committee on Level Playing Field for Open and Fair Competition and Sustainable Development** took place on 9 October 2024, discussing *inter alia* issues related to subsidy control, competition, labour and social standards, environment and climate and other instruments for trade and sustainable development (see below):

- In the area of **subsidy control**, the Commission expressed concerns on the UK subsidy scheme "**Sustainable Industry Rewards**" which aims to reward investments in the offshore wind supply chain. The Commission considered that the measure, as it was designed, seemed to incentivise participants to set up investment in the UK offshore wind supply chain, to the detriment of investments in foreign supply chains. The UK announced in the Trade Partnership Committee that the measure had been replaced by another subsidy scheme called **"Clean Industry Bonus"** which would allegedly remove any discriminatory elements.

[86] https://www.gov.uk/government/publications/the-border-target-operating-model-august-2023

The United Kingdom adopted the **Subsidy Control Act 2022,** which entered into force in January 2023, and which constitutes the main legal framework of the subsidy control system of the United Kingdom. The Commission continues to closely monitor the enforcement of the United Kingdom's subsidy control regime and whether it is delivering an effective system of subsidy control as required by the EU-United Kingdom TCA.

Areas the EU continued to monitor in 2024 include the following:

- In the area of **subsidy control**, the United Kingdom has announced new subsidy measures such as the "National Wealth Fund" and the "Great British Energy" in line with the **new growth and investment policies** in the United Kingdom. In that regard, the country has also announced a new domestic industrial strategy called "Invest 2035".

- Regarding **environment** policy, in particular carbon pricing and carbon leakage policies, the EU is following closely any possible divergences between the EU and the United Kingdom's **Carbon Adjustment Mechanism (C**BAM) and **Emission Trading systems** (ETS), as well as any impact on the price of the United Kingdom's ETS allowances. The UK announced in 2024 that it will introduce a **Carbon Border Adjustment Mechanism** as of 1st of January 2027, applying a charge on the carbon emissions embodied in goods imported into the United Kingdom from the following sectors: aluminium, cement, fertilisers, hydrogen, iron and steel. The United Kingdom explained in the Trade Partnership Committee that it had launched a consultation on 28th November 2024 where it seeks to extend the UK Emissions Trading System to domestic maritime transport and consults on the possibility of extending the UK Emissions Trading System to international maritime transport in the future. Legislation is expected in 2025. The EU noted that the coverage of maritime transport remains one of the areas where the EU and UK Emissions Trading Systems largely differ.

In the area of **labour and social standards**, the EU DAG had expressed concerns on the compliance of the Strikes (Minimum Service Levels) Act 2023 with the labour commitments of the EU-UK TCA (in particular Article 387 TCA and Article 399 TCA), which the Commission had raised in previous Trade Specialised Committees on Level Playing Field for Open and Fair Competition and Sustainable Development.

Regarding the **environment**, more specifically in the area of nature credits, the United Kingdom **has put in place a Biodiversity Net Gain policy,** which aims to improve nature restoration in the United Kingdom through the introduction of a mandatory requirement to deliver a 10% Biodiversity Net Gain. This issue was raised during the Trade Specialised Committee on Level Playing Field for Open and Fair Competition and Sustainable Development as an area of interest for the EU.

The **EU DAG for the EU-United Kingdom TCA** is providing advice on the whole of the agreement. The DAG is also being consulted on inputs for the Trade Specialised Committees and Trade Partnership Committee agendas. Four meetings with the EU DAG took place in 2024

where members discussed, *inter alia*, issues relating to the implementation of the goods, services and level playing field chapters of the EU-United Kingdom TCA. The **EU- United Kingdom Civil Society Forum** took place on 20 September 2024 in Brussels where civil society members of the EU and the United Kingdom gathered to discuss issues pertaining to the implementation of Part II of the EU-UK Trade and Cooperation Agreement.

Switzerland, Norway, Iceland, Türkiye

ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE EU-SWITZERLAND TRADE AGREEMENT

1. THE AGREEMENTS

The EU-Swiss trade relations are among the deepest worldwide outside the context of a customs union/internal market. For Switzerland, the EU is by far the most important trading partner. For the EU, Switzerland is the fourth overall trading partner, number three for services trade.

The cornerstone of EU-Swiss trade relations is the EU-Switzerland **Free Trade Agreement** (hereinafter, the "FTA") that entered into force on 1 January 1973[87], **the oldest trade agreement signed by the EU**.

Given that the **Principality of Liechtenstein**[88] and Switzerland constitute a Customs Union and the fact that the Principality of Liechtenstein expressed the desire for all the provisions of the EU-Swiss Free Trade Agreement to apply to it, an additional agreement[89] was adopted to extend the full validity of the EU-Swiss FTA to the Principality of Liechtenstein.

The FTA concerns goods but lacks provisions on services, investment, intellectual property rights (IPR), government procurement or social and environmental values. No dispute settlement mechanism is foreseen beyond the regular annual dialogue in Joint Committee meetings.

Since 1999, the EU and Switzerland concluded a number of **additional agreements** which are relevant from a trade perspective:

- The **Free Movement of Persons Agreement**[90] allows for the provision of services, limited in time, through natural persons posted in Switzerland as well as for the establishment of self-employed persons.
- The Mutual Recognition Agreement in relation to **conformity assessment**[91] ensures that, in 20 regulated sectors, the conformity assessment provided by one party is recognised by the other, which facilitates trade between the parties.
- The **Public Procurement Agreement**[92] builds on the WTO Government Procurement Agreement.
- The Agreement on trade in **agricultural products**[93] includes sanitary and phytosanitary rules, as well as tariffs and tariff rate quotas for agricultural products, except for cheese that is fully liberalised.

[87] https://eur-lex.europa.eu/legal-content/en/ALL/?uri=OJ:L:1972:300:TOC
[88] Liechtenstein's trade relationship with the EU is further enhanced through its EEA membership and access to the EU single market.
[89] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A21972A0722%2804%29
[90] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A22002A0430%2801%29
[91] http://trade.ec.europa.eu/doclib/docs/2013/december/tradoc_152006.pdf
[92] https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:22002A0430(06)
[93] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2002.114.01.0132.01.ENG

– A protocol on **processed agricultural products** (protocol 2), added to the Free Trade Agreement in 2004. It includes a mechanism whereby in practice Switzerland receives compensation for the very significant price differential of basic agricultural products – which serve as inputs to processed agricultural products – between the EU and Switzerland.

– The Agreement on **Customs facilitation and security** (as modified in 2021).[94]

The current legal arrangements governing trade relations between the EU and Switzerland, the EU's fourth largest trading partner world-wide do not live up to the standards governing modern and comprehensive trade agreements concluded by the EU and Switzerland/EFTA, respectively. A modernisation of the FTA is therefore needed to unlock the potential for further bilateral trade.

After negotiations on an **Institutional Framework Agreement (IFA)** failed,

in December 2023 the EU and Switzerland reached a Common Understanding, which sets out a broad and balanced package of measures that will support the modernisation and further development of bilateral relations between the EU and Switzerland. The **elements** set out in the Common Understanding ensure the protection of the rights of EU citizens in Switzerland as well as fair competition between EU and Swiss companies operating in the same markets.

The package includes:

- **Institutional solutions** necessary for the smooth functioning of the existing and future internal market related agreements (including the Mutual Recognition Agreement) in which Switzerland participates, including dynamic alignment, uniform interpretation and application and dispute settlement with a role for the Court of Justice;
- **State aid disciplines** to ensure a level playing field;
- A way forward on the **free movement of persons** and posting of workers. It identifies ways to protect the rights of EU citizens and workers, including by ensuring non-discrimination between citizens of different Member States;
- An agreement that would form the basis for Switzerland's regular contribution to **social and economic cohesion** in the EU;
- An agreement that would provide for the association of Switzerland to Union programmes, including **Horizon Europe**. The Common Understanding also provides a way forward for transitional arrangements that would enable Swiss entities to apply for grants under some Union research programmes before the negotiations are concluded on the understanding that the association process will be completed swiftly;
- Provisions for the relaunch of negotiations on agreements on electricity, food safety and health;
- Practical ways forward (modus vivendi) for EU-Swiss bilateral relations for the duration of the negotiations.

[94] EUR-Lex - 02009A0731(01)-20210315 - EN - EUR-Lex (europa.eu)

The negotiations on the package were launched on 18 March 2024, and completed on 20 December 2024. The completion of the negotiations marks the opening of the signature and ratification process in the EU and in Switzerland.

Switzerland is a Contracting Party of the **Regional Convention on pan-Euro-Mediterranean preferential rules of origin** ("PEM Convention") and has applied the transitional rules of origin applicable alongside the rules of the PEM Convention on a bilateral basis with the EU since 01 September 2021. The main objective of the PEM Convention is to define common rules of origin in the PEM area, aimed at facilitating trade integration within this region. On 07 December 2023, the PEM Joint Committee adopted Decision n 1/2023 on the amendment to the PEM Convention. The rules of origin have been revised and modernized to simplify and enhance the rules' flexibility, as well as facilitate better integration into the global value chain. The revised rules of the PEM Convention entered into force on 1 January 2025 and Switzerland applies them since then.

2. MAIN IMPLEMENTATION ISSUES

In 2024, some **progress** was made on implementation of the FTA, notably on:

- Adapting the **reference prices of basic agricultural products** needed in the context of the price compensation mechanism for processed agricultural products (protocol 2 to the FTA) with the entry into force of the adaptation of Protocol 2 on 1 February 2024;

- The **application of the shared methodology for the calculations of reference prices**, which aims to facilitate work on annual adjustments. However, the EU remains dissatisfied with the unbalanced nature of Protocol 2 which was negotiated many years ago and should in its view be modernised.

By contrast, a number of **implementation issues** notably in **public procurement,** the **agricultural sector**, the **services** sector and **state aid** require further engagement with Switzerland:

Concerns remaining in public procurement

- Following the January 2021 revision of the Federal Law on Public Procurement (and an update of Swiss Ordinance on the Organisation of Public Procurement from May 2024, some companies complained about a lack of transparency in the terms and conditions of the contract award procedures. The new provisions introduce the obligation for the contracting authority to examine tenders on the basis of economic, ecological and socially sustainable award criteria which, according to the accompanying commentary, encompasses the economic impact of procurement on the national economy and give priority to the "most advantageous" tender instead of the "most economically advantageous" (contrary to what was the case before). EU business representatives acknowledge the importance of ecological and socially sustainable award criteria noting, however, that these should not be used as a pretext to unjustifiably discriminate

against European market players and are enquiring how the social sustainability criteria is applied in practice.

- The **revised Federal Act for Public Procurement** also introduced a **price level clause** ("Preisniveauklausel") to take into account the different price levels in the countries in which the service is provided. A price level calculator was set up to support the new criteria. Even though this clause has so far not been used, the EU raised the issue during the annual joint committee meeting under the Public Procurement Agreement in 2022, 2023 and 2024. The Swiss delegation stated that the application of the criterion has not been applied so far by procurement entities and that in any case, such criterion would apply only to procurement not covered by Switzerland's international commitments. So far, a potential pilot project on its implementation has not been undertaken due to the lack of interest from economic operators. At cantonal level, there is no political act which has introduced such criterion.

Concerns remaining in the area of agriculture

- One of the market access barriers in agriculture for EU companies is the lack of non-discriminatory rules for the awarding of the main private organic food label in Switzerland. Unlike other countries, Switzerland has chosen not to have a uniform, government-regulated organic label. The only certification body for organic food that is widespread in Switzerland is the private organisation BioSuisse, which has around 75% share on the organic market. The biggest seller of organic food in Switzerland only accepts products with the BioSuisse label (the "Biosuisse Bud", highly recognized by consumers). Generally, it is challenging for non-Swiss producers to be able to use the label as it tends to favour Swiss domestic agricultural products. The awarding of the Biosuisse label lacks transparency in many respects, so that, even when equivalent, few EU products are found to meet the required conditions to acquire the label. In addition, the strict content requirements of the Biosuisse label for food products mean that suppliers of organic raw materials from the EU are indirectly disadvantaged compared to Swiss suppliers.

Remaining issues in the services sector

- The so-called "**flanking measures**" that the Swiss put in place to accompany the implementation of the EU-Switzerland Free Movement of Persons Agreement (FMOPA)[95] are a long-standing trade issue, as the EU considers some of them burdensome and disproportionate and incompatible with the FMOPA. For example, Switzerland imposes obligations on EU businesses, who want to supply a service in Switzerland, including an 8-days pre-announcement obligation, a deposit requirement and an obligation to contribute to control costs. Possible solutions have been explored in the context of the negotiations on the package of bilateral agreements.

[95] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A22002A0430%2801%29

The lack of a level playing field as regards state aid persists

- The FTA does contain state aid rules, but Switzerland does not respect them. The other existing agreements between the EU and Switzerland (except for the Air Transport Agreement) do not include effective state aid rules.

- In the future package of bilateral agreements, provisions on State aid are to be included in agreements on air and land transport, as well as in the electricity agreement.

ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE EU-NORWAY TRADE AGREEMENT

1. THE AGREEMENT

The Free Trade Agreement (**FTA**) between Norway and the EU entered into force on 1 July 1973. It applies to goods only and is one of the oldest trade agreements signed by the EU.

Although still in force, it has been superseded in many respects by the **Agreement on the European Economic Area** (EEA), which entered into force on 1 January 1994 and brings together the EU Member States and the three EEA EFTA States — Iceland, Liechtenstein and Norway — in the internal market. The EEA Agreement ensures the free movement of goods, services, capital and persons between Norway and the EU and is the backbone of EU-Norway cooperation. Members of the EEA fully apply the whole *acquis communautaire* related to the "four freedoms" through dynamic incorporation of the relevant legislative acts into the Protocols and Annexes of the EEA Agreement via Joint Committee Decisions.

The EEA Agreement does *not cover the common agricultural and fisheries policies*, which means that agricultural and fisheries products are not in free circulation between the EU and Norway. Preferential trade in agricultural products between the EU and Norway is ruled by Article 19 of the EEA Agreement and provides duty free access for 36 tariff lines and a number of tariff rate quotas. Processed agricultural products are covered by a dedicated protocol to the EEA Agreement but are also not in free circulation.

Negotiations on a limited number of tariff-rate quotas for exports of fisheries products from Norway to the EU in conjunction with negotiations on Norway's financial contribution to economic and social cohesion in the EEA ("financial mechanism") **were concluded in November 2023, with a small increase in real terms of the financial contribution** and a near status quo in quantities in terms of access for Norwegian fisheries products. The new tariff rate quotas entered into force on 1 January 2025.

Norway is a Contracting Party of the **Regional Convention on pan-Euro-Mediterranean preferential rules of origin** ("PEM Convention") and has applied the transitional rules of origin applicable alongside the rules of the PEM Convention on a bilateral basis with the EU since 01 September 2021. The main objective of the PEM Convention is to define common rules of origin in the PEM area, aimed at facilitating trade integration within this region. On 07 December 2023, the PEM Joint Committee adopted Decision n 1/2023 on the amendment to the PEM Convention. The rules of origin have been revised and modernized to simplify and enhance the rules' flexibility, as well as facilitate better integration into the global value chain. The revised rules of the PEM Convention entered into force on 1 January 2025 and Norway applies them since then.

2. MAIN IMPLEMENTATION ISSUES

The **main** implementation issue continues to be **processed agricultural products** (PAPs) and **Geographical Indications** (GIs).

Processed Agricultural Products (PAPs)

EU exports of processed agricultural products[96] remain below their potential due to high customs tariffs. 2024 has **not seen any progress on liberalisation of trade in processed agricultural products** within the framework of Article 2 (2) and Article 6 of Protocol 3 to the EEA Agreement. Norway has repeatedly expressed its wish to keep Protocol 3 unchanged and has been unwilling to make any commitments towards further liberalization, because of the perceived positive results of the Protocol for Norway.

In 2024 Norway decided to switch the method of calculation of import duties from a specific duty to ad valorem basis for five categories of vegetables (iceberg lettuce, celeriac, salad beetroot, swedes, and potatoes). This primarily affects EU exporters, who are by a large extent the main suppliers of the Norwegian market.

Fisheries - salmon

- On seafood, Norway bans the export of "production" grade salmon. The consequence is that Norwegian processors have access to a much cheaper input than EU processors as once processed the final product can be exported as normal salmon. This puts EU processors at a competitive disadvantage. The measure is not new but the increase in the proportion of "production" grade salmon to almost a third of total production means that this measure now has a significant impact.

Agricultural products: cheeses from Lithuania

- The issue of the Lithuanian Dziugas cheese remains open. Dziugas faces an MFN import tariff of 277% whereas similar cheeses of other EU Member States, the UK, and Switzerland origin (for example Grana Padano, Parmigiano Reggiano, Appenzeller) are subject to a preferential duty rate (27.15 NOK/kg).

Geographical Indications (GIs)

- **Negotiations on Geographical Indications** launched in 2013 between the EU and Norway remain **suspended** (since April 2016). The Council of the European Union in its Conclusions of June 2022 called again on Norway to "resume the negotiations on the protection of geographical indications, which is an important element of international trade in agricultural products and foodstuffs".

The EU and Norway had their **first informal dialogue on trade at technical level** on 9 December 2024. This gave the opportunity to have a constructive dialogue with Norway on the above-mentioned trade issues between the Parties.

[96] Trade in processed agricultural products is regulated by Protocol 3 to the EEA agreement and to a certain extent by Protocol 2 to the 1973 FTA. Protocol 3 of the EEA foresees the possibility to levy customs duties based on the cost of the basic agricultural products in the EU and in Norway.

ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE EU-ICELAND TRADE AGREEMENT

1. THE AGREEMENT

The Free Trade Agreement (**FTA**) between Iceland and the EU entered into force on 1 April 1973. It applies to goods only and is one of the oldest trade agreements signed by the EU.

Although still in force, it has been superseded in many respects by the **Agreement on the European Economic Area** (EEA), which entered into force on 1 January 1994 and brings together the EU Member States and the three EEA EFTA States — Iceland, Liechtenstein and Norway — in the internal market. The EEA Agreement ensures the free movement of goods, services, capital and persons between Iceland and the EU and is the backbone of EU-Iceland cooperation. Members of the EEA fully apply the whole *acquis communautaire* related to the "four freedoms" through dynamic incorporation of the relevant legislative acts into the Protocols and Annexes of the EEA Agreement via Joint Committee Decisions.

The EEA Agreement does *not cover the common agricultural and fisheries policies*, which means that agricultural and fisheries products are not in free circulation between the EU and Iceland. Preferential trade in agricultural products between the EU and Iceland is ruled by bilateral agreements taken within the framework of Article 19 of the EEA Agreement. Processed agricultural products are covered by protocol 3 to the EEA Agreement but are also not in free circulation.

Negotiations on a limited number of tariff-rate quotas for exports of fisheries products from Iceland to the EU held in conjunction with negotiations on Iceland's financial contribution to economic and social cohesion in the EEA ("financial mechanism") for the period 2021-2028 **ended in November 2023 with a small increase in real terms of the financial contribution** and a near status quo in quantities in terms of access for Icelandic fisheries products. The new tariff rate quotas entered into force on 1 January 2025.

Island is a Contracting Party of the **Regional Convention on pan-Euro-Mediterranean preferential rules of origin** ("PEM Convention") and has applied the transitional rules of origin applicable alongside the rules of the PEM Convention on a bilateral basis with the EU since 01 September 2021. The main objective of the PEM Convention is to define common rules of origin in the PEM area, aimed at facilitating trade integration within this region. On 07 December 2023, the PEM Joint Committee adopted Decision n 1/2023 on the amendment to the PEM Convention. The rules of origin have been revised and modernized to simplify and enhance the rules' flexibility, as well as facilitate better integration into the global value chain. The revised rules of the PEM Convention entered into force on 1 January 2025 and Island has applied them since then.

2. MAIN IMPLEMENTATION ISSUES

The **main** implementation issues concern high customs tariffs on processed agricultural products (PAPs).

In addition, products classified under HS 21069098 (preparations consisting mainly of fat and water, containing more than 15% by weight of butter or other milkfat) that would benefit of a 0% tariff under the protocol 3 of the EEA agreement are classified by Iceland under HS 0406 2000 with applied tariff 30%, plus 798 ISK per kg (equivalent of EUR 5.30), thus hindering EU exports to Iceland. The EFTA surveillance authority has taken up the case.

2024 has not seen any progress on liberalisation of trade in processed agricultural products within the framework of Article 2 (2) and Article 6 of Protocol 3 to the EEA Agreement, and therefore high customs tariffs on those products remain the main long standing trade barrier.

ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE CUSTOMS UNION AND TRADE AGREEMENTS WITH TÜRKIYE

1. THE AGREEMENT

In 1963 the European Economic Community (i.e. the EU's predecessor) and Turkey signed an **Association Agreement** (the 'Ankara Agreement'), in which both parties agreed to progressively establish a **Customs Union** over a period of several years. An Additional Protocol was signed in November 1970, setting out a timetable for the abolition of tariffs and quotas on industrial goods circulating between the parties. The final phase of the Customs Union was completed on 1 January 1996, with the implementation of the EU-Turkey Association Council Decision No 1/95, which is currently in force.[97]

The Customs Union ensures the free movement of all industrial goods and certain processed agricultural products between the EU and Türkiye. It also requires Türkiye to align with the EU's Common Customs Tariff, commercial policy, competition policy and intellectual property rights, as well as with the EU's technical legislation related to the scope of the Customs Union.

In addition, the EU and Türkiye concluded two **further bilateral preferential trade agreements**: The Agreement between the European Coal and Steel Community (ECSC) and Turkey on trade in products covered by the Treaty establishing the ECSC established a **Free trade agreement for coal, iron and steel products** in 1996, along with relevant competition rules. Association Council Decision No 1/98 (amended by Decision No 2/2006) provides for **preferential concessions on trade in certain agricultural and fishery products.**

Türkiye is a Contracting Party of the **Regional Convention on pan-Euro-Mediterranean preferential rules of origin** ("PEM Convention"). The main objective of the PEM Convention is to define common rules of origin in the PEM area, aimed at facilitating trade integration within this region. Following the adoption of the revised **PEM Convention** on 7 December 2023, which entered into force on 1 January 2025, a technical update of the Customs Union bridging legislation (Decision No 1/2006) is currently under preparation to introduce some elements related to the implementation of the revised PEM Convention.

Building on previous European Council Conclusions, upon the invitation by the European Council in June 2023, the High Representative and the Commission in November 2023 published a communication on the "***State of Play of EU-Türkiye Political, Economic, and Trade Relations***". The communication made the following recommendations regarding EU-Türkiye trade relations:

- Resume discussions on the draft negotiating framework for the **modernisation of the EU-Turkey Customs Union**, as proposed by the Commission[98], on the understanding

[97] http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:21996D0213(01):EN:HTML

[98] On 21 December 2016, the European Commission adopted a Recommendation for a Council Decision authorising the opening of negotiations with Türkiye on an Agreement on the extension of the scope of the bilateral preferential trade relationship and on the modernisation of the Customs Union. However, in the context of the deteriorating EU-Türkiye relationship the Council discontinued its deliberations in 2017.

that Türkiye keeps **addressing the circumvention** of EU restrictive measures against Russia via its territory rapidly and efficiently and continues to **resolve trade irritants**.

- Türkiye should implement effective measures to **stop the re-export of Common High Priority ("battlefield") items**.
- On this basis, and in a broader environment conducive to the resumption of Cyprus settlement talks, the Council should **adopt the negotiating directives and authorise the Commission to open** negotiations for the modernisation of the Customs Union.
- Set up a **new High-level Dialogue on Trade**, with the aim to tackle the remaining bilateral trade irritants and discuss further areas of cooperation.

The April 2024 European Council held a strategic debate on EU-Türkiye relations, took note of the Joint Communication and invited COREPER to continue working on the matter[99] .

The inaugural meeting of the **High Level Dialogue** on Trade took place on 8 July 2024 in Brussels.

The **General Affairs Council on Enlargement in December 2024** emphasised the EU's strategic interest in a stable and secure environment in the Eastern Mediterranean and in the development of a cooperative and mutually beneficial relationship with Türkiye. The Council also recalled the need for Türkiye to fulfil its obligations as regards the implementation of the EU-Turkey Customs Union, ensuring its effective application to all Member States. While acknowledging the recent progress achieved towards resolving trade barriers and removing certain restrictions, the Council expects Türkiye to continue and step up work to remove remaining trade irritants[100].

2. MAIN IMPLEMENTATION ISSUES

Since early 2022, there has been constructive engagement by Türkiye resulting in **a decrease in registered trade barriers from 26 in early 2021 to 14 in April 2025.**

The EU-**Türkiye High-Level Trade Working Group** (HLTWG) in October 2023 identified five priority barriers to be addressed. The inaugural meeting of the High-Level Dialogue on Trade on 8 July 2024, endorsed the engagement to address the initial five priority barriers and identified three additional priority trade barriers. The 3rd HLTWG on 11 March 2025, took stock of the progress in resolving these priority barriers and addressing the complaints by the EU operators.

Following this high-level bilateral engagement with Türkiye the following issues were **solved** over the reporting period:

[99] https://www.consilium.europa.eu/media/m5jlwe0p/euco-conclusions-20240417-18-en.pdf
[100] https://data.consilium.europa.eu/doc/document/ST-16983-2024-INIT/en/pdf, recitals 98 and 107

- Burdensome pre-conditions for export registration of **copper scrap**
- The issue of **banderols for alcoholic beverages**. However, a new issue occurred – a discriminatory Special Consumption Tax was put in place in December 2024. A lower tax amount on raki (that is predominantly produced in Türkiye) than on other spirits with a similar alcohol content.

Partial progress could be achieved on a number of additional trade irritants:

- Opening and transparent administration of the **preferential quotas for live bovine and beef meat for EU operators**: Türkiye has unblocked the imports of EU beef on preferential terms at the beginning of 2024, however the quota allocation system is untransparent and exporters from certain Member States complained that they do not have an equal access. The Commission monitors the implementation, including the transparency aspect.
- Difficulties faced by EU operators in the implementation of the **Turkish Risk-Based Trade Control System (TAREKS).** The roadmap of actions to address the issues faced by EU companies was developed, and several of its initial milestones were achieved. Information meetings with the EU industry took place and Türkiye put in place a communication channel for EU companies to directly report their issues to the Ministry of Trade in view of their swift resolution.
- Complaints from EU operators regarding products under the scope of **the import surveillance regime.** Regarding the products on the EU priority list, Türkiye exempted from the scope of the regime EU originating products: malleable fittings HS 7307.19 and floor coverings of plastics HS 3918.10.10. For these products a certification of origin document may be required only on a risk basis. The EU companies are encouraged to write to the functional mailbox designated by the Ministry of Trade and communicate their issues regarding all other products.
- To address complaints from EU operators regarding products under the scope of **Surveillance by registration of imports of textiles and materials used in the manufacturing of textiles**, Türkiye committed to assessing the issues faced by EU companies on a case-by-case basis and exploring the possibility of developing systemic solutions. It established a communication channel for this purpose.

No progress has been made to eliminate export taxes on **hides, skins, and wet-blue leather.** Türkiye informed that the domestic downstream industry opposed lifting of the export tax on the grounds that it is in precarious position and the exports to the EU are at an elevated level despite the tax.

The **following trade irritants persist,** and the Commission continues raising them in bilateral meetings with Türkiye and at the Customs Union Joint Committee:

- Resource Utilization Support Fund - a levy of 6% on certain importations depending on the terms of payment agreed;
- Barriers on Pharmaceutical Products Artificial Exchange Rate and the non-recognition of the EU's GMP;
- Additional Duties and GSP liabilities;
- Government procurement (Domestic preferences, off-sets);

- Local content requirements in Renewable Energy;
- Deficient IPR enforcement;
- Import regime regarding the unliterally increased agricultural element duty of sweetcorn.

The **non-discriminatory implementation** of the **Additional Protocol to the Association Agreement** towards all Member States including the Republic of Cyprus also remains a critical difficulty in the implementation of the Customs Union.

PART IV: AFRICAN, CARIBBEAN AND PACIFIC COUNTRIES

ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE ECONOMIC PARTNERSHIP AGREEMENT BETWEEN THE EU AND KENYA

1. THE AGREEMENT

The Economic Partnership Agreement (EPA) between the EU and Kenya was signed 18 December 2023 (hereinafter: "The EU-Kenya EPA") and entered into force on 1st July 2024, marking an exciting new departure in bilateral trade relations It constitutes the bilateral implementation of the 2016 regional agreement with the Eastern African Community (EAC) and is open for other members of the EAC to join.

The agreement provides free access for Kenyan exporters to the EU market by removing tariffs and quotas on all Kenyan exports of goods (except for arms). Kenya will benefit from transitional periods and exclusion of sensitive products from liberalisation. The inclusion of safeguards will allow both parties to reintroduce duties if a surge in imports from the other side were to disturb or threaten to disturb their economies. This agreement will also help to promote trade and sustainable development objectives among like-minded countries.

It is foreseen by the EPA that the protocol on rules of origin will be negotiated as soon as possible, but at the latest within the first five years of the implementation of the EPA.

The EU development assistance funds, through trade capacity-building measures, will support farming and rural employment, and farmers' capacity to comply with agricultural standards.

2. MAIN IMPLEMENTATION ISSUES

2.1 Market Access: Progress and outstanding issues

The **first EPA Council meeting**, which took place in mid-May 2025, served to adopt the various rules of procedures for the functioning of the different committees and notably to discuss market access concerns and to launch the negotiating process for the adoption of a revised rules of origin protocol.

Among others, the EU raised the issue of tariff liberalisation by Kenya, excise duties and export certification concerns. Kenya, who is imposing the 35% tariff 35% on the import of a number of different goods from the EU. This exceeds the levels agreed under the Market Access Schedules in the EU-Kenya EPA Article 11 and Annex II, which foresee that goods imported from the EU into Kenya shall be taxed between 10% and 25%, depending on the goods "Kenya therefore needs to adjust its tariffs in order to bring them in line with Article 11 and the commitments under the Market Access Schedule in Annex II of the EU-Kenya EPA.

At the first EPA Council meeting both sides **agreed to discuss these issues during the first meeting of the Special Committee of Customs and Trade facilitation**, scheduled to take place in the autumn with the objective to find workable solutions. The Kenyan Minister for trade agreed to hold a phone call with EU Trade Commissioner for a stock-taking exercise on the implementation of the EPA and resolution of pending trade concerns.

In addition, Kenya in 2024 also adopted two new pieces of legislation, introducing new duties for (all? Imported goods): A new **Business Laws Bill** provides that several imported goods will be made subject to a levy between 3% and 20%) and a new **Tax Law Bill** introduces new excise duties between 5% and 35% on several imported goods and increases the Railway Development Levy on all imported goods from 1.5% to 2.5%. These provisions appear to be incompatible with Articles 11 and 12 of the EU-Kenya EPA, as they only imported goods are subjected to the new levies, that can be qualified as "custom duties" under Article 6 of the EU-Kenya EPA.

2.2 Trade and sustainable development: Progress and outstanding issues

The agreement includes a dedicated annex on Trade and Sustainable Development, which covers binding provisions on labour, gender equality, as well as environmental and climate matters, including the following: :

- Strong, enforceable sustainability commitments, supported by EU's enhanced cooperation and engagement.
- Commitments to Paris Climate Agreement and core labour standards.
- High-level obligations to combat illegal wildlife trade, illegal logging and illegal fishing.
- Provisions on gender equality and women's empowerment.
- A strengthened role for civil society and the creation of Domestic Advisory Groups.

Both sides still need to discuss implementation issues in this area in more detail, starting at the first meeting of the Specialised Committee on Trade and Sustainable development.

2.3 Technical assistance and cooperation

The Economic and Development Cooperation part of the EU-Kenya EPA confirms the EU's ambition to support Kenya in its implementation of the agreement as part of the overall EU-Kenya cooperation and within the framework of the current EU cooperation instruments. While the original agreement with the EAC has been largely preserved, some changes have been introduced to the Economic and Development Cooperation Chapter, to align the outdated text to the current EU development cooperation programming. An Annex has been added to embody the changes.

ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE ECONOMIC PARTNERSHIP AGREEMENT (EPA) BETWEEN THE EU AND GHANA

1. THE AGREEMENT

Pending an Economic Partnership Agreement (EPA) with the West African region, Ghana concluded a **stepping stone EPA** or interim EPA (iEPA) **with the EU in December 2007**[101] (EU-Ghana iEPA). The Agreement was signed on 28 July 2016 and entered into provisional application on 15 December 2016. The EU-Ghana iEPA will be replaced by the regional EU-West Africa EPA once the latter enters into force.[102] All EU Member States and 15 out of 16 West African countries have signed the regional EPA; Nigeria's signature is still outstanding.

The EU-Ghana iEPA immediately offered to Ghana duty free and quota free access to the EU market, whereas Ghana only partially liberalises EU imports, over a 10 year transition periods. Ghana's HS2017 updated market access offer foresees that 78% of tariff lines will be progressively liberalised over the period 2020-2029. The third tariff cut, covering machinery and appliances products, was scheduled for 2024, and is currently being implemented.

Since the provisional application of the EU-Ghana iEPA in 2016, total trade in goods between the EU and Ghana has increased by around 50%, reaching EUR 6,4 billion in 2024. In addition, the foreign direct investment stock (FDI) has risen by 15% since 2016 to roughly EUR 5.2 billion in 2023.

Exploratory discussions on a **Sustainable Investment Facilitation Agreement (SIFA)** between the EU and Ghana are ongoing. A SIFA could complement the EU-Ghana iEPA (as a separate agreement) and help improve the transparency and predictability of investment measures, simplify procedures, and strengthen public-private dialogue. It would also be an opportunity to formalise joint efforts in the field of **sustainable cocoa**, by integrating into the agreement important elements covering economic, environmental, and social aspects of the cocoa production.

[101] The official name of the Agreement ("stepping-stone Agreement") reflects the fact that the initial and ultimate objective for economic partnership in West Africa is a comprehensive, regional Agreement. It is also called "interim EPA".

[102] The regional Economic Partnership Agreement was signed in December 2014 by the European Union and 13 West African Countries. In 2018, Gambia and Mauretania signed the Agreement, which means that only Nigeria's signature is still missing. The Agreement will enter into provisional application when the 16 West African Countries sign it and 2/3 (11 out of 16) of these countries ratify it.

2. MAIN IMPLEMENTATION ISSUES

2.1 Market access: Progress and outstanding issues

The **5th meeting of the Ghana-EU EPA Committee** was held on 15 and 16 November 2023[103] in Brussels. Much of the work in 2024 has focussed on intersessional work preparing the ground for the effective implementation of tariff cuts. This will also be a major objective at the **6th meeting of the Ghana-EU iEPA Committee** which is currently scheduled for the end of May 2025.

In 2024, the EU and Ghana convened **two iEPA Committee preparatory meetings** to discuss the **implementation of the iEPA,** on 30 May and 30 October 2024, respectively. The meetings covered several issues, including i) the transposition of Ghana's market access offer from HS2017 to HS2022; ii) the implementation of Ghana's third tariff cut; iii) the iEPA monitoring and evaluation report; iv) the rules of procedure for dispute settlement and the roster of arbitrators; v) follow-up on sanitary and phytosanitary issues; vi) Ghana's registration of geographical indications and related EU support.

Progress was made on the implementation by Ghana of its market access offer at the meeting on 30 October, which concluded and endorsed the outcome of technical discussions on Ghana's market access schedule and the transposition of Ghana's consolidated offer.

The third **Special Committee on Customs and Trade Facilitation** took place on 22 February 2024, where parties discussed recent developments on customs legislation, customs reforms, and procedures; it also addressed issues on Rules of Origin and exchanged contact point for mutual administrative assistance.

The **6th Ghana-EU iEPA Committee meeting** took place on 22 and 23 May 2025 in Accra (Ghana). Senior Officials from both Parties convened to take stock of progress on the iEPA implementation and explore opportunities to enhance trade and investment relations.

Key outcomes of the meeting included the following:

i) Ghana confirmed the transposition of its consolidated Market Access Offer to HS 2022 and the **implementation of the 2024 tariff cuts** (retroactively from 1 January 2024.

ii) The Committee adopted the **1st Joint Monitoring Report** on iEPA implementation (2016-2023), subject to additional comments to be provided by Ghana.

iii) The Parties discussed and clarified some issues regarding the rules of procedure for Dispute Settlement and agreed not to modify the relevant decision adopted by the iEPA Committee in 2022.

[103] https://circabc.europa.eu/ui/group/09242a36-a438-40fd-a7af-fe32e36cbd0e/library/4c011c8e-152f-4add-8e19-86411bf3de07/details

iv) The Parties agreed to hold the next iEPA Committee meeting in 2026 (Brussels). In addition, further iEPA implementation issues and support measures were discussed.

2.2 Trade and sustainable development

The iEPA with Ghana does not include a TSD chapter. Nevertheless, sustainability issues were also part of the recent iEPA Commitees, including the meeting in 2023 with a dedicated session on sustainable cocoa and exchanges on policy developments related to TSD.

The **Samoa Agreement** that replaced the Cotonou Agreement as the framework for the EU relationship with the ACP countries **includes robust commitments on TSD**. It also creates the basis for further collaboration on these issues between the EU and Ghana.

The Sustainable Cocoa Initiative

In 2024, the EU and Ghana continued their **dialogue on sustainability of the cocoa supply chain and worked on the implementation of the Roadmap for sustainable cocoa** adopted by stakeholders in 2022. The World Cocoa Conference on 22 April 2024 in Brussels took stock of progress made on the implementation of the Roadmap. The 2024 edition of the Cocoa Talks on 12 and 13 December 2024 reviewed the collective progress made in achieving the Roadmap's objectives and explored next steps and new commitments by various stakeholders participating in the Sustainable Cocoa Initiative.

In 2024 the joint priority of the parties was to continue supporting the activities of the four implementing partners of the **Sustainable Cocoa Programme** (i.e. the German GIZ[104], the UN Food and Agriculture Organisation (FAO)[105], the European Forest Institute (EFI)[106] and the European Commission's Joint Research Centre (JRC). The Ghana Cocoa Board's (COCOBOD) requests for support are well targeted and focus on traceability, which the sector will need in light of EU legislation on sustainability (i.e. the EU Deforestation-free Products Regulation[107], and the incoming EU Corporate Sustainable Due Diligence Directive[108]). Among other activities, the EU assisted the COCOBOD with the piloting and roll-out of some elements of its Cocoa Management System, with the development of a deforestation risk monitoring system and land-use mapping.

[104] Gesellschaft für Internationale Zusammenarbeit: https://www.giz.de/en/html/index.html
[105] https://www.fao.org/home/en
[106] https://efi.int/about
[107] https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32023R1115
[108] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52022PC0071

The Sustainable Cocoa Initiative - Background

In 2024, Ghana, Côte d'Ivoire and Cameroon together accounted for 58% of EU imports of cocoa and cocoa preparations4, for a value of EUR 8.9 billion. Cocoa and cocoa preparations represented 49% of EU27 total imports from Cameroon, 47% of EU27 total imports from Ghana and 72% of EU27 total imports from Côte d'Ivoire. While imports of cocoa beans to EU are duty-free on a MFN basis, imports of processed cocoa (butter, paste and powder) benefit from iEPA preferences. All three countries benefit from the quota free-duty free regime of their interim EPAs for cocoa and its transformed products. since processed cocoa products represent an important share in their cocoa exports (i.e. 46% for Ghana, 36% for Cameroon and 38% for Côte d'Ivoire).

In September 2020, the European Commission launched a **Sustainable Cocoa Initiative** with a focus on Côte d'Ivoire, Ghana and Cameroon. The objective of the multi-stakeholder dialogue is to foster **progress in the elimination of child labour** in cocoa supply chains, enhancing the protection of forests in cocoa-producing regions, and ensuring a living income for cocoa farmers. The **dialogue brings together key stakeholders** from the cocoa value chain including government representatives from the producing countries, EU Member States, European Parliament, EU chocolate business representatives, retailers, farmers, and non-governmental organisations.

The "Cocoa Talks" have allowed for meaningful exchanges on sustainable cocoa production and trade, between stakeholders – the EU, Côte d'Ivoire, Ghana, the chocolate industry, cocoa traders, farmers organizations, and civil society.

In 2024, the parties continued a **dialogue on sustainability of the cocoa value chain** and focused on the implementation of a **Roadmap for sustainable cocoa** that includes concrete time-bound actions to improve the sustainability of the cocoa supply chain in West Africa.[109]

2.3 Technical assistance and cooperation

The **programme 'Compete Ghana'[110], which has been supporting the iEPA implementation between the EU and Ghana** between 2020 and 2024, was completed in early 2024. It helped to improve Ghana's economic governance and business environment and to maximise the benefits of the iEPA for Ghana. The programme, funded under the 11th European

[109] EU, Côte d'Ivoire, Ghana and the cocoa sector endorse an Alliance on Sustainable Cocoa (europa.eu)

[110] Budget of EUR 4,1 million. The project did not target any particular sector but rather focuses on building up Ghana's capacity to implement the EPA and to engage on EPA-related matters, on improving competitiveness at firm level and on mainstream regional policies in favour of industrial competitiveness.

Development Fund (EDF), has been providing technical assistance to the Ministry of Trade and Industry (MoTI) in the following areas:

- Capacity building to help Ghana comply with the commitments of the EU-Ghana iEPA;
- Support in setting up the institutional framework (e.g. iEPA committees);
- Support in monitoring and evaluating the impact of the iEPA implementation with the involvement of the private sector;
- Capacity building to raise awareness of the EU Ghana iEPA and its advantages, including through a dialogue between the public and the private sector and with civil society.

More specifically, the Compete Ghana programme[111] with the support of three Key Experts and a Team of Non-Key Experts has strengthened Ghana's administrative capacities in the setup of an iEPA Secretariat and in the implementation of the Accompanying Measures Strategy.

[111] https://www.competeghana.org/

ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE ECONOMIC PARTNERSHIP AGREEMENT (EPA) BETWEEN THE EU AND THE SOUTHERN AFRICAN DEVELOPMENT COMMUNITY (SADC)

1. THE AGREEMENT

The **EU-SADC Economic Partnership Agreement** ("EU-SADC-EPA") between the EU and six countries from the **Southern African Development Community** (SADC: Botswana, Eswatini, Lesotho, Mozambique, Namibia and South Africa), was signed on 10 June 2016. It entered into provisional application on 10 October 2016 for all Parties to the Agreement, except for Mozambique, for which it entered into provisional application on 4 February 2018. 2024 marked the eighth year of provisional application of the Agreement for all its Parties, the sixth for Mozambique. On 26 July 2022, the EU-SADC EPA Joint Council adopted Decision No 2/2022 approving the launching of **accession negotiations with Angola**. Formal negotiations for Angola's accession to the EPA are expected to be launched as soon as Angola is ready.

Since the day of application of the EPA, all SADC EPA States -except for South Africa- receive duty free and quota free treatment for all their goods (except for arms and ammunition) imported into the EU. South Africa receives such treatment for 94.4% of tariff lines for its exports to the EU and an additional 3.2% of tariff lines benefit from reduced tariffs or from preferential tariff rate quotas (TRQs). The **Southern African Customs Union** (SACU), comprising Botswana, Eswatini, Lesotho, Namibia and South Africa, grants duty free and quota free treatment to 84.9% of tariff lines for products exported by the EU to the region. An additional 12.9% of EU exports benefit from partial liberalisation (reduced tariffs or TRQs). Mozambique (a Least Developed Country and not a member of SACU) liberalises a smaller percentage of exports from the EU. The final wave of liberalisation will take place in 2025 (in 2028 for Mozambique).

The **EU-SADC EPA is the first and only regional EPA in Africa to be fully operational** (all partners are implementing the tariff cuts foreseen by the EPA).

- Since the 2019 meeting of the EU-SADC EPA Joint Council, the **institutional framework** of the EPA is fully in place and operational. The Agricultural Partnership is in the process of finalising its operational rules.

- As from 1 January 2019, **all SADC EPA States apply the reduction in EPA customs duties for goods coming from the EU**. Between 2022 and 2024, Mozambique[112] further advanced with its EPA-related tariff liberalisation commitments. The final wave of liberalisation will take place in 2025 (2028 for Mozambique).

[112] The other SADC EPA States already migrated to the Harmonized System nomenclature in 2021.

On **Rules of Origin**, **SACU States** have fulfilled the requirements to apply diagonal cumulation, and **since 1 June 2023 may apply diagonal cumulation with all SADC EPA States** and with certain ACP countries signatories of the ACP Joint Undertaking for the purpose of implementing provisions of cumulation in the EPAs.

In February 2024, the **10th EU – SADC Trade and Development Committee** endorsed its **first EPA joint monitoring report.**[113] The report was published in March 2024.

In addition, the Commission carried out an independent **EPA ex-post evaluation study** completed by an external contractor. The final report was published in September[114]. It identifies areas for improvement in the effectiveness and impact of the EU-SADC EPA, with particular reference to the enhancement of the problem-solving role of EU-SADC EPA institutions, a better contribution of the EU-SADC EPA to sustainable development, the solution of some implementation issues, and the increase of the awareness of the opportunities offered by the EU-SADC EPA among private sector and civil society. These conclusions inform the ongoing **joint review process,** which is expected to be finalised in the coming months.[115] Trade and Sustainable Development has been an important element of the evaluation, in particular how to make better use of the provisions related to the dialogue on TSD, which appears to be underutilised.

Partnerships between the EU and SADC members beyond the EU-SADC EPA

The **EU and Namibia** signed on 8 November 2022 a **Memorandum of Understanding (MoU) establishing a strategic partnership on sustainable raw materials' value chains and renewable hydrogen**. At the Global Gateway Forum in October 2023 the EU and Namibia officially launched a **Roadmap for 2023-25**. While the MoU sets the vision, defines the areas of cooperation and provides a political framework for the enhanced cooperation, the Roadmap represents the actions to advance the goals of the Partnership. The Roadmap is a living document with regular updates to reflect progress made, and new opportunities will be identified in the course of its implementation. To be noted that in 2023 Namibia put in place an export ban for certain critical minerals such as unprocessed crushed lithium ore, cobalt, manganese, graphite and rare earth minerals. While the details of such ban remain unclear due to the lack of legal basis, restrictions are indeed enforced, risking a negative impact on Namibia's investment attractiveness on the mineral sector.

In addition, the **Sustainable Investment Facilitation Agreement (SIFA) with Angola** (candidate to join the EPA in the coming years) entered into force on 1 September 2024. It is the first agreement of this kind and aims to support the creation of a more transparent, efficient, and predictable investment climate in Angola, and therefore foster sustainable investment by EU businesses. Pursuing such agreements is part of the broader EU strategy to step up

[113] The monitoring report is based on statistics mostly and responds to a set of indicators to measure EPA performance.
[114] Circabc
[115] The joint review is based on a discussion among the parties on the functioning and impact of the EPA across different areas.

engagement to unlock economic potential, foster economic diversification, and promote inclusive and sustainable growth.

The SIFA establishes an **Angola-EU Committee on Investment Facilitation** to oversee the implementation and follow-up on the agreement. The first meeting of this Committee took place on 21 January 2025 in Luanda. The EU and Angola are working together to implement the SIFA, with the EU supporting Angola through various tracks, such as the modernisation of Angola's digital single window for investors, as well as a dedicated programme on 'Promoting Trade and Investment in Angola', which will also provide technical assistance and capacity building for SIFA implementation. The second meeting of the Committee is expected to take place in the first half of 2026.

2. MAIN IMPLEMENTATION ISSUES

The **Trade and Development Committee (TDC)** and committees established by the EPA met in February 2024. The **TDC** addressed several outstanding issues, such as in particular:

- the update of the list of Arbitrators to be appointed under the EU-SADC EPA dispute settlement mechanism;
- the interpretation of Articles 33 and 35 of the EU-SADC EPA on the applicability of multilateral and agricultural safeguards;
- the need for progress in the involvement of non-State actors in the monitoring of the EU-SADC EPA implementation; and the way ahead, in terms of scope and objectives, in the process of review of the EU-SADC EPA.

Trade irritants (see further below) were raised on several occasions, both in the above meetings and in bilateral contacts – the EU and South Africa also held a dedicated meeting on market access in the margins of the TDC.

2.1 Market access: Progress and outstanding issues

In 2024, several trade barriers and irritants continued to affect EU-SADC trade relations (in particular with South Africa).

In the area of **trade defence,** trade barriers imposed in 2022 and 2023 by SACU countries continued to affect EU exporters, notably **anti-dumping duties on frozen chicken** from Denmark, Ireland, Poland and Spain in place since 1 August 2022 and definitive measures on frozen potato chips from Belgium, Germany and the Netherlands in place since 17 May 2023 (NB: both measures were imposed for a duration of 5 years).

A **temporary rebate of ordinary customs duties** (not applicable to anti-dumping duties) on imports of frozen poultry meat (with and without bone) decided by the SACU's International Trade Administration Commission (ITAC)[116] was introduced on 29 January 2024, following a

[116] In SACU, the Council of Ministers has delegated all tariff-related decisions, including those on trade remedies, to South Africa International Trade Administration Commission. ITAC is responsible for all aspects of trade remedies investigations except the final decision, which is taken by the Minister of Trade of South Africa.

review during which the EU submitted written comments and participated in an oral hearing. By contrast, EU exporters do not benefit, as poultry is already liberalised under the EU-SADC EPA. The EU continues to advocate for termination, or at the very least suspension, of the above-mentioned anti-dumping duties in view of shortages on the local market.

Another area with **important trade barriers continues to be SPS**, where following avian influenza outbreaks in several Member States during 2022, South **Africa's lack of recognition of regionalisation** brought EU's exports to South Africa to a complete standstill. The same applies for EU exports of pork meat from Member States affected by African Swine Fever. As regards the recognition of the disease-free status (once outbreaks are stamped out) following self-declaration to the World Organisation for Animal Health (OIE), in 2023 South Africa re-opened market access for poultry from Spain, Ireland and the Netherlands and in 2024 to Denmark. However, there are significant delays for authorisation of imports of other meat products from the EU (not affected by avian influenza African swine fever or Foot-and-Mouth Disease), as well as requests on genetic material and some fruits. The EU is actively engaging with South Africa concerning the recognition of regionalisation.

Trade barriers were also discussed during the eighth **EU-South Africa Summit** which took place in Cape Town on 13 March 2025, with the goal to discuss avenues to further strengthen trade and investment ties based on shared interests in clean technology and sustainable supply chains. In their Joint Declaration[117], EU and South Africa agreed to work together to address existing challenges in trade in animal and plant products. In particular, South Africa committed to find a solution to facilitate the imports of poultry from disease-free areas in the EU into South Africa without delay and finalise the most advanced EU market access applications without delay.

Other areas of concern for market access in SADC EPA States include:

- public procurement, with several SADC EPA States applying **extensive local content and local ownership requirements in public tenders as well as in private contracts with State Owned Enterprises;**
- **import restrictions for agricultural commodities** which are widespread in the region, with variable economic impact for EU exports;
- regulations on composition, production and labelling of wine and spirit products as well as definitions for Cognac and Brandy de Jerez in South Africa;
- imposition of safeguard duties on imports of hot-rolled steel products which may extend to stainless steel in South Africa;
- **bans on exports of scrap metal** applied by South Africa and Botswana;
- Conformity Assessment programme, put in place in November 2023 by Mozambique, with should become applicable to indicatively 8.000 products, and at the moment applies – in a discriminatory way - only to imported goods;
- Restrictions for shipping lines from being their own cargo and ship agents introduced in 2024 by Mozambique.

[117] https://www.consilium.europa.eu/media/i40na1ze/published-8-eu-south-africa-joint-declaration.pdf

The **Special Committee for Customs and Trade Facilitation (SCCTF)** took place ahead of the TDC Committee and discussed recent developments on customs legislation, customs reforms, and procedures; it also addressed issues on Rules of Origin, in particular the update of Annex II and Annex II(a) of Protocol I to the 2022 version of the WCO Harmonized System, the state of play of the implementation of diagonal cumulation by SADC EPA States and the interest to discuss the possibility to use self-certification as only proof of origin within the EPA, as a customs and trade facilitation measure.

The **Agricultural Partnership** discussed operational rules and areas of cooperation and the recent developments in the agricultural policies. Thus far, no other substantive issues have been discussed in the framework of this Partnership.

The EU and South Africa in their bilateral **Special Committee on Geographical Indications (GI) and trade in wines and spirits** discussed updates in their respective GI legislations and on the protection of specific GIs (e.g. Greek Feta, Karoo Lamb, Cognac/Brandy de Jerez), and also followed up on their longstanding discussion on authorised oenological practices and protection of EU "traditional terms".

2.2 Trade and sustainable development

The EU-SADC EPA includes a **chapter on cooperation on Trade and Sustainable Development.**

At the meeting of the **Trade and Development Committee** (TDC) of February 2024 discussions focussed on trade and environment as a-well as climate change related issues. SADC EPA States also reiterated their concerns about the **impact** that EU legislation **promoting the Green Deal** and related initiatives could have on their exports to the EU. South Africa's steel industry is expected to be impacted by the EU's Carbon Border Adjustment Mechanism (CBAM), while Mozambique expects an impact on its leading sector exporting to the EU, aluminium.

Apart from the EU-SADC EPA, the **Samoa Agreement** (which replaced the Cotonou Agreement as the framework for the EU relationship with ACP countries) includes robust commitments on trade and sustainable development, also creating a basis for further collaboration on these issues.

2.3 Technical assistance and cooperation

In the course of 2024, the EU continued **engaging with the SADC EPA States, offering technical assistance** to help improve the implementation of the EU-SADC EPA. Support is oriented towards the resolution of issues in the interest of the EU side and the better implementation of the EPA in favour of SADC EPA States and includes the following:

- **EPA implementation support programmes** worth EUR 6 million each in Botswana, Namibia, Eswatini, Lesotho and Mozambique; and EUR 10 million in South Africa. In

the latter country, this support programme aims to unlock challenges related to quality infrastructure and technical capacity in agricultural value chains and to increase response to opportunities under the EPA by emerging exporters of agricultural products and those with recognised GIs.

- The **Trade Facilitation Programme**, a EUR 15 million regional programme, aims to increase intra-regional trade by strengthening capacities for streamlining border processes and monitoring and resolving non-tariff barriers and technical barriers to trade (TBT) and by promoting the implementation of the EU-SADC EPA.

ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE ECONOMIC PARTNERSHIP AGREEMENT (EPA) BETWEEN THE EU AND CÔTE D'IVOIRE

1. THE AGREEMENT

Pending an **Economic Partnership Agreement** (EPA) with the West African region, Côte d'Ivoire concluded a stepping stone or **interim EPA** (iEPA) with the EU in December 2007.[118] The iEPA was signed on 26 November 2008 and entered into provisional application on 3 September 2016. The EU-Côte d'Ivoire iEPA will be replaced by the regional EU-West Africa EPA once the latter enters into force.[119] 15 out of 16 West African countries have signed the regional EPA, with only Nigeria's signature still outstanding.

The iEPA immediately offered to Côte d'Ivoire duty free and quota free access to the EU market, whereas Côte d'Ivoire only partially liberalises EU imports, over a 10 year period. Côte d'Ivoire is the **first country in West Africa that started liberalising its market for trade with the EU** and applies reciprocity to the market access enjoyed in the EU. The liberalisation of the first 1115 products was applied from 1 January 2019. The second round of tariff liberalisation took effect on 1 January 2021, covering another 1190 products, while the third round on 1 January 2024 liberalised 1080 additional products. The liberalisation process of 88% of tariff lines will be completed by 1 January 2029. Côte d'Ivoire's HS2017 updated market access offer and schedule are published on DG TRADE's website. Both Parties are currently working on the consolidated market access offer transposed to HS2022.[120]

In 2024, EU companies continued to benefit from the **first three rounds of tariff liberalisation for products** with significant EU exports. The first two tariff cuts covered medicines (mixed or unmixed products for therapeutic or prophylactic purposes), light oils and preparations of petroleum or bituminous minerals with specific characteristics, fertilisers, category of aeroplanes and other powered aircraft, vaccines (human and veterinary medicine), road tractors for semi-trailers, printed books, laboratory reagents. The **third tariff cut implemented** in the course of 2024, covered mainly machinery, electronics and electrical equipment, optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus, plastic and rubber products.

[118] The official name of the agreement ("stepping-stone agreement") reflects the fact that the initial and ultimate objective for economic partnership in West Africa is a comprehensive, regional agreement. It is also called "interim EPA".

[119] The Economic Partnership Agreement was signed in December 2014 by the European Union and 13 West African Countries. In 2018, the Gambia and Mauretania signed the Agreement, to date only Nigeria is yet to sign the EPA. The Agreement will enter into provisional application when all the 16 West African Countries sign it and 2/3 (11 out of 16) of these countries ratify it.

[120] https://circabc.europa.eu/ui/group/09242a36-a438-40fd-a7af-fe32e36cbd0e/library/d0c1c2fc-efe7-4dfb-8101-70af86417152/details

The 7th **iEPA Committee meeting** took place on 27 and 28 February 2025 in Brussels.[121] Senior Officials from both Parties convened to assess the iEPA's implementation and explore opportunities to enhance trade and investment relations. Key outcomes of the iEPA Committee meeting included the following:

- Côte d'Ivoire reaffirmed the effective implementation of the **3rd tariff cut** since 2024 and is preparing for the 4th tariff cut, scheduled for 1 January 2026.

- The Committee adopted the **3rd Joint Monitoring Report** on iEPA implementation for 2020-2022.

- Côte d'Ivoire reaffirmed its commitment to pursuing a **Sustainable Investment Facilitation Agreement (SIFA).** Following these discussions, on 6 March 2025, the two sides agreed to start their respective internal procedures to open formal negotiations for a SIFA. Both Parties welcomed the excellent cooperation under the Sustainable Cocoa Initiative. In addition, further iEPA implementation issues and support measures were discussed.

- It was agreed to hold the next iEPA Committee meeting in Abidjan in 2026.

The iEPA Committee meeting was preceded by the **3rd Special Committee on Customs and Trade Facilitation** on 25 February 2025, which addressed the following aspects: Rules of Procedure of the Special Committee, customs cooperation matters, the application of iEPA Rules of Origin, mutual administrative assistance in customs matters, and an information point on the reform of the WCO Harmonized System.

2. MAIN IMPLEMENTATION ISSUES

2.1 Market access: Progress and outstanding issues

Some **outstanding trade barriers** continue to exist between the EU and Côte d'Ivoire, such as **tax discrimination on imported spirits**:

- For several years, Côte d'Ivoire has maintained discriminatory taxation on imported spirits, which are subject to a supplementary excise tax of 25% on top of the one already applied on locally manufactured spirits.

- The EU considers this regime discriminatory and has raised the topic several times within the WTO's Agriculture committee (in November 2020, in March 2022 and in June 2023), asking for justifications, which Côte d'Ivoire has yet to provide. The question has also been raised in the three most recent iEPA Committees.

[121] https://circabc.europa.eu/ui/group/09242a36-a438-40fd-a7af-fe32e36cbd0e/library/5714c6b1-a7b9-42c7-a73a-f5e5e5fa159a/details

2.2 Trade and sustainable development

The interim iEPA with Côte d'Ivoire does not include a dedicated chapter on TSD. Nevertheless, sustainability issues were also part of the recent iEPA Commitees, including the meeting in 2025 which included a dedicated session on sustainable cocoa and exchanges on policy developments related to the Green Deal measures, as well as civil society involvement in monitoring the iEPA implementation. A specific sustainability section has been included in the 3rd Joint Monitoring Report.

The **Samoa Agreement** that replaced the Cotonou Agreement as the framework for the EU relationship with ACP countries includes robust commitments on TSD, which also create a basis for further collaboration on these issues between the EU and Côte d'Ivoire.

The Sustainable Cocoa Initiative

In 2024, the EU and Côte d'Ivoire continued their work on the implementation of the **Roadmap for Sustainable Cocoa** adopted by stakeholders in 2022.

In this context, the World Cocoa Conference on 22 April 2024 in Brussels took stock of progress made with the implementation of the Roadmap. The 2024 edition of the Cocoa Talks on 12 and 13 December 2024 reviewed the collective progress made in achieving the objectives of the Roadmap and considered next steps and new commitments of various stakeholders of the Sustainable Cocoa Initiative.

In 2024 the joint priority of the parties was to continue to support activities by the four implementing partners of the **Sustainable Cocoa Programme** (i.e. the German GIZ[122], the UN Food and Agriculture Organisation (FAO)[123], the European Forest Institute (EFI)[124] and the European Commission's Joint Research Centre (JRC), managed by Brussels. The request for support by the Conseil Café' Cacao (CCC, Côte d'Ivoire's cocoa and coffee regulatory board) is well targeted and focusses on traceability, which the sector will need considering EU legislation on sustainability (i.e. the Deforestation-free products Regulation[125] and the incoming EU Corporate Sustainable Due Diligence Directive[126]). Among other activities, the EU assisted the CCC with putting in place a national traceability system for cocoa beans, the availability of robust reference data for the management of deforestation risk (including the production of a national reference land-use map for 2020) and capacity-building for cooperatives.

2.2 Technical assistance and cooperation

The EU budget for 2021-2027 together with EU Member States' resources, continues to support Côte d'Ivoire in implementing the iEPA, notably through Team Europe Initiatives, mainly

[122] Gesellschaft für Internationale Zusammenarbeit: https://www.giz.de/en/html/index.html
[123] https://www.fao.org/home/en
[124] https://efi.int/about
[125] https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32023R1115
[126] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52022PC0071

through a package of EUR 450 million (with EUR 113 million coming from the EU budget) to finance programmes in Côte d'Ivoire. The projects target the sustainability of the cocoa sector and other agricultural value chains, with a main component being the fight against deforestation and the preservation of biodiversity.

EU projects managed by the EU Delegation in Côte d'Ivoire, in close liaison with business stakeholders, continue to make an **important contribution towards improving business climate** and addressing key impediments in important sectors of the economy (hence advancing the implementation and effectiveness of the iEPA):

- PAPE (*Programme d'appui à l'APE*) is a direct institutional support to EPA implementation and aims to facilitate the transition from a customs-based taxation system towards one based on domestic taxation, support the establishment of the National iEPA Commission and communicate on iEPA implementation. For this purpose, during 2023, PAPE has trained Tax Authority Agents in efficient tax exemption practices and conducted an assessment on the socio-economic impact of tax and customs exemptions. In addition, PAPE has reached out to several private business and the public administration in Côte d'Ivoire to by raising awareness on the iEPA and by offering trainings how to unlock the benefits.

- The regional PACIR II (*Programme d'appui au Commerce et à l'Intégration régionale*) supports private sector development in 2024 supported trainings to businesses on improved production and business administration practices, awareness raising among informal businesses on the benefits of joining the formal sector and trainings for private and public sector stakeholders on the new national labelling policy for cassava flour (attiéké). PASIR II ended in August 2024.

ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE ECONOMIC PARTNERSHIP AGREEMENT (EPA) BETWEEN THE EU AND CAMEROON

1. THE AGREEMENT

On 15 January 2009, Cameroon and the EU signed a **stepping-stone Economic Partnership Agreement** (EPA) or **interim EPA** (iEPA). The European Parliament approved this agreement on 13 June 2013 and the Parliament of Cameroon ratified it on 22 July 2014. On 4 August 2014, the agreement entered into provisional application. Being a regional agreement, the EPA is open to the accession of other Central African countries.

The iEPA immediately provides Cameroon with duty-free quota-free access to the EU market for all products originating from Cameroon. This benefits, among others, exports of Cameroonian bananas, aluminium, processed cocoa products, plywood and other fresh and transformed agricultural products.

Cameroon is opening its market to EU imports gradually, over transitioning periods. **Cameroon will progressively reduce its tariffs on 80% of EU imports to reach 0% by 2029**. This targeted elimination of import tariffs will help Cameroon's local producers to develop their production and become more competitive, and indirectly, will benefit local consumers.

To ensure the protection of certain **sensitive agricultural markets and industries**, but also to maintain fiscal revenues, the iEPA allows Cameroon to maintain tariffs on 20% of goods originating from the EU (such as meat, wines and spirits, malt, milk products, flour, fruit and vegetables, wood and wood products, used clothes and textiles, paintings, and used tyres).

The first **joint monitoring report of the iEPA**, covering the years 2014-2019, was adopted in 2021 and is publicly available.[127] The second report, covering the years 2022-2023 is currently being finalised.

Further progress was made in 2024 by Cameroon on its **tariff schedules** under the iEPA, with tariff dismantling on track.[128] It started in August 2016 for products listed in group 1 (1727 tariff lines), in 2017 for group 2 (985 tariff lines), and in 2021 for group 3. The two first groups mainly consist of essential items that are often used as inputs for industrial processes in Cameroon or consumer products that are not found on the local market, such as medicines and medical equipment, industrial and agricultural inputs, machines, chemicals, spare parts for vehicles, computers, and paper. The third group includes a number of products, such as cars, on which Cameroon and the Central African region have traditionally charged the highest duties.

As of August 2024, import duties for all products of group 1 and 2 are now fully removed and tariffs on products of group 3 are reduced by 50%. The Market Access Offer has been updated to reflect the latest international customs nomenclature HS2022 and is available on DG TRADE's website.[129] Cameroon and the EU are actively monitoring the effects of the agreement.

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[127] https://circabc.europa.eu/ui/group/09242a36-a438-40fd-a7af-fe32e36cbd0e/library/f27fa117-7fdd-46ad-bb54-79b621d899c6/details

[128] Following a temporary unilateral suspension of EPA dismantlement by Cameroon in the wake of COVID-19 outbreak in 2020, the process returned to its initial schedule with a tariff cut in January 2021 and August 2021.

[129] https://circabc.europa.eu/ui/group/09242a36-a438-40fd-a7af-fe32e36cbd0e/library/31a1603d-10ee-4c44-85e8-50c6d166e848/details

2. MAIN IMPLEMENTATION ISSUES

2.1 Market access: Progress and outstanding issues

The **8th EPA Committee** was held on 24-25 July 2024 in Brussels. [130] During that meeting, the parties discussed a number of market access issues. Procedural progress was achieved in regard to excise duties and import taxes affecting EU exports since 2020. The protocol on rules of origin remains to be signed by Cameroon. Constructive engagement continued on a number of other issues, including the rendezvous clause for services, trade and sustainable development and preparations for the 14th WTO ministerial meeting.

- **Specific fiscal measures** (excise duties as well as a range of new export taxes) adopted by Cameroon on imported products, since 2020, in contradiction to EPA commitments, continue to affect bilateral trade and are imposed every year on an increasing number of products. The EU side called on the Cameroonian side to repeal these measures as rapidly as possible. The two parties agreed to continue technical discussions to identify tariff lines that could be excluded from the imposition of these measures. Both sides also agreed to reinforce their administrative cooperation on customs issues and to set up a subcommittee to deal with these questions.
- Regarding the **protocol on rules of origin** the Cameroonian side was not able to sign the text for reasons of internal preparation but intends to do so as soon as possible.
- The Committee exchanged views on the issues covered by **the rendezvous clauses in the iEPA** (e.g., trade in services and sustainable development). The EU side stressed its intention not to reopen the provisions of the agreement. However, it acknowledged the legitimacy of Cameroon to be informed about negotiations the EU is leading on these topics with other third countries. The EU side thus agreed to share with Cameroon its negotiating proposals used in other negotiations.
- The two parties agreed to focus the work of the subcommittee on **agricultural and rural development** on health and phytosanitary issues.

Finally, regarding the organization of the 14th **WTO Ministerial Meeting** and support for the reform of the WTO multilateral trade system the Cameroonian side noted its availability in the organization of the next WTO ministerial conference scheduled for early 2026 and wished to obtain more practical information on what was expected from its government. On substance, Cameroon expressed its intention to work towards the rapprochement of positions between all the actors of the organization.

2.2 Trade and sustainable development

The EPA with Cameroon does not currently include a dedicated chapter on trade and sustainable development.

The Parties continue to cooperate on matters related to trade and sustainable development through different channels. [131]

[130] https://circabc.europa.eu/ui/group/09242a36-a438-40fd-a7af-fe32e36cbd0e/library/53b015da-ac93-42f2-9d1f-6f6f81d44389/details
[131] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52003DC0251

The **Samoa Agreement** that replaced the Cotonou Agreement as the framework for the EU relationship with ACP countries includes robust commitments on trade and sustainable development, also creating a basis for further collaboration on these issues.

During the **8th EPA Committee,** the issue of trade and sustainable development was addressed from the perspective of three issues: timber trade, technical barriers to trade and European regulations to combat deforestation. On all these issues, the Cameroonian side wished to obtain more information, in particular on the scope of the recent measures adopted by the EU to support the Green Deal.

The Sustainable Cocoa Initiative

The EU and Cameroon are also engaged in a dialogue on sustainable cocoa.[132]

Cameroon joined the **Sustainable Cocoa Initiative** in 2021 (initially as an observer, now as a full member).

In 2024 the EU and Cameroon continued their **dialogue on sustainability of the cocoa supply chain and worked on the implementation of the Roadmap on Sustainable Cocoa** adopted by stakeholders in 2022.

On 22 April 2024, the **World Cocoa Conference** took stock of progress made with the implementation of the Roadmap.[133] The 2024 edition of the Cocoa Talks on 12 and 13 December 2024 reviewed the collective progress made in achieving the objectives of the Roadmap and considered the follow-up and new commitments of various stakeholders of the Sustainable Cocoa Initiative.

Further work is ongoing to ensure Cameroon's preparedness in the wake of the EU anti-deforestation requirements, including in the context of the 12 action points on cocoa and in the framework of the Sustainable Cocoa Initiative.

In 2024 the joint priority of the parties was to continue support activities in Cameroon by the four implementing partners of the **Sustainable Cocoa Programme** (i.e. the German GIZ[134], the UN Food and Agriculture Organisation (FAO)[135], the European Forest Institute (EFI)[136] and the European Commission's Joint Research Centre (JRC). Technical assistance focused on traceability, to help the Cameroonian cocoa sector to prepare for and meet the requirements of EU regulation adopted in the context of the Green Deal (e.g. the Deforestation-free Products Regulation[137], and the incoming EU Corporate Sustainable Due Diligence Directive[138]).

2.3 Technical assistance and cooperation

The EU budget for 2021-2027 together with EU Member States' resources, continues to support Cameroon in implementing the iEPA.

[132] With 6% of the global cocoa market, Cameroon is currently the 4th most important cocoa producer in the world and cocoa represents 12% to the country's overall exports.
[133] For more background information on the Sustainable Cocoa Initiative please see the dedicated box under the EU-Ghana EPA section.
[134] Gesellschaft für Internationale Zusammenarbeit: https://www.giz.de/en/html/index.html
[135] https://www.fao.org/home/en
[136] https://efi.int/about
[137] https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32023R1115
[138] https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52022PC0071

At the **8th EPA Committee,** the Cameroonian side noted the lack of direct funding for the implementation of the iEPA, despite the references included in the agreement (Articles 7 and 9). The European side referred to multiple actions *de facto* contributing to the implementation of the iEPA. A regional 'market access' project is in the start-up phase and will be available to meet some of the specific needs of Cameroon related to the implementation of the agreement.

ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE ECONOMIC PARTNERSHIP AGREEMENT (EPA) BETWEEN THE EU AND THE EASTERN AND SOUTHERN AFRICAN REGION (ESA)

1. THE AGREEMENT

Pending a comprehensive Economic Partnership Agreement (EPA) with the full Eastern and Southern African (ESA) region, an **interim EPA (iEPA)** was signed in 2009 by the EU and four ESA countries (Madagascar, Mauritius, Seychelles and Zimbabwe). This iEPA is provisionally applied since 14 May 2012 by the EU and these four EPA partners, while Comoros applies it since February 2019. These five countries are referred to as "ESA5". Comoros, Zimbabwe and Seychelles have also ratified the iEPA, Zambia has initialled the iEPA and may decide to sign it soon. The iEPA remains open to other ESA countries. It offers immediate duty-free and quota-free access to the EU market to ESA signatory countries, while providing for a gradual opening of ESA markets to EU imports, which is done gradually over several transition periods.

Negotiations on a modernised and comprehensive EPA progressed in 2024 and will continue in 2025.[139] Since the beginning of this process, 15 **negotiating rounds took place.** The last round took place in March 2025[140]. 10 thematic parts have been provisionally concluded and a workplan has been agreed that may pave the way towards endorsement of this agreement at political level. Once in place, the **deepened EPA** will include the following: modernised rules of origin; provisions on customs and trade facilitation; sanitary and phytosanitary measures; technical barriers to trade; trade in services, investment liberalisation and digital trade; transparency in public procurement; intellectual property rights; trade and competition; trade and sustainable development; partnership in agriculture; fisheries and aquaculture; dispute avoidance and settlement; institutional structure; and economic and development cooperation.

A **sustainability impact assessment**[141] looking into the impact of the modernised EPA has been conducted in parallel to the negotiations, supported by public consultations.

2. MAIN IMPLEMENTATION ISSUES

2.1 Market access: Progress and outstanding issues

The iEPA offers duty-free, quota-free access for all imports from the ESA EPA States to the EU since 1 January 2008. The five ESA EPA States are in the process of opening their markets to EU imports in line with individual tariff schedules.[142]

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[139] In 2017, the then-four ESA partners (ESA4) implementing the Agreement requested to deepen it beyond trade in goods, in accordance with the 'rendezvous clause' embedded in the Agreement. In May 2019, the EU and ESA5 Countries (Madagascar, Mauritius, Seychelles, Zimbabwe and Comoros) agreed on a joint scoping paper that paved the way for the official launch of the negotiations in October 2019.

[140] Report of the 15th negotiating round: Circabc

[141] https://policy.trade.ec.europa.eu/analysis-and-assessment/sustainability-impact-assessments_en

[142] The ESA countries were not in a position to table a common regional market access offer and each country presented an individual offer based on its specificities.

The **implementation of tariff dismantling schedules**, initially foreseen to start in 2012 (for ESA4), was **completed by Seychelles, Mauritius and Zimbabwe** on 1 January 2022 and by Madagascar on 1 January 2023, when the percentage of tariff lines fully liberalised for products originating in the EU reached 97.5% in Seychelles, 96.2% in Mauritius, 87% in Zimbabwe and 86% for Madagascar. The implementation of tariff commitments encountered some difficulties in **Comoros.** The country needed two additional years (2024 instead of 2022) as it joined this agreement much later (in 2019) than the other four ESA partners.[143] A **catch-up scenario** was agreed based on which Comoros should have completed its market access liberalisation schedule in the course of 2024, i.e., to reach the target of liberalising around 80% of their trade with the EU. However, Comoros has not yet completed the process due to budgetary issues. The EU and Comoros are currently exploring a constructive solution to address the delay on the dismantling schedule.

The parties continue to develop a **common methodology aimed at finalising a monitoring and evaluation framework** for the iEPA and consulted stakeholders from the public and private sector. This is an important step to define a joint understanding of progress made implementing the iEPA and to identify remaining challenges in order to be able to address them adequately. The common methodology has not yet been agreed as outstanding issues are currently being discussed in the framework of the negotiations for the deepening of the iEPA.

Dialogue with partner countries and EU development cooperation assistance are key elements to **support the implementation of the EPA**.

In 2024, the **EU Delegations** in the region maintained a **close dialogue with government and private sector on economic matters**, including on trade policy:

- At ESA5 level, a Market Access Team meeting, comprising EU Member States representatives and EU Business associations, was organised by the EU Delegation in Mauritius to **exchange information on trade policy and enquire on trade barriers**.
- In Comoros, the EU Delegation contributed substantially to strengthening the **public-private dialogue,** by organising a workshop on budget law and public procurement. Dialogue continued with the Ministry for Economy and the Ministry for Finances, especially on the **tariff dismantling schedule**. On the margins of the 13th negotiating round in Comoros in March 2024, civil society was consulted on the EPA.
- In Madagascar, the EU Delegation continued its close dialogue with both the private sector and the public authorities, in the framework of the CLIM-INVEST, INCUBOOST and PADEIR cooperation programmes, with a focus on optimising the **public-private dialogue**, the role of **digitalisation** in the strengthening of the business environment and increasing competitiveness of enterprises.
- In Mauritius, discussions on the organization of a Business Forum with the government and the private sector were initiated. The change of government towards the end of 2024 was also an opportunity to renew discussions and redefine priorities.
- In Seychelles, digitalization of customs and tax systems were opportunities to engage with the operators, including related agencies.

[143] More details can be found here: http://trade.ec.europa.eu/doclib/docs/2012/march/tradoc_149213.pdf

- In Zimbabwe, the Zimbabwe International Trade Fair 2024 offered an opportunity to promote various TeamEurope funded projects ongoing in Zimbabwe and to highlight the benefits and **opportunities offered by the iEPA**. An EU business mapping was conducted and discussions on the organisation of an EU-Zimbabwe Business Forum with the government and private sector took place in May 2025.

2.2 Trade and sustainable development

The iEPA does not include a dedicated chapter on trade and sustainable development. However, during the ongoing negotiations to deepen the Agreement, the Parties are committed to an ambitious **Trade and Sustainable Development chapter**, in line with EU trade policy.

The **Samoa Agreement** that replaced the Cotonou Agreement as the framework for the EU relationship with ACP countries includes robust commitments on trade and sustainable development. They also create a basis for further collaboration on these issues.

2.3 Technical assistance and cooperation

In 2024 several **EU development cooperation programmes** linked to the iEPA were implemented with the aim to facilitate tax and customs reforms, improve the business environment and strengthen ESA States' competitiveness. Examples include the following:

- The **Fit For Market+** (FFM+) programme provides support to the horticultural sector in ACP countries, including the ESA5. It aims to maintain and improve access to domestic, regional and international markets and enhances support capacities of competent authorities.
- As part of an EU funded regional **Indian Ocean Commission project**, **SMEs** in the four member states of the Indian Ocean Commission benefitted from training in various fields related to entrepreneurial, participation in international fairs for tourism, cosmetics and seafood. The overall aim was to boost their competitiveness and improve market access.
- Through the **regional programme for food and nutrition security** (SANOI), capacity building assistance was provided in 2024 to food safety control laboratories in the four island States of the Indian Ocean Region, including through support for accreditation and the development of surveillance plans. SPS action plans in the maize and poultry sectors were developed and training was provided on various subjects, such as phytosanitary controls on fruit and vegetables.
- The **11th European Development Fund** (2014-2020), whose related projects are still ongoing in some ESA States, earmarked EUR 10 million for each of the four initial signatory countries and EUR 6 million for Comoros to help them **implement the iEPA.**
- The **APILE project**[144] in Comoros aims at improving private sector competitiveness, strengthening the business environment and structuring the public-private dialogue. 70 enterprises were trained on industrial processes, sanitary measures, trade, marketing and financial issues. 13 Business support organisations were capacitated and united under a new business incubator association. Quality trainers on sanitary and ISO standards were trained and a country branding label "Made in Comoros" was designed. The PAGF

[144] APILE Project - Support to Industrialisation and Free Trade

project[145] aims at enlarging the fiscal basis to compensate for customs revenues loss due to Comoros Tariff liberalisation in the context of the iEPA.

- Technical assistance to Mauritius to implement a Geographical Indications (GIs) framework as well as technical support and capacity building to the Mauritius Intellectual Property Office and private sector associations led to the first Mauritian Geographical Indication registered: "Mauritius Unrefined Sugar". Support is ongoing for the registration of further GIs. Evaluation of the EPA programme has resulted in a recommendation to adapt the regulatory framework to improve the business environment.

- The PADEIR programme in Madagascar,[146] supports public authorities in trade-related initiatives, particularly by establishing a reference framework for trade facilitation and regional integration. Key actions in 2024 included the preparation of the national Trade Policy Review, presented to the WTO in February 2025, the ongoing validation of the National Export Strategy, and the implementation activities of the EPA. To address non-tariff barriers, PADEIR also supports quality infrastructure for ensuring the accreditation of export products. Another key focus of the programme is enhancing the competitiveness and skills of SMEs in export-oriented value chains across four priority sectors (textiles, tourism, e-commerce and agri-business).

- In the Seychelles, digitalization of the Customs and Tax systems continued and the online payment facility for customs services, as part of the ASYCUDA system was launched. Specific support to identify aquaculture products of high potential and develop proofs of concepts and model business plans was provided, also with a view to encourage private sector investment. Support to local entrepreneurs was given through capacity building.

- In Zimbabwe, the EU funded an electronic tariff platform developed by the World Customs Organization, under the framework of the **EU-WCO Programme for the Harmonized System in Africa** (HS-Africa Programme). Under regional trade facilitation programmes, the Chirundu Border post was upgraded with a biometric electronic boom gate, solar powered flood lights, CCTV cameras and a Trader's Market.

[145] PAGF Project - Support Programme for Finances Management
[146] PADEIR Project - Support Programme for Development of Exports and Regional Integration

ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE ECONOMIC PARTNERSHIP AGREEMENT (EPA) BETWEEN THE EU AND CARIFORUM

1. THE AGREEMENT

The **Economic Partnership Agreement** (EPA) between the EU and CARIFORUM ("the Agreement") is a regional trade and development Agreement between the EU and its Member States and 15 Caribbean countries. It entered into provisional application on 29 December 2008. By the end of 2024, the Agreement was provisionally applied by the EU and its Member States and by 14 Caribbean States[147], while 26 EU Member States and 10 Caribbean States had ratified the EPA.[148]

The Agreement includes provisions on trade in goods, trade in services, competition, innovation and intellectual property rights, government procurement and a development component with the EU committing to fostering regional integration and long-term sustainable economic growth in the Caribbean.[149] The EPA also has a rich institutional structure and a number of specialized committees, namely on Agriculture and Fisheries, on Customs and Trade facilitation, and a Services Committee (set up officially in April 2024).

In general, the EPA has an asymmetric character. While the EU immediately offers duty-free and quota-free access to its market, the CARIFORUM partners have up to 25 years (until 2033) to complete import tariff cuts. They have excluded from these cuts around 17% of goods and services, which they consider sensitive.[150] The list includes fresh fruits and vegetables, most alcoholic beverages, some garments, a number of processed agricultural products, fish, meat, chemicals and furniture. On the Cariforum side overall, only 25% of CARIFORUM's agricultural and fisheries products have been covered by liberalisation under the EPA.

In 2024, CARIFORUM partners further progressed towards the **implementation of their market access schedules for goods**. Currently six CARIFORUM States[151] report complete and timely implementation of tariff liberalisation under EPA, according to their schedules.

In 2024, the EU and CARIFORUM were engaged in the **second five years' Joint Review process** of the EPA that was completed at technical level in April 2024**.** The Review report produced by the Joint Review Task Force identified some implementation challenges and will provide input for the conclusions and recommendations on the impact and future functioning of the EPA for consideration by the next Joint Council.

The **Dominican Republic** is the largest economy in the Caribbean and the main destination of EU exports in the region. It is the second most important partner among CARIFORUM states, considering total merchandise trade following the recent boost of oil exports from Guyana to

[147] Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Dominican Republic, Grenada, Guyana, Jamaica, St. Kitts and Nevis, Saint Lucia, St. Vincent and the Grenadines, Suriname, and Trinidad and Tobago. Haiti still needs to ratify the Agreement in parliament before applying it, due to domestic legal requirements.
[148] On the Cariforum side, the ratification is pending by the Bahamas, Haiti, Jamaica, Suriname and Trinidad and Tobago; on the EU side, the agreement has not been ratified by Hungary only.
[149] More information: Access2Markets The EU-CARIFORUM Economic Partnership Agreement (europa.eu)
[150] The Cariforum states submitted individual market access schedules and not one single regional offer. Hence figures and information provided here are an average over all 14 market access schedules.
[151] The Bahamas, Belize, the Dominican Republic, Guyana, Jamaica and Saint Lucia.

the EU.[152] The Dominican Republic is also the **most advanced country in terms of EPA implementation and EPA performance.**

In 2024 the following institutional bodies met:

- The 10th Trade and Development Committee took place in Nassau, Bahamas on 24-25 April 2024;
- The 8th Consultative Committee representing civil society took place on 20 March 2025 in the Bahamas, and the 7th Consultative Committee meeting took place in November 2023 in Brussels[153] focusing strongly on a sustainability and a green dimension;
- The 8th CARIFORUM-EU Special Committee on Customs Cooperation and Trade Facilitation was held on 5 December 2024 in (virtually);
- The 5th CARIFORUM-EU Special Committee on Agriculture and Fisheries was held in October 2024 (virtually);
- The first Services Committee took place in September 2024 (virtually).

In addition, the CARIFORUM-EU Joint Parliamentary Committee and the Joint CARIFORUM-EU Council (Ministers) are scheduled to hold their meetings in 2025.

Besides, in 2024, the Parties gave a new impetus to the ongoing negotiations on the protection of geographical indications in line with Article 145 of the EPA and continued discussions in the Joint Working Group on Simplification of Rules of Origin.

For the Dominican Republic, **informal bilateral discussions** (known as "mesa del comercio" or "trade table") are regularly held with the EU on bilateral trade matters, including EU Green Deal legislation and support for its implementation.[154]

2. MAIN IMPLEMENTATION ISSUES

2.1 Market access: Progress and outstanding issues

The main market access issues discussed with the CARIFORUM Region under the EPA include:

- **Full ratification and timely implementation of tariff cuts** by all CARIFORUM States and support for the implementation of the regulatory commitments under EPA;
- EU efforts to increase **transparency and utilization of EPA tariff rates** and provide technical assistance for the transposition of all market access offers by CARIFORUM to the latest Harmonised System (HS) nomenclature (from 2002 to the 2022 HS);
- Progress on and monitoring of the **effective application of EPA provisions** facilitating investment and trade services cover by EPA;

[152] The Dominican Republic accounts for 22% EU's trade with CARIFORUM. Its exports to the EU have more than tripled since the start of implementation in 2008 and bilateral trade has augmented 165% as a whole based on Eurostat data. Bilateral trade in 2024 reached to EUR 4,4 billion.
[153] Cariforum-EU Consultative Committee | EESC
[154] Recent EU legislation such as the Regulation on Deforestation-free products directly affect Dominican Republic's traditional agricultural exports such as organic products, cocoa and coffee.

- ongoing efforts to create the annual **Joint Monitoring Mechanism** as mandated by the EPA – with a first pilot report to be complied before the next Joint Council in 2025 based on the jointly collected data;
- finalizing negotiations on **Geographical Indications** (GIs);
- **review of the Rules of the Origin**;
- increasing awareness and capacity in the area **of TBT and SPS**;
- continuous support to Intellectual Property Rights (IPR) enforcement and capacity based on cooperation tools.

The Commission engages with **Jamaica and Dominican Republic** to address specific trade concerns.

Jamaica refuses to accept invoice declarations made out by EU approved exporters, thus limiting the choice of proof of origin granted by the EPA to EU exporters.

Dominican Republic applies a discriminatory VAT tax (ITBIS) on some imported food products (notably cheese, ham and canned vegetables). These issues were raised by the EU side in the relevant WTO Committees, most recently at the Market Access Committee in 2024.

On the positive side, in 2024, bilateral engagement through the EU Delegation and Member States, as well as other third countries concerned led the Dominican Republic to discontinue its discriminatory labelling regime for imported alcoholic beverages[155]. Under that system, a fiscal stamp with a unique code, serial number and special authentication marks were required for every final consumption unit (bottle/can) of beer, wine and spirits for sale in the country. The practical implementation of this system (called 'TRAFICO') had put imported drinks at a disadvantage as placing the stamps would have meant intensive and costly manipulation (unboxing, unpacking, unwrapping, manual placement of the label in every unit, repacking, etc.) and implied additional costs when compared to local production.

2.2 Trade and sustainable development

The EU-CARIFORUM EPA is the **first EU trade agreement with specific chapters on sustainable development and social aspects** (Chapters IV and V), which generally reaffirm the Parties' commitment to existing international conventions and agreements to conserve, protect and improve the natural environment, respect core labour standards, and to prioritise sustainable development. These commitments are further strengthened by a reference to the **Samoa Agreement** that replaced the Cotonou Agreement as the framework for the EU relationship with ACP countries, which includes robust commitments on trade and sustainable development.

In addition, in 2024, the EU continued to actively support CARIFORUM states in advancing their sustainability agenda. Country Action Plans under the Euroclima Programme have identified actions in energy transition, water management, climate finance, environment conservation, etc., with the starting of implementation of concrete actions at country level. CARIFORUM countries were also granted assistance under the EU's regional programmes on disaster risk management, circular economy, renewable energy, water, land management and biodiversity and climate resilience. A major conference organised in October 2024 in Grenada

[155] A regulation from the Internal Taxes Authority exonerated importers of alcoholic beverages (with the exemption of those operating in Free Trade Zones) from TRAFICO implementation. As alternative, they will have to provide some guarantees for fiscal collection purposes.

on the proliferation of Sargassum seaweed also advanced efforts to find sustainable uses for the algae, in order to transform this issue into an economic opportunity for the region.

2.3 Technical assistance and cooperation, promotion activities

Based on the findings of the last **10-year Evaluation Study**[156] of the EU-CARIFORUM EPA and the Review report, there are still significant **implementation gaps** related to capacity constraints and **cooperation needs** on the CARIFORUM side that should be further supported under the EU's cooperation programmes. The Commission is working hand in hand with CARIFORUM States to address these challenges. **Regional integration and support to improve the business climate** remain important challenges and objectives for joint implementation work.

While CARIFORUM States are facing important **capacity constraints**, progress was achieved in 2024, notably on **IPR legislative frameworks**, capacity to meet SPS requirements and in TBT, especially on accreditation and certification. The EU development cooperation and support programmes played a key role in achieving these positive results.

More specifically on **TBT**, the EU EPA support programme was successfully concluded in August 2024. The programme achieved substantial results, including on accreditation and certification: Conformity Assessment Bodies in Dominica, Grenada, Jamaica, Saint Lucia and Trinidad & Tobago achieved accreditation under internationally recognised standards, and six companies received certification assistance, four of which achieved internationally recognised standards. In the area of metrology, three Caribbean Reference Laboratories (CaRLs) were created to enhance regional metrology services.

The EU also supported the implementation capacity of CARIFORUM States in relation **IPR and GIs** under the CARIPI project implemented together with the EUIPO, which was concluded in April 2024. CARIPI significantly contributed to enhancing legal frameworks, institutional capacity and digitalization. It notably conducted over a hundred capacity-building activities, developed over 150 awareness materials, and supported the harmonization of trademarks (TMs), geographical indications (GIs), and legislation governing plant variety rights' (PVRs) throughout the entire CARIFORUM region.

The EU's project in support of **SPS commitments** and processes under the EPA concluded in mid-2024. It vastly improved the regulatory environment in several countries. Over 700 public and private sector stakeholders were trained. As a result of the programme, over a dozen private sector companies met international food safety standards, and six laboratories were upgraded for agricultural and fisheries product testing.

In 2024, the **Commission through EU Delegations in the region continued to engage in activities** to **raise awareness**, provide business oriented information about the EPA, and support business-to-business links. EU Delegations, in cooperation with the Caribbean Export Development Agency (CEDA), facilitated a series of EPA workshops, with key information on the Agreement, on the Rules of Origin, standards and requirements for target markets, as well as market intelligence tools and data sources. In 2024, these workshops were held in the **Dominican Republic, Barbados and Jamaica**.

The regional EU Delegation in **Barbados** is also supporting and co-financing the annual edition of the Caribbean Investment Forum (CIF)[157] that took place in Guyana in 2024. This event is gradually becoming one of the major events on business-matching and promotion of foreign

[156] Final report: https://trade.ec.europa.eu/doclib/docs/2021/january/tradoc_159352.pdf
[157] The next event is taking place in Jamaica - Get Ready For CIF 2025 - caribbeaninvestmentforum.com

investments in the CARIFORUM Region. The Delegation also disseminated materials from a regional FPI project finalized in 2024, aimed at raising EU business' awareness on the trade and investment opportunities under the CARIFORUM EPA in six key sectors[158].

The EU Delegation in the **Dominican Republic** organised the 7h edition of the yearly EPA Awards Event in December 2024 with awards in six different categories (goods, services, investment, sustainability and circular economy, women in export and fair trade).[159]

[158] The sectoral reports and brochures are published as well on DG Trade website under: EU trade relations with Caribbean countries

[159] Video summary of the EPA awards event: https://www.youtube.com/watch?v=sjeK6d0-9fs https://www.youtube.com/watch?v=sjeK6d0-9fs https://www.youtube.com/watch?v=sjeK6d0-9fs https://www.youtube.com/watch?v=sjeK6d0-9fs

ANNUAL INFORMATION SHEET ON THE IMPLEMENTATION OF THE ECONOMIC PARTNERSHIP AGREEMENT (EPA) BETWEEN THE EU AND PACIFIC STATES

1. THE AGREEMENT

The EU is implementing an "**interim"**[160] **Economic Partnership Agreement (EPA or iEPA)** with Papua New Guinea since December 2009, with Fiji since July 2014 (i.e. the original signatories), and with Samoa and Solomon Islands since December 2018 and May 2020, respectively, following their accession to the Agreement. In 2024 **accession talks** progressed to the final phase with Niue, Tonga, Tuvalu and Vanuatu, while two more talks continue (Federated States of Micronesia, Timor-Leste). Originally the iEPA was supposed to be replaced by a comprehensive regional EPA with all Pacific States[161], however negotiations were put on hold in 2016, mainly due to lack of progress and the withdrawal of Papua New Guinea from the negotiations. Currently, the preferred way forward is the **geographical widening of the iEPA** and later, increasing its scope.

The iEPA only covers trade in goods and provides for **rules of origin for processed fisheries products** (mainly tuna), which are not provided for in any other EPA – the so-called "global sourcing" provision, which is intended to boost development in the region. This allows -upon notification- that fish brought onshore by foreign vessels and further processed in a Pacific EPA country can be exported to the EU duty-free and quota-free, regardless of where the fish was caught. This significant concession by the EU has boosted investments in **the tuna cooking and canning industry**, creating tens of thousands of new jobs in Papua New Guinea (since 2009) and Solomon Islands (since 2020).

2. MAIN IMPLEMENTATION ISSUES

2.1. Market access: Progress and outstanding issues

In 2024, all exports from Papua New Guinea, Fiji, Samoa and Solomon Islands continued to enter the EU market duty-free and quota-free on a permanent basis.

When it comes to **tariff liberalisation** under the iEPA, taking full account of differences in development levels and sensitive sectors, Papua New Guinea has liberalised 88% of imports from the EU since 2009, Fiji undertook to liberalise 87% over 15 years, Samoa will liberalise 80% over 20 years and Solomon Islands will liberalise 83.5% over 18 years.

The **9th EU-Pacific Trade Committee** under the EU-Pacific iEPA took place from 6-7 February 2024, in Apia, Samoa, bringing together Senior Officials from Fiji, Papua New

[160] The title "interim" has lost much of its meaning, as this EPA is being transformed into a definitive one, with more and more countries in the region choosing to **accede** to it rather than seeking to continue the regional negotiations as a block for a "full" EPA with all the 14 countries in the region.

[161] Regional negotiations involved 14 Island States: Fiji, PNG, Samoa, Solomon Islands, Tonga, Vanuatu (all 6 currently WTO members), Cooks Islands, Kiribati, Marshall Islands, Federated States of Micronesia, Nauru, Niue, Palau and Tuvalu (all 8 are neither WTO members nor observers). To note**: Timor-Leste** is part of the Small Pacific Islands group of ACP States, signatory to the Cotonou Agreement, but was not part of the regional EPA negotiations as it is not a member of the Pacific Islands Forum with which negotiations were carried out.

Guinea, Samoa, Solomon Islands and the EU (the Parties to the iEPA).[162] Following their notification of intent to **accede to the iEPA**, six Pacific States (namely Tuvalu, Niue, Tonga, Timor-Leste, Vanuatu and the Federated States of Micronesia) were invited to participate in the Committee meeting as observers.

During the iEPA Committee meeting, the Parties reviewed implementation with a focus on the following issues:

- State of play of the ongoing **study on trade in services** and investment facilitation;
- Recent developments in bilateral **trade in agriculture**;
- Updating the **Pacific Regional Kava Development Strategy** (endorsed by the Pacific ACP Trade Ministers in October 2023), which inter alia seeks to improve the capacity to access the EU market and to promote Kava as a geographical indication.

The EU and the Pacific EPA partners also agreed on the mechanism of a **Joint iEPA Monitoring and Evaluation (M&E)**, which aims *inter alia* to involve civil society in the M&E of iEPA implementation, including the achievement of trade and sustainable development objectives. The Parties agreed to prepare the first draft Joint Monitoring Report for consideration at the next Trade Committee in 2025.

In relation to **institutional matters**, the Parties endorsed the Proposal for a **Trade Committee Decision** amending the iEPA to take account of the accession of the six acceding Pacific States. Parties also exchanged views on:

- ways of **operationalising the Rules of Procedure (RoP)** of the Trade Committee taking account of the accessions;
- the draft Decisions for the RoP of the **Dispute Settlement** and Code of Conduct for Arbitrators and Mediators and the nomination of individuals with the view to establishing a **list of Arbitrators** under the iEPA;
- the adoption of the **iEPA Decision concerning technical amendments to Protocol II on rules of origin**[163].

Finally, each Pacific iEPA Party presented its **National iEPA Implementation Plan of Actions**.

The Parties agreed to hold their 10th iEPA Committee in Brussels in 2025.

2.2 Trade and sustainable development

The Pacific iEPA does not include a chapter on trade and sustainable development (TSD). Nevertheless, the EU and the Pacific States are cooperating in the framework of the **Samoa Agreement**, which replaced the Cotonou Agreement as the framework for the EU relationship with ACP countries. The Samoa Agreement includes robust commitments on TSD, which also create a basis for further collaboration on these issues.

The importance of the **Samoa Agreement** for trade and sustainability matters was reiterated by the Parties in the context of the **Trade Committee** of 6-7 February 2024, where the Parties also

[162] https://circabc.europa.eu/ui/group/09242a36-a438-40fd-a7af-fe32e36cbd0e/library/4796576b-3289-4def-b5d4-8cd9ed15f8ee/details

[163] Protocol II concerns the definition of the concept of "originating products" and methods of administrative cooperation between the Parties.

decided to discontinue the work on the **Joint Declaration on TSD**, as its content has been superseded by the provisions on TSD in the Samoa Agreement. The TSD provisions of the Samoa Agreement will guide the implementation of the iEPA, so that trade can play its role as a positive force for a green and just transition, with climate change being a matter of highest priority for the region.

2.3 Technical assistance and cooperation

EU development assistance and cooperation is crucial to assist the Pacific States to meet some specific i**EPA implementation needs** and to improve their capacity to export. The EU continued to play an active role to support trade relations with the Pacific, particularly through **four combined trade-related assistance actions** funded under the Pacific Regional Integration Support Programme (PRISE) and the Pacific-EU Marine Partnership Programme (PEUMP). Through these actions[164] implemented by international (UNCTAD) and regional organisations (Pacific Islands Forum Secretariat, Secretariat of the Pacific Community, Forum Fisheries Agency), Pacific States benefited from complementary activities supporting the implementation of the iEPA and new accessions to it, as well as better awareness of EU preferential trade schemes and market access requirements. Assistance (which was extended until 2026) included the following activities amongst others, helping the Pacific countries:

- to formulate and implement **national iEPA implementation plans** (Fiji, Papua New Guinea, Samoa, Solomon Islands) and accession proposals (Niue, Tuvalu, the Federated States of Micronesia, Timor-Leste, Tonga and Tuvalu);
- to address the iEPA's **sanitary and phyto-sanitary requirements** (e.g. coconut, coffee, kava and turmeric value chains);
- to harmonise **customs operations** at regional and national levels (ASYCUDA and single windows), and idenfity non-tariff measures (TRAINS portal);
- to implement the iEPA and **WTO trade facilitation** commitments.

[164] Namely: SPIRIT-Strengthening Pacific Intra-Regional and International Trade; SAFE-Safe Agriculture Trade Facilitation in the Pacific; IMPACT-Improving Pacific Islands Customs and Trade; and PEUMP SFM-Sustainable Fisherman engagement).

Annex

Barriers resolved (fully/partially/temporarily) along 2024*

Nr	ID	Title	Country	Sector	Progress
1	18102	Import certification scheme of ceramic tiles	Argentina	Ceramics and Glass	Resolved
2	11381	Export duties	Argentina	Horizontal, Textiles and Leather	Partially resolved
3	18002	Lengthy processing of market access applications - Plants and products of plant origin	Argentina	Agriculture and Fisheries	Partially resolved
4	12325	Export restrictions on hides and skins	Bangladesh	Textiles and Leather	Partially resolved
5	10984	Problems related to corporate taxation and other discriminatory taxes	Brazil	Horizontal	Partially resolved
6	13582	Tariffs on multi-component semiconductors (MCOs)	China	Electronics	Resolved
9	17202	Lack of progress on export applications of fresh animal products, certificates and on the registration of list of pre-approved establishments (Pre-listing)	Costa Rica	Agriculture and Fisheries	Partially resolved
10	10709	Slow approval procedures, unpredictable pre-shipments' process, and restrictions on imports of plants and plant products (alternatives to methyl bromide)	India	Agriculture and Fisheries	Partially resolved
11	11262	Export duties on raw and semi-finished leather	India	Textiles and Leather	Partially resolved
12	16144	Quality Control orders in the automotive sector (wheel rims, safety glass, two-wheeler helmets and Brake linings)	India	Automotive	Partially resolved
13	17164	Medical devices	Indonesia	Other Industries	Partially resolved
14	13762	Import quotas on alcoholic beverages	Indonesia	Wines & Spirits	Partially resolved
15	11760	Import restriction of wood made products and interior	Indonesia	Wood, Paper and Pulp	Partially resolved
16	13043	Refusal to allow imports of medical devices certified by competent authorities in a number of Member States (post 2004)	Israel	Other Industries	Partially resolved
17	16382	Japanese regulations related to offshore wind power market	Japan	Services - Energy	Partially resolved
18	16822	Procurement - Single Point of Access for Tenders	Japan	Horizontal	Partially resolved
19	18162	Draft Requirements for importation of pork into Malaysia	Malaysia	Agriculture and Fisheries	Partially resolved
20	14303	Trade restrictions due to non-recognition of EU regionalisation measures for High Pathogenic Avian Influenza outbreaks	Malaysia	Agriculture and Fisheries	Partially resolved
21	10686	Cumbersome pre-listing and audit procedures	Malaysia	Agriculture and Fisheries	Partially resolved
22	10684	Fresh fruit and vegetables import restrictions.	Mexico	Agriculture and Fisheries	Partially resolved
23	17863	Registration requirements for foreign food establishments	Morocco	Agriculture and Fisheries	Partially resolved
24	11720	Geographical Indications	New Zealand	Agriculture and Fisheries	Resolved
25	13462	Cash margins on imported products	Pakistan	Horizontal	Resolved
26	15483	African Swine fever, country wide restrictions on PL, BE and IT (safe commodities)	Panama	Agriculture and Fisheries	Partially resolved

27	15482	Lack of progress on export applications of fresh animal products and on the registration of list of pre-approved establishments (Pre-listing)	Panama	Agriculture and Fisheries	Partially resolved
28	14922	Certification procedure and quality marks on ceramic tiles	Saudi Arabia	Ceramics and Glass	Resolved
29	13022	SPS measures following avian influenza outbreaks in the EU	South Africa	Agriculture and Fisheries	Partially resolved
30	12740	Non-recognition of EU's regionalisation measures implemented due to African Swine Fever and Avian Influenza	South Korea	Agriculture and Fisheries	Partially resolved
31	10760	Import bans due to Bovine Spongiform Encephalopathy (BSE)	South Korea	Agriculture and Fisheries	Partially resolved
32	11901	Swiss Post Customs handling fees	Switzerland	Horizontal	Resolved
33	17082	Alcoholic Beverages Restrictions on Banderols and Excessive Sampling	Türkiye	Wines & Spirits	Partially resolved
34	11224	Export restrictions on copper scrap	Türkiye	Mining	Resolved
35	10962	Restrictions of imports of pharmaceutical products	Türkiye	Pharmaceuticals	Resolved
36	10221	Market access barriers for alcoholic beverages	Thailand	Wines & Spirits	Partially resolved
37	16642	Ban on imports of pigs and pork products from several EU Member States due to African Swine Fever	Ukraine	Agriculture and Fisheries	Resolved
38	17802	Blockage of shipments of meat from Italy	United Arab Emirates	Agriculture and Fisheries	Resolved
39	15103	Unjustified trade restrictions - Non recognition of country/pest freedom for the Citrus and Asian long horned beetle	United States of America	Agriculture and Fisheries	Partially resolved
40	13623	Sheep and goat meat market access to the USA	United States of America	Agriculture and Fisheries	Partially resolved
41	18142	Trade restrictions on exports of pig meat from Italy due to Swine Vesicular Disease	United States of America	Agriculture and Fisheries	Resolved
42	10980	IPR - Violations	Uruguay	Horizontal	Partially resolved
43	13922	Pharmaceuticals registration of drugs and procurement rules	Vietnam	Pharmaceuticals	Partially resolved
44	17682	Food additives for meat and cheese	Vietnam	Agriculture and Fisheries	Resolved

New barriers registered in 2024

Nr	ID	Title	Country	Sector
1	18062	Ban on imports of finished and semi-finished marble products	Algeria	Ceramics and Glass, Construction Industry
2	18362	Maritime services	Bangladesh	Services - Transport
3	18262	Levy on foreign online music streaming services	Canada	Services - Other
4	17942	Cost of plant risk assessment and verifications	Colombia	Agriculture and Fisheries
5	18402	Classification of cheese dairy mixture containing more than 15% of fat in weight	Iceland	Agriculture and Fisheries
6	18222	Draft - Quality Control Order for furniture	India	Wood, Paper and Pulp
7	18322	Slow approval procedures for the import of animals and their products	India	Agriculture and Fisheries
8	18282	Import restrictions on finished textile products	Indonesia	Textiles and Leather
9	18182	Update of standards for cosmetics mandatory labelling in Arabic in Iraq	Iraq	Cosmetics
10	18382	Illegal admission of generics to the market	Kazakhstan	Pharmaceuticals
11	18242	Classification of cosmetic products as "health products"	Kuwait	Cosmetics
12	18162	Draft Requirements for importation of pork into Malaysia	Malaysia	Agriculture and Fisheries
13	17863	Registration requirements for foreign food establishments	Morocco	Agriculture and Fisheries
14	17862	Requirements on Xylella fastidiosa	Morocco	Agriculture and Fisheries
15	17882	Lack of progress in certificates and prelisting	Nicaragua	Agriculture and Fisheries
16	17782	Pre-shipment inspections for power inverters exported to Pakistan	Pakistan	Electronics
17	17902	Delays in accepting certificates	Panama	Agriculture and Fisheries
18	18202	Safe commodities ban	Peru	Agriculture and Fisheries
19	18283	Limitations to online sales of alcoholic beverages by South Korea	South Korea	Wines & Spirits
20	17842	Non-recognition of EU regionalisation policies - African swine fever	Thailand	Agriculture and Fisheries
21	18342	Sponsorship Scheme	United Kingdom	Services - Business, incl. professional services
22	18122	US-citizenship requirement for drone delivery services	United States of America	Services - Communication, incl. postal services
23	18082	Discriminatory medicines registration requirements	Uzbekistan	Pharmaceuticals