

ICC Global Trade Update

20 February 2026

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US TRADE POLICY

U.S. trade agreement with India

- The United States and India have released a [Joint Statement](#) on their trade deal, which cuts the reciprocal tariff rate on Indian products to 18%. The two sides called the deal an “interim agreement” while they work on a more comprehensive bilateral trade pact. The U.S. will also amend its tariffs on India subject to completion of the deal on generic pharmaceuticals, gems and diamonds, automotive parts, and aircraft parts.
- India has committed to eliminating or reducing tariffs on all U.S. industrial goods and a wide range of U.S. food and agricultural products, including dried distillers’ grains (DDGs), red sorghum for animal feed, tree nuts, fresh and processed fruit, soybean oil, wine and spirits, and additional products.
- India also intends to purchase \$500 billion of U.S. energy products, aircraft and aircraft parts, precious metals, technology products, and coking coal over the next 5 years.
- Both sides will significantly increase trade in technology products, including Graphics Processing Units (GPUs) and other goods used in data centres, and expand joint

technology cooperation. They also intend to discuss their respective standards and conformity assessment procedures for mutually agreed sectors.

- The U.S. Executive Order reducing the tariffs imposed on India as a result of buying Russian oil can be found [here](#).

Indonesia–United States Agreement on Reciprocal Trade finalized

- On 19 February, the U.S. and Indonesia formally finalized their reciprocal trade agreement. [Under the deal](#), Indonesia will eliminate or address tariff and non-tariff barriers on over 99% of U.S. exports across key sectors including agriculture, health products, ICT and automotive goods, and will accept U.S. standards for vehicles, medical devices and other products.
- In return, the U.S. agreed to maintain an average reciprocal tariff of 19% on most Indonesian imports, with zero tariffs on specified textiles and other items, and both sides committed to cooperation on supply chain resilience, export controls and critical minerals.
- The agreement includes commitments by Indonesia to facilitate cross-border data transfers, refrain from discriminatory treatment of U.S. digital products and services, avoid imposing discriminatory digital services taxes, and not require the transfer of proprietary technology as a condition for market access.
- The deal is being pitched as ushering in a “new golden age” for the U.S.–Indonesian alliance and was accompanied by significant commercial deals worth tens of billions of dollars across energy, aerospace, agribusiness and mining.

US-Ecuador Agreement on Reciprocal Trade

- On 13 February, the U.S. and Ecuador [reported](#) that they had substantially concluded negotiations for an Agreement on Reciprocal Trade and expect to sign the agreement in the coming weeks.

U.S.-Taiwan sign Agreement on Reciprocal Trade

- On 12 February, the U.S. and Taiwan signed the Agreement on Reciprocal Trade, which had previously been announced. The text of the Agreement on Reciprocal Trade and the tariff schedule can be found [here](#) and [here](#), respectively.

US-North Macedonia release Joint Statement

- On 12 February, the U.S. and North Macedonia issued a [Joint Statement on a Framework for US-North Macedonia Agreement on Reciprocal, Fair and Balanced Trade](#). North Macedonia agreed to eliminate customs duties on all U.S. industrial and agricultural goods. The United States will maintain a 15% reciprocal tariff rate. It will also identify products listed in Annex III to [Executive Order 14346](#) of 5 September 2025, Potential Tariff Adjustments for Aligned Partners, as amended, to receive a 0% reciprocal tariff rate.

U.S.-Bangladesh sign Agreement on Reciprocal Trade

- On 9 February, Bangladesh and the U.S. signed an Agreement on Reciprocal Trade. The US will lower its tariffs to a 19 % reciprocal tariff rate and establish a quota for duty-free access for Bangladeshi textiles and apparel entering the U.S. market.
- In exchange, Bangladesh will provide “significant” market access for U.S. industrial and agricultural products, according to a joint statement by the two countries. The text of the United States-Bangladesh Agreement on Reciprocal Trade and the tariff schedule can be found [here](#) and [here](#), respectively.

Executive Order published on Iranian tariffs

- On 6 February, President Trump issued an [Executive Order](#) following through on his earlier social media post regarding countries that do business with Iran. The Executive Order sets out that from the date of publishing, “an additional *ad valorem* rate of duty — for example, 25 percent — may be imposed on goods imported into the United States that are products of any country that directly or indirectly purchases, imports, or otherwise acquires any goods or services from Iran.” The Executive Order does not specify any countries or tariffs at this stage.

AGOA authorised

- On 3 February 2026, the President signed H.R. 7148 (“the Act”), extending duty-free treatment through 31 December 2026, for imports from eligible AGOA beneficiary countries and select imports from Haiti under the Haiti/HOPE and Haiti/HELP programs that are entered or withdrawn from warehouse for consumption.
- U.S. Customs and Border Protection (CBP) has issued [guidance](#) on the use of the preference and retroactive refund requests.
- The quota arrangements for apparel under AGOA can be found [here](#).

House ends moratorium on tariff votes, votes to end tariffs on Canada, vote next week on Mexico

- On 10 February, the House of Representatives rejected a continuance on the moratorium on legislative challenges to President Trump's tariffs. The House voted 217-214 against extending the moratorium on tariff challenges through 31 July 2026.
- This led immediately, on 11 February, to a vote on a resolution to disapprove of the national emergency President Trump declared to impose tariffs on Canada, which passed by 219 to 211. Six Republicans – Bacon (R-NE), Massie (R-KY), Fitzpatrick (R-PA), Kiley (R-CA), Newhouse (R-WA) and Hurd (R-CO) – voted with all Democrats except Golden (D-ME), who voted against it. The resolution will now be taken to the Senate, where it has a slim chance of passing; if it does, it would face a presidential veto. Ahead of the vote, President Trump threatened Republicans and criticised Canada on social media.
- House Democrats have already indicated that they will move to pass a similar resolution regarding tariffs on Mexico.

Legislation introduced to end first sale valuation

- U.S. senators Whitehouse (D-RI) and Cassidy (R-LA) have [introduced](#) a bill to eliminate the so-called first sale for export rule that many companies use to establish the customs value of imported products. The bill is called the “Last Sale Valuation Act” and would require businesses to use the last transaction as the basis for calculating the customs value of a product entering the U.S. Establishing a first sale for export valuation process (which requires stringent internal controls) has been a key mitigation measure that businesses have been using in response to the IEEPA and Section 232 tariffs.
- This would end a 30-year practice and generally result in higher (import, dumping, and countervailing) duties, since these duties would be calculated on the basis of a higher customs value. Several U.S. trade associations have come out in support of the proposed measure, including the National Council of Textile Organizations.
- Previously, U.S. Customs and Border Protection (CBP) had undertaken a review to eliminate or restrict the use of first sale between 2008 and 2010 but ultimately did not proceed due to judicial precedent. The EU abolished the use of first sale in May 2016 as part of the implementation of the Union Customs Code.

House of Representatives introduces de minimis bill

- On 22 January, Miller (R-WV) and Beyer (D-VA) [introduced](#) the Secure Revenue Clearance Channel Act. The stated aim of the bill is to address the growing backlog of goods at the U.S.'s express ports by fostering close cooperation between express

carriers and CBP. Essentially, the bill would reintroduce a de minimis for customs duties set at \$600, lower than the previous \$800 ceiling.

- Former Trump officials have been quick out of the gate to criticise the measure, including [Peter Navarro](#) and the Coalition for a Prosperous America (which is in favour of increased tariffs in the U.S.).

Special Section 301 Review hearing

- The Special 301 Subcommittee of the Trade Policy Staff Committee will hold a public hearing on 18 February 2026 regarding the 2026 Special 301 review. Each year, USTR conducts a review to identify countries that deny adequate and effective protection of intellectual property (IP) rights or deny fair and equitable market access to U.S. persons who rely on IP protection. Based on this review, the U.S. Trade Representative determines which, if any, of these countries to identify as Priority Foreign Countries or place on the Priority Watch List or Watch List. The [USTR website](#) has more information on the hearing schedule. The Federal Register Notice regarding the review and hearing can be viewed [here](#). Public submissions for the hearing can be viewed [here](#).

CBP publishes helpful tariff overview

- On 10 February, U.S. Customs and Border Protection published a helpful [tariff overview](#).

EUROPEAN UNION

Council approves de minimis removal

- On 11 February, the Council of the EU [approved](#) new rules regarding customs duties on small parcels entering the EU, largely via e-commerce. This is one part of the EU's broader [package](#) of customs reform. The Council approved new customs duty rules to remove the exemption for parcels under €150, which previously entered the EU duty-free. From 1 July 2026, an interim flat rate duty of €3 per item category will apply to parcels valued under €150 sent directly to consumers. Duty will be levied on each different category of item, identified by its tariff sub-headings, contained in a parcel. The exemption will be fully abolished once the EU customs data hub becomes operational as part of a broader customs reform, currently expected in 2028.
- The interim duty is distinct from the proposed 'handling fee' under discussion as part of the broader customs reform package. This will be in addition to the flat rate duty and is expected to be €2 per parcel, and to come into effect in November 2026 (although the value and timing have not yet been confirmed).

European Parliament schedules vote on US-EU trade deal and others

- On 24 February, Members of the European Parliament's Trade Committee will [vote](#) on the two legislative proposals implementing the EU commitments resulting from the EU-US deal reached in Turnberry, Scotland, in July 2025. This follows an agreement reached on 10 February between the EP's political parties on revising the text to include a suspension clause and a time-limited sunset clause. It also introduces a sub-sunset clause regarding steel and aluminium tariffs capping them at 15% within six months.
- Members will also vote on the outcome of interinstitutional negotiations on the FDI Screening proposal. They will further vote on a draft resolution setting out the EP position in view of the WTO's 14th Ministerial Conference in Yaoundé and on a tariff rate quota agreement between the EU and China in the wake of Brexit.
- EP Members previously [approved](#) the Safeguard Clauses for EU-MERCOSUR.

Commission suspends U.S. retaliation tariffs until 6 August

- On 5 February, the Commission [published](#) in the Official Journal a further delay to the implementation of retaliatory tariffs against the U.S. The measures are now suspended until 6 August 2026.

EU court judgements

- **EU General Court - no second chances on tariff quotas (Case T-177/25):** In its judgment of 28 January 2026, the General Court confirmed that post-release amendments under Article 173(3) UCC cannot be used to secure retroactive access to exhausted tariff quotas.
- **Court of Justice (Second Chamber) of 29 January 2026 - European [Commission v Zippo Manufacturing Co. and Zippo GmbH](#):** The Court of Justice set aside the General Court's ruling that annulled EU rebalancing tariffs on US-made Zippo lighters, holding that economic operators have no right to be heard under Article 41(2)(a) of the Charter of Fundamental Rights before the adoption of measures of general application, even where those measures have a significant adverse impact on them.

Forced labour

- The European Commission has released a [draft](#) implementing regulation for the EU Forced Labour Regulation (FLR). While the draft focuses primarily on establishing the new Information and Communication System for Market Surveillance (ICMS), it sets out the operational framework for information-sharing and enforcement cooperation under the Regulation. The [consultation](#) closes on 6 March 2026.

CARBON BORDER ADJUSTMENT MECHANISMS

UK Carbon Border Adjustment Mechanism

- On 10 February, the UK Government launched a [consultation](#) on the secondary legislation for the UK CBAM. The deadline for submitting comments is 24 March 2026. Responses can be submitted directly to HMRC via cbampolicyteam@hmrc.gov.uk. The primary legislation for the new UK regime is contained in the Finance (No. 2) Bill 2024-26, which is currently going through the report stage in the House of Commons. The consultation covers the legislative requirements associated with the administration of the UK CBAM:
 - Administrative requirements relating to registration for CBAM
 - Tax returns and required content
 - Reimbursement arrangements
 - Weight of CBAM goods
 - Record keeping
- This consultation does not include:
 - Details on default emissions values.
 - Details on system boundaries and the monitoring, reporting and verification of emissions for UK CBAM.
- The government will be publishing a further set of draft secondary legislation and notices to address these elements. With ongoing negotiations between the UK and EU over linking their respective Emissions Trading Schemes, there is a strong likelihood that the UK CBAM will exempt imports of EU CBAM products from having to pay for their embedded emissions under the UK regime. However, the expansion of the EU CBAM to downstream products and ongoing concerns in Northern Ireland will likely continue to complicate the negotiations. There is a risk that if negotiations to link EU-UK ETS go beyond 1 January 2027, UK importers could be liable for CBAM payments to the EU in the interim period.

DIGITAL TRADE

India consults on Digital Trade Facilitation Bill

- India has released its Digital Trade Facilitation Bill, 2026 for [public consultation](#). The proposed legislation provides legal recognition for electronic trade documents and establishes a framework for digital identity and trust services, effectively integrating principles aligned with both the UNCITRAL Model Law on Electronic Transferable Records (MLETR) and the Model Law on Identity and Trust Services (MLIT). Inputs must be submitted within 30 days of issuance of this Trade Notice to tradefinance-dgft@gov.in.

WORLD TRADE ORGANIZATION

China defends MFN principle in WTO reform paper

- In a [submission](#) circulated on 18 February, China described Most-Favoured-Nation (MFN) treatment as the “bedrock of the WTO” and criticised what it termed “blatant violations” of the principle and abuse of security exceptions — an apparent reference to recent US measures. While distancing itself from EU and US suggestions to re-examine MFN flexibilities, China supported WTO reform, greater use of flexible plurilateral initiatives, and more “precise and effective” implementation of special and differential treatment (SDT). The paper also signalled openness to discussions on trade-distorting government measures, including a possible review of the SCM Agreement, and called for more agile, step-by-step decision-making ahead of MC14.

Paraguay issues communication on WTO Reform considerations

- On 3 February, Paraguay submitted a communication ([WT/GC/W/987](#)) covering its perspective on WTO Reform as a landlocked developing country (LLDC). The communication includes some criticism of the Facilitator-led process while agreeing that WTO Reform needs to be discussed at MC14. It sets out several points under Decision-making at the WTO; Special & Differential Treatment; Reform of the Dispute Settlement Body, Fairness and Institutional matters. Paraguay’s communication includes a draft Ministerial Declaration and WTO Reform Work Plan featuring a possible process for 2026-2027.

WTO Director General speech at Munich Security Conference

- The WTO Director General attended the Munich Security Conference where she was joined by US Senator Thom Tillis (R-NC) and Finnish President Alexander Stubb on a [panel](#) discussion. In her remarks, the Director-General suggested China has “benefited quite a bit from it [the trade surplus].” Ms. Okonjo-Iweala said, “At least, we are passing the message that the export-led growth model that drove China's growth for the past 40 years cannot drive China's growth for the next 40.”

EU requests WTO panel

- The European Commission has [requested](#) the establishment of a WTO panel in its dispute with China concerning practices related to standard essential patent (SEP) royalties, following unsuccessful consultations. The EU considers that Chinese courts’ setting of global licensing conditions without patent holders’ consent undermines EU

high-tech companies' rights and is inconsistent with WTO rules. The move seeks to safeguard fair and rules-based protection for EU innovators.

Committee on Trade and Environment

- WTO members took part in an interactive session of the [Committee on Trade and Environment](#) on 29 January to continue discussing how best to facilitate trade while navigating diverse carbon emissions measurement methodologies. Building on the fruitful discussions held in October and December on the importance of strengthening transparency in this area, members engaged in in-depth exchanges on concrete ways to improve transparency, including by considering ideas put forward in new proposals.

FREE TRADE AGREEMENTS

EU FTA negotiations

- **EU-Malaysia FTA:** The EU and Malaysia held their [third round](#) of free trade agreement negotiations in Brussels in the week of 9 February. Building on constructive prior rounds in Brussels and Kuala Lumpur, talks focused on consolidating agreements in straightforward areas while tackling complex issues requiring deeper dialogue. Key topics included services, investment, intellectual property, geographical indications, state-owned enterprises, public procurement, and climate protection.
- **EU-UAE FTA:** The EU completed the [fifth round](#) of free trade agreement negotiations with the UAE last week. Topics addressed included services and investment, trade and sustainable development, rules of origin, intellectual property, customs and trade facilitation, energy and raw materials, competition, and digital trade. Talks aim to establish clearer business rules, stronger innovation safeguards, and greater resource security. The next round is scheduled for March/April 2026 with a view to advancing the agreement.
- **EU-India FTA:** The Indian government has [published](#) an FAQ on the India and EU FTA providing additional details on the agreement.

New Zealand-Australia sign standards agreement

- On 9 February, New Zealand and Australia [signed](#) a new trade standards agreement. The agreement, concluded between Standards Australia and Standards New Zealand, will build on their existing mutual recognition agreement. It will improve alignment with international frameworks and create consistent safety and quality standards across both countries.

Japan and Bangladesh sign Economic Partnership Agreement

- On 6 February, Japan and Bangladesh [signed](#) an Economic Partnership Agreement. The agreement marked Bangladesh's first bilateral economic partnership agreement.

GCC and India sign terms of reference to launch FTA negotiations

- The Gulf Cooperation Council (GCC) and the Republic of India [signed](#) the Terms of Reference to begin negotiations for a free trade agreement between the two sides, on 5 February 2026 in New Delhi.

UK-Switzerland FTA update

- The ninth round of negotiations on an enhanced Free Trade Agreement (FTA) with Switzerland took place in London between 12-16 January 2026. A provisional agreement was reached on environment and labour policy areas, which both sides have agreed to combine in a chapter called 'Trade and Sustainable Development'.

UK-EU Trade and Cooperation Agreement

- The UK and EU agreed a [Joint Statement](#). These were the first meetings of the two joint bodies to take place since the UK-EU Summit on 19 May 2025 in London, when the EU and UK leaders reaffirmed their commitment to the full, timely and faithful implementation of the Withdrawal Agreement, including the Windsor Framework and of the Trade and Cooperation Agreement, as well as agreeing on areas to strengthen the relationship through a new Strategic Partnership.

TRADE REMEDIES

Chinese measures

- **European dairy:** China has announced the [final ruling](#) on anti-subsidy measures for EU dairy. The countervailing duties will be applied from 13 February 2026.

UK measures

- **Portuguese limestone:** The UK government has [published](#) a trade remedies notice by the Secretary of State for Business and Trade relating to the registration of imports of creamy/white limestone from Portugal.
- **Steel:** The UK Trade Remedies Authority published its initial findings in two tariff rate quota (TRQ) reviews of the safeguard measure on certain steel products. It has [proposed](#) maintaining the quotas for Categories 4 and 7. It has also [proposed](#)

varying the quota for Category 12A by removing six of the eight commodity codes, having found no evidence of UK production during the period of investigation. Interested parties may [comment](#) on these findings before 23 February 2026 by visiting the public file.

- **Ironing boards:** The UK government has [accepted](#) the TRA's recommendation to maintain an anti-dumping measure on ironing boards from China for a further five years.

Philippine measures

- On 10 February 2026, the Philippines notified the WTO's Committee on Safeguards that it had [initiated](#) on 5 February 2026 a safeguard investigation on imports of ceramic tiles.

EU measures

- **Chinese sweetcorn:** The EU has [imposed](#) new anti-dumping duties of 31% to 54.3% on unfairly priced sweetcorn imports from China.
- **Chinese steel cylinders:** The Commission has [imposed](#) definitive anti-dumping duties on imports of high-pressure seamless steel cylinders from China, following an investigation that identified unfair trade practices, with duties ranging from 57.7% to 90.3%.
- **Chinese candles:** The Commission has [imposed](#) definitive anti-dumping duties on imports of candles, tapers, and similar products from China, following an investigation that found dumped imports causing injury to the EU industry.

ICC NEWS & PUBLICATIONS

- [ICC releases preliminary 2025 dispute resolution statistics](#), 12 February 2026
- [Call for AI solutions that empower small businesses to trade globally](#), 9 February 2026
- [How tariff free electronic transmissions sustain niche market businesses](#), 9 February 2026
- [ICC convenes MENA leaders to explore pathways to revitalise trade](#), 5 February 2026

WHAT WE'RE READING

- **Munich Security Conference:** [Munich Security Report 2026](#).
- **Federal Reserve Bank of New York:** [Who is paying for the 2025 US tariffs?](#) & [Global Supply Chain Pressure Index](#)
- **Hinrich Foundation:** [Shaping global data policy is a missing component in Washington's trade and tech policy](#).
- **APEC:** [Latest APEC Regional Trends Analysis report](#).
- **ILO:** [Potential of import bans to address forced labour](#).
- **Green Alliance:** [Trade and resilience: when it makes sense to onshore circular industries](#).
- **Friedrich Ebert Stiftung:** [Why Human Rights Impact Assessments \(HRIA\) Are Essential for Trade Agreements](#).
- **UNESCAP:** [Preferential Trade Agreement trends and developments in Asia and the Pacific 2025](#).

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