

# Trade Monthly Monitor – March

Latest update: 31/03/2026

## EXECUTIVE SUMMARY

### Highlights

- Union Customs Reform – Council and European Parliament [conclude trilogues](#) and reach political agreement on the Customs Reform
- GSP Regulation Reform – [Italy calls for tighter GSP](#) safeguard clause
- India-EU FTA – [Legal scrubbing](#) to be finalised by July, formal signature could take place by the end of the year

### FTAs

- Indonesia – [WTO arbitrator](#) to determine retaliation level in EU-Indonesia palm oil dispute (not direct impact on FTA)
- Thailand – [EU agri-food mission](#) to visit Thailand
- Philippines – FTA [Fifth round](#) successfully concluded
- Australia – EU and Australia [conclude trade deal](#) and defence partnership
- Mercosur – EU-Mercosur FTA to [apply provisionally](#) from 1 May

EU Customs – EU customs checks find [high non-compliance](#) in e-commerce imports

### EU-US

- European Parliament adopts [Turnberry Deal regulations](#) with conditions for trilogues
- US launches [Section 301 investigations](#) paving the way for future tariffs

Other Market Access Issues – INTA delegation to discuss [EU-Switzerland agreements](#) in Bern

World Trade Organisation – [14th WTO Ministerial Conference](#) ends with limited outcomes

## Highlights

### EU Customs Reform – Council and European Parliament reach political agreement after last trilogue

26 March

The Council and the European Parliament have [concluded](#) the last trilogue negotiations and have reached a political agreement on the Customs Reform package. The agreement updates the EU customs framework to address higher trade volumes, including in e-commerce, increased border compliance requirements and geopolitical pressures.

The new legislation also creates a **new EU Customs Authority**. Lille, France was [selected](#) by the Council and the European Parliament on 25 March to host the new Authority which will support national customs authorities through EU-level risk analysis, priority control coordination and crisis management.

The agreed package also provides for the creation of an EU customs data hub, a new category of “trust and check” traders, and an EU-wide handling fee for small parcels entering the EU. The data hub is introduced as the single online environment for all customs information to be submitted once it becomes operational, covering e-commerce goods from 1 July 2028, with phased rollout to all goods movements by 1 March 2034. The co-legislators also agreed on introducing an EU-wide handling fee on small consignments sold through at distance sale. The handling fee is meant to tackle capacity issues stemming from the large influx of small parcels entering the EU, and its amount is to be decided in a delegated act by the Commission by 1 November.

**Next steps:** The Council and the European Parliament will continue work to finalise the technical elements of the package before final formal adoption by the co-legislators. The new customs legislation will come into full application 12 months following publication in the EU's official journal.

### GSP Regulation Reform – Italy calls for tighter GSP safeguard clause

27 March

[Italy, supported by Bulgaria and Hungary, called for targeted changes](#) to the automatic safeguard clause in the revised GSP Regulation ahead of the Agriculture and Fisheries Council on 30 March 2026. In a Council document tabled under an AOB item, the three Member States argue that the safeguard mechanism agreed in trilogue does not provide sufficient protection for sensitive EU sectors.

According to the document, the agreed methodology would trigger the automatic safeguard clause when imports from a beneficiary country exceed annually calculated thresholds by 45%. These thresholds are based on a rolling ten-year average of past import volumes, recalculated each year. Italy, Bulgaria and Hungary argue that this design leads to a structural and continuous increase in the baseline levels over time, thereby making the safeguard progressively more difficult to activate in practice.

Against this background, the three countries call for (i) an extension of the automatic safeguard clause beyond rice to additional sensitive sectors (including, as examples, sugar and ethyl alcohol), and (ii) a revision of the trigger methodology, notably through the removal or significant reduction of the 45% margin, which they consider disproportionate in light of the sliding reference period.

**While this intervention reflects a broader concern among some Member States that the current safeguard design may be insufficiently responsive to import surges in sensitive sectors, it is unlikely to alter the overall trajectory of the file.** The trilogue agreement has already been reached, and reopening core elements at this stage would require wider political support. As such, this should be read as an irritant and a positioning exercise ahead of implementation rather than a development that jeopardises the adoption of the GSP reform.

**In any case, this is a development to be monitored by FESI.**

**Next steps:** The issue was raised for discussion at the Agriculture and Fisheries Council on 30 March 2026, in the context of the final stages towards adoption of the revised GSP Regulation.

**India FTA – Legal scrubbing to be finalised by July, enabling formal signature of the agreement by the end of the year**

March

The legal scrubbing phase of the EU-India trade deal is [expected](#) to be finalised by July 2026. The agreement could then be formally signed by both parties before the end of 2026. As far as tariff schedules are concerned, a high-level DG Trade official explained: “We are still working with India on certain details and on the formatting of our tariff schedules. This is why the latter will only be made public around the summer.”

**Next steps:** After legal scrubbing and translation, the agreement is signed by the EU (following Council authorisation) and India. It is then referred to the European Parliament, which must give its consent for the EU to conclude the agreement. Tariff reductions may be provisionally applied following signature, on the basis of a Council decision and subject to India’s internal procedures.

[Link](#) to the FTA documents

## FTAs

### Indonesia – WTO arbitrator to determine retaliation level in EU-Indonesia palm oil dispute

19 March

The WTO Dispute Settlement Body [referred](#) the Indonesia-EU palm oil biofuels dispute to arbitration to determine the level of trade suspension Indonesia may impose on the EU. Indonesia had requested authorisation on 9 March to suspend concessions, arguing that the EU had failed to comply with the panel ruling by the end of the reasonable period of time on 24 February 2026.

(Limited) Relevance for the FTA: EU–Indonesia FTA negotiations have been finalised and the agreement is currently under legal scrubbing and translation (expected to be completed by May). This development is only indirectly linked to the FTA. It is flagged as part of the broader EU–Indonesia trade context, which may be referenced in the political discussion surrounding the agreement's approval and implementation.

**Next steps:** A WTO arbitrator will determine the level of concessions or other obligations that Indonesia may suspend in response to the EU's alleged non-compliance.

### Thailand – EU agri-food mission to visit Thailand

The European Commission [announced](#) that Agriculture and Food Commissioner Christophe Hansen will lead a high-level trade mission of EU agri-food sector representatives to Thailand from 24 to 29 May 2026. The mission is intended to support EU agricultural food and beverage exports to Thailand and expand the presence of EU producers in the Thai market.

This initiative reflects continued EU efforts to expand agri-food market access in Thailand in parallel to ongoing FTA negotiations.

**Next steps:** The mission will take place in Bangkok from 24 to 29 May 2026, ahead of the 9th negotiating round scheduled for the week of 22 June 2026, in Brussels. The European Commission is inviting representatives from EU agri-food businesses to participate.

[Link](#) to the FTA documents.

### Philippines – Fifth round successfully concluded

12 March

The EU and the Philippines [reported](#) significant progress in the fifth round of FTA negotiations, held in Brussels from 2 to 6 March 2026. Both sides reaffirmed their intention to conclude a comprehensive agreement aimed at strengthening economic ties and supporting resilient and sustainable growth. They reportedly advanced work across a broad range of areas covered by the planned agreement, with substantial conclusions on the chapters of Sanitary and Phytosanitary Measures, institutional provisions, technical barriers to trade amongst the most important topics.

**Next steps:** the sixth round of negotiations has been set for 18-22 May 2026 in the Philippines.

[Link](#) to the FTA documents.

### **Australia – EU and Australia announce conclusion of trade negotiations**

24 March

The EU and Australia [concluded](#) negotiations on a free trade agreement, adopted a Security and Defence Partnership, and agreed to launch formal negotiations on Australia's association to Horizon Europe. The free trade agreement was finalised during a meeting in Canberra between Commission President Ursula von der Leyen and Australian Prime Minister Anthony Albanese.

According to the [Commission](#), the free trade agreement will remove more than 99% of tariffs on EU goods exports to Australia, open the Australian services market in areas including financial services and telecommunications, improve access to public procurement, and include rules on data flows and critical raw materials. The Commission said EU exports to Australia could grow by up to 33% over the next decade. For agriculture, the agreement removes tariffs on a range of EU agri-food exports, while sensitive EU sectors such as beef, sheep and goat meat, sugar, rice and some dairy products will remain protected through tariff-rate quotas and a bilateral safeguard mechanism. The agreement also protects 165 agricultural and food geographical indications and 231 spirit drink geographical indications, and updates bilateral wine protections.

**Next steps:** On the EU side, the negotiated trade texts will be published and will undergo legal scrubbing and a translation phase before the Commission submits them to the Council to authorise signature and conclusion. The agreement will then require European Parliament consent and ratification before it can enter into force.

### **Mercosur – EU-Mercosur trade deal to apply provisionally from 1 May**

23 March

The European Commission notified the Mercosur countries of the instrument of provisional application for the EU-Mercosur interim Trade Agreement. The [agreement will apply provisionally from 1 May 2026](#) between the EU and those Mercosur countries that complete their ratification procedures and notify the EU before the end

of March, i.e., [Argentina, Brazil and Uruguay](#) which have completed the procedure. Paraguay has ratified the agreement but has not yet sent its notification, which is expected shortly.

The European Parliament has put a [pause](#) on their approval of the agreement, as they await the legal opinion of the European Court of Justice before they can move forward with the final vote.

**Next steps:** The interim trade agreement is set to apply from 1 May and the Commission will publish implementation guidance for exporters through the Access2Markets platform.

## EU Customs

### EU customs checks find high non-compliance in e-commerce imports

3 March

The European Commission [reported](#) that a substantial amount of products bought online from third countries and shipped directly to EU consumers did not comply with EU product rules and safety standards. Between October and December 2025, 27 customs authorities, in cooperation with market surveillance and food safety authorities, carried out controls covering cosmetics, personal protective equipment (PPE) and food supplements sold business-to-consumer from outside the EU to EU customers. A total of 11,338 items were checked.

According to the Commission, non-compliance rates were high across all categories, mainly due to missing or incorrect labelling or marking, missing documentation and, in some cases, prohibited ingredients, with all three categories reporting 60% non-compliant products, or above. The Commission also stated that the volume of small parcels has risen sharply, reaching 4.6 billion in 2024 and 5.8 billion by the end of 2025.

**Next steps:** Customs authorities will continue to monitor e-commerce imports in cooperation with market surveillance and food safety authorities and may introduce targeted risk-management measures for products and operators with particularly high non-compliance rates. A comprehensive report on the control action is also being finalised and will be made public.

## US – EU relations

### Turnberry Deal – European Parliament approves Turnberry Deal with conditions for trilogues

## 26 March

The [European Parliament Plenary adopted](#) its position on the two regulation proposals implementing the tariff aspects of the EU-US Turnberry trade and tariff deal. MEPs backed lowering tariffs on a range of US industrial, seafood and agricultural products, but attached conditions for the trilogue negotiations, namely introducing a suspension clause, sunrise clause, sunset clause and a safeguard mechanism. The two legislative acts were adopted by 417 votes in favour, 154 against and 71 abstentions on the adjustment of customs duties and tariff quotas, and by 437 votes in favour, 144 against and 60 abstentions on the non-application of customs duties on imports of certain goods (the so-called lobster regulation).

The suspension clause would allow the EU to suspend some or all tariff preferences if the US imposes additional tariffs above the agreed 15% ceiling or introduces new duties on EU goods. Under the sunrise clause, new tariff preferences would only take effect if the US complies with its commitments, including lowering tariffs on EU products with a steel and aluminium content below 50% to a maximum of 15%. For EU products with a steel and aluminium content above 50%, tariff preferences for US exports of steel, aluminium and derivative products would cease to apply six months after the regulation starts to apply unless the US also reduces those tariffs to a maximum of 15%. The sunset clause would be setting the expiry date of the main regulation at 31 March 2028, unless extended through a new legislative proposal following an impact assessment. MEPs also supported a safeguard mechanism allowing the Commission to suspend the tariff measures temporarily if increased US imports would risk causing serious harm to EU industry.

US Trade representative [welcomed](#) the development on behalf of the US.

**Next steps:** The European Parliament will enter interinstitutional negotiations with the Council to try to finalise the Regulation.

### **USTR launches Section 301 investigations into several countries**

## 11 March

The Office of the United States Trade Representative (USTR) [launched](#) Section 301 investigations into the acts, policies and practices of 16 economies, including the EU, in relation to structural **excess capacity and production in manufacturing sectors**. USTR said the investigations will assess whether these practices are unreasonable or discriminatory and burden or restrict US commerce. The economies covered are China, the EU, Singapore, Switzerland, Norway, Indonesia, Malaysia, Cambodia, Thailand, Korea, Vietnam, Taiwan, Bangladesh, Mexico, Japan and India.

According to USTR, the investigations target manufacturing sectors affected by persistent overcapacity, including steel, aluminium, semiconductors, batteries, chemicals, machinery, solar modules, ships and processed food and beverages. USTR said it will examine possible causes of overcapacity, including subsidies, wage

suppression, state-supported production, market access barriers and currency practices. Overcapacity in the [textiles sector is mentioned in relation to countries like Indonesia, India, and Bangladesh](#).

**Next steps:** USTR will hold consultations with the economies under investigation, open the public comment process on 17 March, and begin hearings on 5 May before deciding whether to take action under Section 301.

#### 12 March

The USTR also [initiated](#) a separate Section 301 investigation into the acts, policies and practices of 60 economies, including the EU, in relation to the failure to impose and effectively enforce a prohibition on the importation of goods produced with forced labour. USTR said it will examine whether these failures are unreasonable or discriminatory and burden or restrict US commerce. The economies covered include the EU, Canada, the United Kingdom, China, Japan, Korea, Switzerland, Norway, Mexico, India, Brazil and a wide range of other developed and developing economies listed in Annex A of the notice.

According to USTR, the investigation focuses on whether the economies concerned maintain forced-labour import prohibitions, whether any such measures are being effectively enforced, and whether failures in this area disadvantage US goods or otherwise negatively affect US commerce. Among other sectors, textiles is mentioned as an example of “inputs made with forced labour include cotton used to produce garments, textiles, thread and yarn”.

**Next steps:** USTR stated that, if it makes an affirmative determination under Section 301, it may consider duties or other import restrictions. Written comments and requests to appear at the hearing are due by 15 April 2026. Public hearings will begin on 28 April 2026 and may continue until 1 May 2026.

These Section 301 investigations are expected to result in tariffs that would replace the tariff system in part dismantled by the [US supreme Court ruling of February](#). As a temporary measure, the US Administration has resorted to Section 122 tariffs, which are in place until July and have set a universal 10% + most favoured nation (MFN) tariff. After this deadline, Section 122 tariffs require congressional approval.

Under the Section 122 scheme now in place, and given that the average U.S. MFN duty is 3.4%, overall tariffs, for many EU products, the US tariff will be lower than 15% (which was the baseline tariff for EU exports into the US agreed in Turnberry). The outcome under Section 122 is particularly beneficial for EU industrial exports. It would become problematic if the surcharge rate rises to 15%, which is being considered by the US Administration. Some EU exports, though, face higher tariffs than before. **The European Commission says 7% of EU exports to the U.S. are subject to an MFN duty above 5%. EU goods exports to the U.S. totalled 536 billion euros (\$631.9 billion) in 2024. Products affected include textiles, clothing and shoes, with rates on footwear up to 48%, and consumer goods, including suitcases and handbags, glassware, pillows and cushions and some light fittings.**

## Other Market Access Issues

### Switzerland – INTA delegation to discuss EU-Switzerland agreements in Bern

24 March

A delegation of four Members of the European Parliament's Committee on International Trade (INTA) will [travel](#) to Bern, Switzerland, from 31 March to 1 April 2026 to discuss the recently concluded package of EU-Switzerland agreements. According to the European Parliament, the visit will focus on trade, economic and investment relations, as well as the next steps in the ratification process on both sides.

The delegation will be led by INTA Chair Bernd Lange and will meet Swiss parliamentarians, government officials, representatives of the Conference of Cantons, business representatives and other stakeholders.

**Next steps:** The delegation visit will take place on 31 March and 1 April 2026 and will feed into discussions on the ratification and implementation of the EU-Switzerland agreements.

## WTO – 14<sup>th</sup> MC

### 14<sup>th</sup> WTO Ministerial Conference ends with limited outcomes

26-29 March

The WTO's 14th Ministerial Conference (MC14) [closed](#) in Yaoundé without agreement on several of the main political issues under discussion. Ministers adopted a limited number of decisions but referred key outstanding questions back to Geneva for further work, including the future of the WTO e-commerce work programme and the continuation of the moratorium on customs duties on electronic transmissions (which has now expired) and on TRIPS non-violation and situation complaints.

The European Commission regretted the failure to secure agreement on WTO reform and the extension of the e-commerce moratorium, but welcomed progress by groups of members on e-commerce, the Investment Facilitation for Development Agreement and the Multi-Party Interim Appeal Arbitration Arrangement. The EU and CPTPP members also issued a joint ministerial statement supporting WTO reform, incorporation of the e-commerce and investment facilitation agreements into the WTO framework, a long-term solution on the e-commerce moratorium and broader participation in the MPIA.

Ministers [agreed](#) to continue negotiations on fisheries subsidies with a view to making recommendations to the 15th Ministerial Conference on the comprehensive disciplines foreseen in Article 12 of the Fisheries Subsidies Agreement. They also adopted decisions previously prepared in Geneva on the integration of small economies into the multilateral trading system and on implementation of special and differential treatment provisions under the SPS and TBT Agreements.

The limited outcome signals the structural stress that the WTO is subject to as the institution in charge of governing global trade. Another example is the recent calls by the United States (and partly also by the EU) for a review of the WTO's 'most favoured nation' rule, which establishes that any trade advantage (such as a lower tariff) granted to one trading partner must be immediately and unconditionally extended to all other WTO members, unless a specific exception applies (e.g. FTAs or preference schemes like GSP).

**Next steps:** WTO members will continue work in Geneva, including at the next General Council meeting, on unresolved issues such as WTO reform, the e-commerce moratorium and other elements of the proposed Yaoundé package.