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**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

{SWD(2024) 386 final}

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aircraft where EU exports grew by more than 100%. EU services exports have grown by 62% between 2016 and 2022.

- EU goods exports to *Japan* have risen at a yearly average of 2% and by 11% over the whole period (2018-2023), while agri-food exports grew by 26%. The agreement supports exports in top sectors such as electrical machinery, which experienced 28% growth. EU services exports have grown by 30% between 2018 and 2022.
- EU goods exports to *Vietnam* have risen at a yearly average of 1% and by 3% over the whole period (2019-2023), while agri-food exports grew by 17%. The agreement supports exports in top sectors such as pharmaceuticals, where EU exports grew by 48%. EU services exports have grown by 42% between 2019 and 2022.

Trade agreements can only deliver when partner countries respect their commitments. Four years ago, at the start of the von der Leyen Commission, a new role of **Chief Trade Enforcement Officer (CTEO)**⁴ was created to ensure that effective implementation and enforcement of international trade commitments remained at the centre of the Commission's efforts.

The **Single Entry Point**, which provides a one-stop-shop to raise concerns about trade, has received more than 130 external complaints since its launch in November 2020, a total of 28 in 2023 alone. It has become the central tool for identifying new issues, gathering the requisite information and ensuring a follow-up. In December 2023, the Commission published revised operating guidelines⁵ for the Single Entry Point, together with simplified online complaint forms and hands-on guidance on how to fill them out.

Tangible results were achieved in **preventing market access barriers or getting them removed**, as the Commission continued to engage with partner countries, working side-by-side with Member States and EU stakeholders. In 2023, **41 barriers to market access** were partially or totally eliminated in **28 countries** (see in more detail section II.2 B):

- For example, progress was made on **emblematic sanitary and phytosanitary (SPS) issues** notably on regionalisation (*Japan, South Korea, Saudi Arabia*) and in **high tech sectors** relevant to the green transition (*wind power in Japan*).
- Other more **classical types of obstacles** were also tackled successfully, such as *Argentina's* longstanding system of non-automatic licences and *Colombia's* charges for risk assessments on EU animal and plant products.

⁴ Information about the role of the CTEO can be accessed here: https://policy.trade.ec.europa.eu/enforcement-and-protection/chief-trade-enforcement-officer_en

⁵ Revised operating guidelines for the Single Entry Point: [operational_guidelines.pdf \(europa.eu\)](#)

- Efforts continued on stepping up the EU's capacity to **prevent barriers**, which recently helped to address burdensome standardisation and certification requirements in *Japan* and discriminatory requirements for public procurement in *Paraguay*.

The Commission continued to focus on **implementing trade and sustainable development (TSD) provisions** that have been included in 12 of its trade agreements in place in 2023, with 18 partner countries. Regular engagement in the institutional TSD committees on the basis of joint priorities has produced real progress on the ground as partner countries ratified multilateral conventions, and took steps to solidify their cooperation with civil society and improve their capacity for enforcing labour and environmental standards (see concrete examples in Section II.2 C below).

The EU also continued its **cooperation with trading partners** on topics of common interest, supported by the trade agreements and platforms, such as its *Green Alliances* with Japan, and Canada or its Green Alliance with South Korea around climate change, energy and supply chain security. With Canada, good progress was noted in implementing the CETA Trade and Gender Recommendation based on a dedicated work plan, with exchanges and events aimed at sharing information on policies, laws and best practices on a range of issues, notably on the development of gender-relevant standards.

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 **EU and Colombia have agreed on priority areas** to work on with a view to establishing a technical cooperation programme.

In March 2024, the Single Entry Point received a second formal TSD complaint concerning labour and environmental rights in Vietnam.

As the report shows, **civil society organisations** play an important role in the implementation of trade agreements, in particular trade and sustainability provisions. The **domestic advisory groups (DAG)**, existing under the 12 trade agreements, enhance our understanding both of the situation on the ground and of possible ways to improve it. The fourth all EU DAG meeting, organised by the European Economic and Social Committee on 18 April 2024, brought together more than 200 members of EU DAGs to exchange views with senior Commission officials and benefit from each other's practical experience.

While no new trade disputes were launched by the EU in 2023, the Commission in June 2024 initiated a bilateral dispute against **Algeria** over restrictions affecting EU exports and launched a World Trade Organization (WTO) dispute against **Taiwan** over the latter's use of local content criteria for offshore wind energy projects (DS625, *Taiwan – offshore wind*).

The Commission has also been active in **ensuring effective outcomes for ongoing disputes** that found in the EU's favour within the WTO system. For example, where trading partners obstruct the process of adjudication or fail to implement panel reports the Commission is ready to use its strengthened **autonomous measures** to protect European interests.

- In 2023, the Commission took the first step towards using the **Enforcement Regulation** against *Indonesia* after the country chose to appeal the panel ruling to the non-functioning WTO Appellate Body ('into the void') and, in doing so, obstructing due process (see DS592; *Indonesia – nickel ore export restrictions*). In December 2023, *India* appealed 'into the void' the panel's ruling in DS582 (*India – tariffs on ICT products*). That ruling was in the EU's favour as it confirmed the illegality of India's tariffs on ICT products.
- On 31 May 2024, the EU launched **compliance proceedings** against *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. The findings were in the Commission's favour and found that Colombia's anti-dumping measures imposed on frozen fries from Belgium, Germany and the Netherlands were in breach of WTO rules.
- On 28 April 2023, the EU launched **compliance proceedings** against the *United States* in DS577 (*U.S.-Ripe olives*) in view of its failure to comply with the WTO ruling of 19 November 2021 in regard to countervailing duties on imports of ripe olives from Spain. On 19 March 2024 the WTO's Dispute Settlement Body (DSB) adopted the WTO compliance panel report, which confirmed the EU's claim that the U.S. has not fully complied with the WTO ruling.

Trade agreements can only be fully effective if stakeholders are aware of their benefits. The Commission has therefore continued its efforts **to promote the advantages of trade agreements**, in particular those that entered into force in 2024, namely the EU-New Zealand FTA (which is in place since 1 May) and the EU-Kenya EPA (in place since 1 July), but also the modernised EU-Chile agreement, expected to enter into force at the beginning of 2025. This is being done in close collaboration with Member States and businesses, with a focus on SMEs. The Commission's main portal for trade, **Access2Markets**, remains at the centre of these efforts. The portal has had over eight million visitors since its launch in October 2020 and more than 11 000 SMEs have been trained to use it. Market Access Day events held in more than a dozen Member States have proved a key opportunity for the CTEO and senior Commission officials to raise awareness on EU trade agreements and meet with small businesses from a variety of regions and sectors.

Cooperation with Member States on implementation and enforcement and on ways to improve joint work has become a recurring topic for discussion at technical and political levels. This includes the improvement of working methods for EU Delegations and Member States' trade counsellors working together abroad, for example when monitoring regulatory

developments in the host country. The Commission is currently testing new tools to support better information flows and ensure that both EU and Member State officials have a clear idea of what to expect from each other. The Trade Policy Committee⁶ periodically discusses the state of play of the EU's implementation and enforcement agenda, strategies deployed and priority setting.

I.2 Scope of this report

This is the fourth consolidated **annual report**⁷ on the implementation and enforcement of trade commitments covered by preferential bilateral trade agreements and the WTO. It provides an overview of the main activities and achievements, steered by the Commission's CTEO in 2023 and the first months of 2024.

The **accompanying staff working document**⁸ contains additional information completing Section II.2 of the report on 39 of the EU's major preferential bilateral agreements.

The **Commission website**⁹ has information complementary to this report on: (i) the evolution of EU trade with preferential partners in 2023; (ii) the use of tariff preferences by EU exports and imports per preferential trading partner, both for the EU and Member States; and (iii) the fill rates of tariff rate quotas.

While this report focuses on implementation and enforcement under EU trade agreements, it should also be seen in a broader context of economic security and enforcement activities in specific areas on which the **Commission reports separately**, namely:

- the use of **trade defence instruments** (anti-dumping, anti-subsidies and safeguards), covered by the Commission's annual trade defence reports¹⁰;
- monitoring and tackling of counterfeiting, piracy and other infringements of **intellectual property rights** (IPR), covered by the Commission's alternating biennial publications of the IPR Report¹¹ and the Piracy Watchlist¹²;

⁶ <https://www.consilium.europa.eu/en/council-eu/preparatory-bodies/trade-policy-committee/>

⁷ The third report was published on 15 November 2023 and is available here: [Register of Commission Documents - COM\(2023\)740 \(europa.eu\)](#)

⁸ Commission Staff Working Document: Individual Information Sheets on the Implementation of EU Trade Agreements; SWD(2024) 386; [Contact support \(europa.eu\)](#)

⁹ Commission/DG TRADE; implementation and enforcement page: [Implementing and enforcing EU trade agreements - European Commission \(europa.eu\)](#)

¹⁰ 42nd Commission report on trade defence: [Register of Commission Documents - COM\(2024\)413 \(europa.eu\)](#), [Register of Commission Documents - SWD\(2024\)221 \(europa.eu\)](#)

¹¹ The last report on the protection and enforcement of intellectual property rights (IPR) in third countries was published on 17 May 2023 and is available here: https://policy.trade.ec.europa.eu/news/commission-releases-its-report-intellectual-property-rights-third-countries-2023-05-17_en

¹² The latest Counterfeit and Piracy Watchlist was published on 1 December 2022 and is available here: https://policy.trade.ec.europa.eu/news/commission-publishes-latest-counterfeit-and-piracy-watch-list-2022-12-01_en

- the **screening of foreign direct investments** and the **control of dual use exports**, which constitute the EU's strategic trade and investment controls for security, and which are covered by the Commission's annual reports on FDI screening¹³ and on the Export Control Regulation (EU) 2021/821¹⁴;
- the application of the **EU General Scheme of Preferences (GSP) regime**¹⁵, covered by the Commission's GSP reports.

In addition, separate annual reports are to be prepared on the application of the **Foreign Subsidies Regulation**¹⁶ and the **International Procurement Instrument**¹⁷.

II. Making full use of the EU's bilateral trade agreements

II.1 Trade with preferential partners – main developments in 2023

EU trade agreements facilitate European trade in goods and services

At the end of 2023, the EU had in place 42 preferential trade agreements with 74 preferential partners, corresponding to 45.8% of total EU external trade. Adding agreements that in 2023 were yet to be adopted or ratified (3.7%)¹⁸, the share of EU preferential trade would rise to almost 50%.

¹³ Third Annual Report on the screening of foreign direct investments into the Union and staff working document of 19 October 2023: [https://ec.europa.eu/transparency/documents-register/detail?ref=COM\(2023\)590&lang=en](https://ec.europa.eu/transparency/documents-register/detail?ref=COM(2023)590&lang=en)

¹⁴ Statistical update on dual-use export control of 19 October 2023 (SWD(2023) 341 final): <https://circabc.europa.eu/ui/group/654251c7-f897-4098-afc3-6eb39477797e/library/d45b2bfc-7029-412a-aa1e-b59ac87433f8/details>

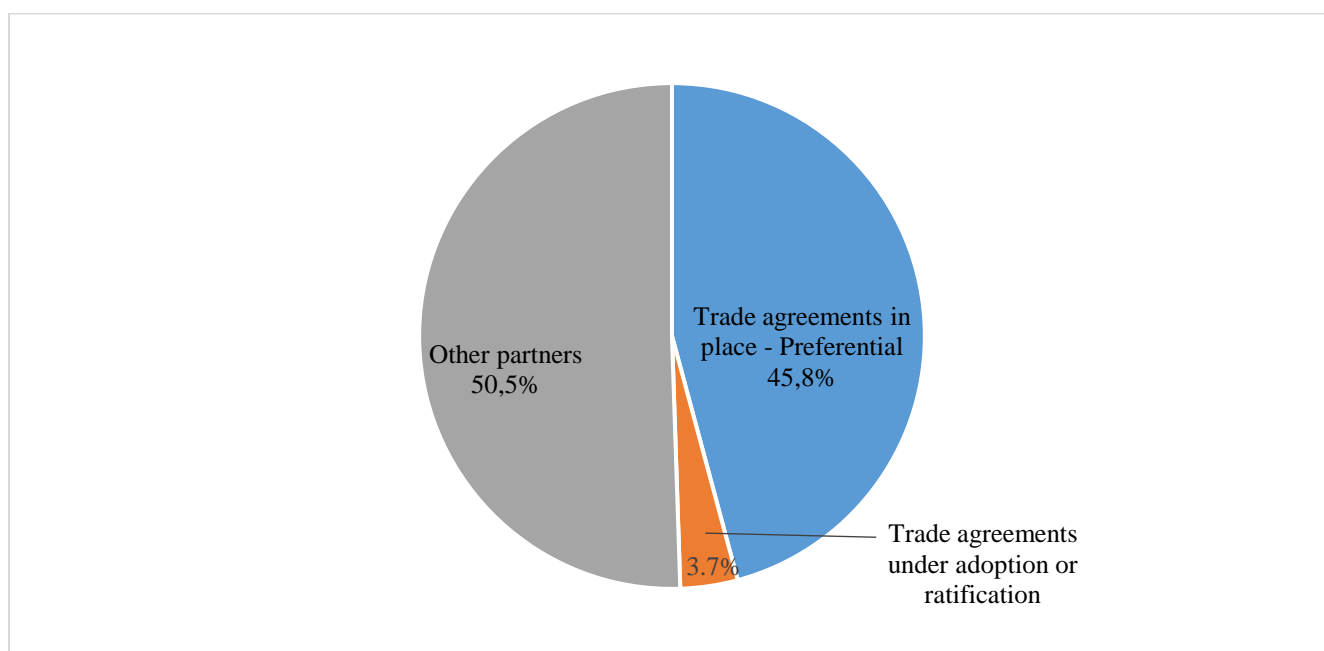
¹⁵ The last report on the application of the GSP Regulation: JOIN(2023) 34; [Register of Commission Documents - JOIN\(2023\)34 \(europa.eu\)](#)

¹⁶ See OJ L 330 of 23 December 2022, Article 52 (the first report is due in 2026); <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32022R2560>

¹⁷ See OJ L 173 of 30 June 2022, Article 13 (first report is due in 2025); <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32022R1031>

¹⁸ In 2023, in addition to the Mercosur partners (Argentina, Brazil, Paraguay and Uruguay) these were: New Zealand, Kenya, Benin, Burkina Faso, Burundi, Cabo Verde, The Gambia, Guinea, Guinea-Bissau, Haiti, Kyrgyz Republic, Liberia, Mali, Mauritania, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, Tanzania, Togo, Uganda and Uzbekistan see: https://policy.trade.ec.europa.eu/eu-trade-relationships-country-and-region/negotiations-and-agreements_en The FTA with New Zealand entered into force on 1 May 2024, the Economic Partnership Agreement with Kenya on 1 July.

Figure 1: EU external trade (2023)



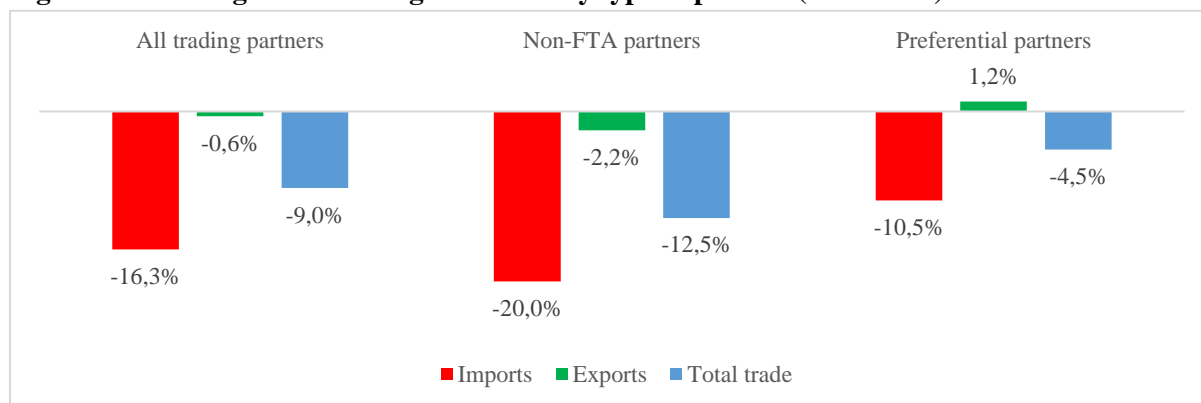
Source: Eurostat Comext

The EU's largest preferential partners remained the United Kingdom (22.1% of EU trade with preferential partners), followed by Switzerland (14.1%), Türkiye (8.9%), Norway (7.8%) and Japan (5.8%). Together, these five partners accounted for close to 60% of EU preferential trade in 2023.

In 2023, EU total trade in value declined by 9.0% (-16.3% for imports and -0.6% for exports). This was due to a combination of factors. First, prices of energy and raw materials, after the record-level recorded in 2022, dropped in 2023. Further, demand for consumer goods had a pullback in the post-pandemic outlook, and investment spending by firms was held back due to tight financing conditions. Finally, increasing trade distortions and geoeconomic fragmentation impacted on the level of global trade and it continues to do so. However, EU trade with preferential partners decreased less sharply (-4.5%, in value between 2022 and 2023) than that with non-preferential partners (-12.5%).

As shown in figure 2 below, annual trade with preferential partners declined by 4.5% over the reporting period, less than trade with all partners and non-FTA partners, which declined by 9% and 12.5%, respectively. Exports to preferential partners rose by 1.2%, while exports to all partners and non-FTA partners declined by 0.6% and 2.2%, respectively.

Figure 2: Annual growth of EU goods trade by type of partner (2022-2023)



Source: Eurostat Comext

EU trade agreements contribute to solidifying the EU's position as number one exporter of agri-food products

The EU's broad network of trade agreements continues to contribute to the good EU agri-food export performance.

Between 2022 and 2023, **agri-food exports** to preferential partners rose by 2.3%, while exports of EU agricultural food products to non-FTA partners decreased by 3.5%.

The **United Kingdom** remained by far the number one destination for EU agri-food exports among preferential partners as well as overall, representing over one fifth (22%) of total EU exports. For the second year in a row, in 2023 the United Kingdom was also the destination where EU exports experienced the strongest growth in absolute terms (i.e. +EUR 3.4 billion by value, or +7%), whereas the largest increase in relative terms was registered for Ukraine (+18%) and Türkiye (+16%). The United States remained the number two export destination for EU agri-food products overall (12%), after the United Kingdom, followed by China (6%) and Switzerland (5%).

EU agri-food exports to **Canada** rose by EUR 1.3 billion (+40%) between 2017 and 2023, exports to Japan by EUR 1.6 billion (+25%) since 2019, and to Vietnam by over 300 million (+33%) since 2020.

Positive developments can also be observed on the **import side**. EU agri-food imports from the United Kingdom (number one source market) have recovered as UK traders have become accustomed to the plant and animal health (SPS) checks and inspections applied by the EU including on agri-food consignments since January 2021. Ukraine reconfirmed its position as the third largest source of EU agri-food imports and the second largest among preferential partners (with 7% of imports), although the import value declined by 10.3% compared to 2022, mainly because of the decline in cereals and oilseeds prices.

In 2023, the Commission again monitored imports into the EU of certain industrial products and agri-food products

*The Commission, as required by Regulation (EU) No 511/2011¹², monitored **South Korea's imports of core car parts and electronics** from its most important suppliers outside the EU. South Korea's imports of two core car parts significantly increased in 2023 compared to 2022, namely those of gasoline combustion engines (+225.1%, mainly from Mexico), and lithium-ion batteries (+48.6%, mainly from China). However, no link could be established between the allowance of duty drawback under the EU – South Korea FTA and the increase in EU imports of combustion gasoline cars (by 10%) and electric cars (by 75%) from South Korea. Chinese lithium-ion batteries enter South Korea duty-free under the China – South Korea FTA.*

*Imports into the EU of **fresh bananas from Colombia, Ecuador and Peru and from Central America** were also monitored by the Commission, as required by EU Regulations No 19/2013¹³ and No 20/2013¹⁴. In 2023, EU imports of fresh bananas from Colombia and Peru declined by 2.4%, and by 0.2% respectively, while imports from Ecuador increased by 11.3% compared to 2022. The Commission will continue to carry out its regular analysis of the state of the market and of the EU banana producers and, if need be, examine the situation together with Member States and stakeholders.*

Trade in services increased and the EU maintained a surplus with both preferential partners and the rest of the world

EU services trade with preferential partners reached EUR 1.2 trillion in 2022 (latest figures available), representing 48% of total EU services trade (EUR 2.5 trillion). EU services trade with preferential partners increased faster between 2021 and 2022 than with non-FTA partners (+27% versus +20%). The EU's total trade balance in services increased in 2022 by EUR 65 billion when compared to 2021, EUR 52 billion thereof in trading with preferential partners.

At the 13th Ministerial Conference (MC13) in Abu Dhabi on 27 February 2024, the entry into force of the new **Services Domestic Regulation**¹⁹ was announced. This regulation was negotiated at the WTO in a plurilateral setting, with the EU at its forefront. The new rules will facilitate and simplify services trade by streamlining authorisation requirements and reducing procedural hurdles faced by businesses around the globe, in particular by micro, small and medium-sized enterprises. They will be applied by a large and diverse group of about 70 WTO Members, representing 92% of world trade in services. The agreement will help reduce the costs of global services trade by more than EUR 120 billion every year.

Trade agreements improve access to procurement

Trade agreements between the EU and the following partners have binding provisions on public procurement: Canada, the Caribbean Forum (CARIFORUM), Chile, Colombia, Peru, Ecuador, Central American countries, South Korea, Georgia, Moldova, Ukraine, Japan,

¹⁹ https://www.wto.org/english/tratop_e/serv_e/jsdomreg_e.htm

Switzerland, Singapore, Mexico, New Zealand, Vietnam and the United Kingdom. EU trade agreements' chapters on public procurement ensure secured access of EU bidders, goods and services (including works services) to third country (i.e. non-EU) markets on a non-discriminatory basis. Some concrete examples include Colombia, where EU companies were among the companies benefiting from a total contract value of EUR 16.2 billion between 2019 and 2022, or Japan, where EU companies increased their market share of total contract value awarded to foreign bidders from 34% to 43% between 2019 (date of the entry into force of the agreement) and 2020.

The Commission **continues to monitor the correct implementation of procurement commitments** by trading partners within the annual specialised committees for government procurement. For example, the Commission is pushing for effective implementation of a single portal point of access with simultaneous publications in English and Japanese in Japan. With South Korea, the Commission is continuing discussions on the effective access of EU operators to contracts for high-speed railway.

The **International Procurement Instrument**, in force since 29 August 2022, is aimed at opening third-country markets by removing the barriers faced by EU industry in public procurement procedures abroad. It allows, as a last resort, after an investigative stage, to restrict access to the EU's procurement markets of suppliers from countries where access to their procurement is hindered. As a result of these efforts, on 24 April 2024, the Commission opened the first IPI investigation (ex officio), which will address alleged barriers in the Chinese procurement market for medical devices²⁰. The first aim of the investigation is to foster dialogue between competent authorities on removing discrimination in public procurement.

The Commission continues to promote **transparency on procurement opportunities, notably for the benefit of SMEs**, including by insisting that trading partners put in place single portals where potential bidders can easily find all the necessary tender information. Work is also under way to increase awareness of existing commitments by the EU's trading partners in the area of government procurement, in particular through the Access2Procurement tool (further details provided in Section III below).

II.2 Advancing the implementation of EU bilateral trade agreements

This sub-section provides examples of how the Commission promotes and implements the commitments under bilateral trade agreements.

A. Communicating and promoting the benefits

From its headquarters in Brussels and locally in the countries concerned, the Commission has worked intensively with Member States and stakeholders to prepare the ground for new EU

²⁰ See https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ:C_202402973; OJ C/2024/2973.

trade agreements with **New Zealand** and **Kenya** and the modernised agreement with **Chile**. The dissemination and outreach efforts include the publication of communication materials, such as factsheets, press material, frequently asked questions and social media posts, as well as civil society dialogue meetings and specialised guidance on particular aspects of the agreement. The Market Access Days that were organised in 15 Member States so far were used to communicate with respect to these agreements. EU Delegations²¹ also played a key role in supporting this effort, as so did European networks such as the Enterprise Europe Network (EEN)²².

How the EU is raising awareness of new trade agreements

- **EU- New Zealand FTA – entered into force on 1 May 2024.** See comprehensive SME guide + 10 thematic and sectoral leaflets²³.
- **EU-Kenya EPA – entered into force on 1 July 2024.** *Ongoing:* EPA sensitisation workshops across Kenya organised with the Kenyan Ministry for Trade, dedicated to the private sector in Nairobi and Mombasa; dialogues between Team Europe²⁴, the EU private sector and the Kenyan government on business and investment climate.
- **Modernised trade agreement between the EU and Chile - entry into force expected in Q1-2025.** Events are planned on the trade and sustainability development (TSD) review to encourage a dialogue between all relevant governmental and non-governmental actors, including on energy and raw materials. Discussions will cover how to implement the provisions of the EU-Chile FTA and the Memorandum of Understanding of July 2023, including outreach by Member States to possible investors in the sector.

B. Implementing market access commitments

Preventing and removing trade barriers in partner countries, using the bilateral structures

Tackling irritants or barriers to trade and investment at the source (e.g. *before* they become enshrined in laws and regulations) increases our chances to prevent or mitigate negative effects on European business.

- The monitoring of potentially problematic initiatives is greatly facilitated by the institutional structures established by bilateral agreements. Such a structure helped the EU Delegation in **Colombia** (Bogota) to successfully raise at the Technical Barriers to Trade (TBT) subcommittee under the FTA a potentially problematic executive

²¹ The Commission/DG TRADE has more than 200 staff in EU Delegations worldwide and runs dedicated trade sections in more than 40 countries.

²² Information on the EEN is available here: <https://een.ec.europa.eu/>

²³ [EU-New Zealand \(europa.eu\)](https://een.ec.europa.eu/eu-new-zealand/)

²⁴ https://international-partnerships.ec.europa.eu/policies/team-europe-initiatives_en

measure on good manufacturing practices (GMP) for alcoholic drinks. Once the Colombian decree removing the GMP certificates requirement is approved, it will remove an administrative burden affecting EU exports for a value of more than EUR 90 million in 2023.

- Monitoring relevant regulatory and policy developments in the host country ('regulatory watch') is key for EU Delegations to identify potentially harmful developments. For example, the EU Delegation in **Japan** (Tokyo) working with EU businesses was able to address burdensome standardisation and certification requirements related to the bottom-fixed offshore wind sector in Japan. The revised Electricity Business Act and guidance released in March 2023 provide for a reduction in market access costs and a faster approval process, thus removing a major barrier for EU businesses. The award of some offshore wind projects to consortia with EU industry participation reflects the improvement of tendering guidelines, on which the EU Delegation in Tokyo engaged with Japan.
- Discriminatory requirements favouring bidders from Paraguay, Brazil and Argentina threatened to affect EU companies participating in public tenders for water treatment products in **Paraguay**. Thanks to coordinated action by the EU Delegation and Member States engaging with the relevant authorities, Paraguay adjusted the terms of references and extended the time to respond, allowing all interested companies to participate. This outcome is all the more important given that the sector is benefiting from EUR 10 million in European investment under the Global Europe initiative.

A key challenge to the EU's preventive work lies in mobilising the collective resources of the Commission, Member States and businesses operating in partner countries to access information on market access issues and take coordinated action, as needed. The Commission and Member States are therefore exploring practical means to facilitate information flows between EU Delegations and embassies abroad.

FTA committees again played a key role in getting barriers removed in a variety of sectors

- **Agriculture and fisheries** was once again the sector with the most barriers removed (i.e. 22 out of a total of 37 barriers removed in 2023). In 2023, progress was made on the **regionalisation** front with two partners in the Far East: following intensive engagement under the EU-Japan EPA, **Japan** has advanced on the recognition of EU regionalisation for highly pathogenic avian influenza. This means that a problem in one region of a Member State or one part of the EU will not lead to the blockage of trade for poultry products from disease-free areas, in line with the rules determined by EU legislation. **South Korea** started updating bilateral certificates including the agreed regionalisation conditions and is listing the establishments for approval to export pork meat. In August 2023, the first shipments of pork products from Germany to Korea began, followed by Ireland and France in 2024, acknowledging the high level of safety ensured by the EU's harmonised food safety control measures.

- The European **pharmaceutical sector**, which has been suffering from discrimination in **Vietnam**, a EUR 1.5 billion export market, remains in the focus of EU action to facilitate market access for European business. At the end of 2022 joint efforts between the Commission, the EU Delegation, business and Member States led Vietnam to **end discrimination** between EU regulatory authorities and treat all EU producers the same. Vietnam also extended *market authorisation validity* until the end of 2024 for more than 1 800 imported medicines. At the same time, the Commission is continuing its efforts to find a permanent solution.
- In the **automotive sector** (accounting for 11% of European exported goods) the EU was successful in having **Türkiye** accept its regulatory standards, after having applied legislation discriminating against EU tractors - an export market of EUR 2.5 billion - for several years. Tractors imported from the EU were subject to more stringent emissions requirements than those manufactured in Türkiye, putting them at a price disadvantage compared to locally manufactured vehicles. After addressing this issue with Türkiye, the latter aligned its legislation on all types of vehicles with the EU legislation.
- Meanwhile, through further alignment of the **Turkish cosmetics legislation** with that of the EU (EU list of prohibited substances), the discriminatory treatment of EU cosmetics, which account for exports worth EUR 2.2 billion per year, has come to an end.

Trade agreements as a stepping stone towards cooperation in areas of mutual interest

The EU and **South Korea** substantially stepped up their exchanges on **environmental and climate** matters under the EU-funded Green Partnership with South Korea launched in May 2023. Cooperation also progressed on sanitary and phytosanitary (**SPS**) measures: the Commission (DG TRADE and DG SANTE) and the South Korean Ministry of Food and Drug Safety signed an Administrative Arrangement on cooperation on electronic SPS certification and on SPS certificates for exports from the EU, which will further facilitate trade in several processed agri-food products.

Cooperation with **Canada** under the CETA Agreement through the EU-Canada **Strategic Partnership on Critical Raw Materials** is contributing to integrate EU-Canada raw material value chains, with Canadian investments taking place in the EU and European investments in Canada. The Strategic Partnership provides opportunities for collaboration on research and innovation and for international collaboration on environmental, social and governance (ESG) standards and multilateral initiatives. In July 2024, Canada became associated to Pillar II of Horizon Europe²⁵.

²⁵ https://ec.europa.eu/commission/presscorner/detail/en/IP_24_3626

In 2023, the EU and the **Andean partner countries Colombia, Ecuador and Peru**, continued their work to improve the implementation of the Agreement, including through cooperation supported by EU projects and seminars, in particular the IP Key Latin America project in the area of intellectual property.

In 2023, the EU, **Ghana, Côte d'Ivoire and Cameroon** continued their discussions on sustainability issues- especially on cocoa, which is a key commodity in mutual trade relations – in the context of the respective EPA Committees. Active cooperation continued also within the Sustainable Cocoa initiative multi-stakeholder dialogue.

C. Trade and sustainable development in focus

In 2023, the Commission continued to address the findings of its review of trade and sustainable development (TSD) policy²⁶. The review has provided fresh impetus to the implementation of TSD commitments under EU trade agreements.

The Commission began preparing **country-specific priorities** covering labour, gender, environment, climate and civil society issues with the **close involvement of EU domestic advisory groups (DAGs)** set up under those agreements. These country-specific priorities are feeding into the development of detailed country papers on TSD that map priorities, as well as related EU and Member States cooperation and capacity building projects.

Following the submission to the Commission's Single Entry Point on 17 May 2022 of the first **first TSD complaint** by an NGO on labour rights in the mining sector in Peru and Colombia, bilateral dialogues with Peru and Colombia in 2023 allowed to identify issues in the implementation of their respective labour laws, including with Colombia to hold discussions on the progress on its domestic labour reform. On TSD cooperation with Peru, in March 2024 a list of technical cooperation activities was published, notably on freedom of association, child labour, forced labour, the fight against informality, and notably in strengthening the labour inspection system. The activities are expected to be implemented in the course of the following years supported by extensive EU programmes.

This positive outcome demonstrates the important role of civil society in alerting and monitoring the respect of TSD provisions in third countries.

In March 2024, the Single Entry Point received a *second formal complaint* concerning the TSD Chapter in the EU-Vietnam Free Trade Agreement, which is currently under review.

TSD Joint Committees were again the main vehicle for advancing the implementation of TSD chapters in EU trade agreements. Concrete progress was achieved in 2023 on ratification and implementation of core conventions on labour rights and the environment, leading partner countries to upgrade their respective domestic frameworks:

²⁶ For a summary of the main conclusions of the TSD review see also the 2022 annual report on implementation and enforcement: [Register of Commission Documents - COM\(2022\)730 \(europa.eu\)](https://ec.europa.eu/commission/presscorner/detail/en/com(2022)730).

- For *Japan*, the ILO convention C105 on the abolition of forced labour entered into force in July 2023. For *Panama*, ILO conventions C129 on labour inspection (agriculture) and C190 on violence and harassment entered into force in March 2023. *Canada* ratified ILO convention C190 (Violence and Harassment Convention) on 30 January 2023.
- In addition, bilateral discussions led to certain countries upholding their TSD commitments and therefore improving their **domestic frameworks for labour**. For example, *Ecuador* in December 2023 registered the first trade union for a sectoral branch in the banana sector. Their domestic legal framework will need to be adjusted accordingly.
- *Georgia* and *Moldova* made progress **in upgrading** their **domestic systems for labour and environment**. Georgia continued strengthening the labour inspections system through new recruitments, training and capacity building and ratified the amendment of the Montreal protocol (on the gradual reduction of hydrofluorocarbons). Moldova took steps to reform and strengthen the State Labour Inspectorate, giving it the right to conduct unannounced visits in certain cases. Following in-depth discussions in the TSD committee, Moldova also recently adopted legislation on fluorinated greenhouse gases.

As in previous years, the Commission used **TSD committees** within EU trade agreements to engage partners on key substantial elements of the TSD review and **enhance cooperation on environmental and climate matters** via dedicated policy dialogues and green alliances. For example:

- Cooperation has been advancing between the *EU and Canada* as part of their Green Alliance aimed at accelerating cooperation on innovative technologies.
- Cooperation between the *EU and South Korea* continued through their Green Partnership launched in May 2023, covering trade-related issues such as offshore wind, decarbonisation of shipping industry, circular economy and the Carbon Border Adjustment Mechanism (CBAM).
- The Commission has also been advancing cooperation with *Singapore* on technologies to support the green transition.
- Cooperation with *Japan* on rules for offshore wind power²⁷ helped support the environmental and climate agenda under the TSD chapter, promoting the energy transition.

The structures created under the TSD chapters are also the main forums to increase partners' **understanding of recently enacted or proposed EU legislation** on sustainability. For example, following the latest TSD committee with **Andean countries**, the Commission

²⁷ See also Section B above.

immediately organised two follow-up meetings with EU deforestation experts to address detailed technical points concerning the Andean countries.

The EU continues to fund technical cooperation supporting sustainability objectives

In 2023, in addition to cooperation projects in **Central America**²⁸ and **South East Asia** (e.g. Phase 2 of the Trade for Decent Work project , with a budget of EUR 4 million for 2024-2027, which continues supporting the improvement of the implementation of labour standards, in among others Vietnam, the EU continued to finance the *Responsible Business Conduct for green, digital and resilient supply chains in Asia* initiative promoting convergence and alignment in Asian markets of responsible business conduct practices in line with internationally-agreed principles set out in the OECD's Responsible Business Conduct standards.

Working with Domestic Advisory Groups

Contributions by both European and partner-country DAGs, who **monitor the situation** on the ground in partner countries, reinforce the Commission's position when following up on TSD commitments as the following examples show:

Examples of Domestic Advisory Groups' contributions:

- In **Ecuador**, reports by civil society representatives about **difficulties to register a trade union** in the **banana sector** were taken up by the Commission (see Section II.2 C above).
- In **Vietnam**, EU civil society organisations drew the Commission's attention to the plight of Vietnamese civil society organisations who were not recognised as full actors in the monitoring of the implementation of the TSD commitments, putting some environmental activists or union representatives at risk of human rights violations. The EU continues to follow-up on these issues, including as part of the human rights dialogue between the EU and Vietnam.
- Thanks to input received from the **EU-UK DAG** the Commission identified and was able to raise with the UK a problem in respect to the latter's minimum service level act, i.e. a regression from pre-Brexit labour standards, affecting the level playing field with the EU.
- The **EU-Vietnam DAG** provided information to the EU so that it could raise the issue of wildlife trafficking of tigers.
- Information supplied by the **EU-Canada DAG** helped to boost the EU-Canada joint workplan on TSD and to prioritise **gender**²⁹ as a joint topic warranting more in-depth exchanges.

²⁸ <https://www.euroclima.org/en/mapas-2021-en>

²⁹ https://www.international.gc.ca/trade-commerce/trade-agreements-accords-commerciaux/agr-acc/ceta-aecg/CETA_work_plan-AECG_plan_travail-2020-2021.aspx?lang=eng

In 2023, the Commission secured ongoing **financial support for the work of the DAGs**: the **EUR 3 million project** contracted by the Commission in 2018 to support civil society in the framework of trade agreements has been extended to the end of 2024 and is in the process of being extended further until end-2026.

D. Retrospective evaluations of trade agreements to inform implementation work³⁰

The evaluation of the EU's FTA with **Central America** was published in June 2023. In line with the recommendations, discussions between parties continue to be held on economic issues (bilateral trade, market access), social policies (for example labour rights) and the environment (for example environmental protection and the Deforestation Regulation).

The Commission's evaluation of the EU's FTAs with the Andean partners was published in October 2023. Based on its conclusions, the EU will consider the possibility of a targeted update of the agreement in line with its trade policy objectives, particularly those related to sustainable development.

In 2023, the Commission also launched a **qualitative evaluation of the impact of free trade agreements on environmental key factors, including climate**. This is the first cross-cutting evaluation covering all 12 FTAs including provisions on TSD that were in place in 2023. The final report is expected in November 2024.

Also in 2024, the Commission launched evaluations of its trade agreements with **Canada** and **Japan**.

E. Mutual recognition agreements on conformity assessment

Market access is also facilitated through mutual recognition agreements (MRAs) on conformity assessment. These bilateral agreements promote trade in goods between the EU and third countries, and benefit industry by providing easier access to conformity assessment. Building on the positive effects of MRAs as a trade facilitation tool, in 2023 the EU continued to implement the MRAs that it had concluded with Australia, Canada, Israel, Japan, New Zealand, Switzerland and the United States.

In May 2023, the **EU and the United States updated their MRA on marine equipment** to reflect the latest regulatory and technological changes in this area. The EU and the United States also expanded the EU-US MRA annex on good manufacturing practices for pharmaceuticals to include veterinary medicines, allowing veterinary products manufactured in the EU to be exported and marketed in the United States without the need for inspection of EU manufacturers by the US, and vice versa.

³⁰ https://policy.trade.ec.europa.eu/analysis-and-assessment/ex-post-evaluations_en

III. Helping small and medium-sized enterprises to find their place in global trade

SMEs continue to be a focus of the Commission's implementation and enforcement activities, so that they can reap the benefits of EU trade agreements. This section outlines the main activities carried out in 2023 to achieve that objective.

A. Upgrading & promoting Access2Markets

The Access2Markets platform, which provides free, multilingual information, which is particularly helpful for SMEs, has continued to be upgraded in 2023. It ensures that European enterprises are well-equipped to navigate the complexities of international trade with even greater efficiency and ease.

- **The Rules of Origin Self-Assessment tool (ROSA³¹)** allows companies to assess whether their products meet the conditions to benefit from preferential treatment under an EU trade agreement. The tool covers 31 agreements including those with Canada, the United Kingdom and Japan as well as the conditions under the Generalised Scheme of Preferences. Over 14 000 assessments on average are carried out each month.
- **My Trade Assistant for Services and Investment** is an online tool launched in 2022, which provides practical information about the requirements that EU services suppliers need to fulfil when exporting outside the EU. It is consulted 2000 times on average each month. Following an extension in 2023, the tool now covers more than 100 services sectors, such as business and professional services, financial services, telecom services, and transport services in four countries: Canada, Japan, Switzerland and the United Kingdom.
- **Access2Procurement** helps EU business establish whether a specific public procurement tender is covered by one of the EU's bilateral trade agreements. In 2023, the tool was consulted more than 480 times per month as it was expanded to include the United States, in addition to Canada and Japan. The United Kingdom will be added to the database in 2024.
- **Access2Conformity**, added in 2023, helps EU exporters identify where in the EU they can get their products conformity tested and certified when exporting to third countries with whom the EU has concluded an MRA. The tool currently covers Australia, Canada, Japan, New Zealand, the United States and Switzerland.

³¹ [How to use the Rules of Origin Self-Assessment tool \(ROSA\) | Access2Markets \(europa.eu\)](#)

B. Helping SMEs to get the most from international trade agreements

An important objective of EU trade agreements is to help EU SMEs to grow their business with and in foreign markets. In addition to the SME-specific chapter present in all recent trade agreements, throughout 2023 the Commission continued to build awareness about the benefits of EU agreements, in close cooperation with Member States and stakeholders.

Market Access Days (MADs) in 2023 took place in nine Member States (Sweden, France, Croatia, Czechia, Italy, Finland, Estonia, Spain and Greece) and helped increase awareness among businesses at national and local levels. MADs have seen strong participation from the private sector with an average of 120 participants (in person and online combined) and have provided the Chief Trade Enforcement Officer with the opportunity to engage with businesses and business associations, including SMEs, in a variety of sectors such as agri-food, the automotive industry, medical devices, information and communication technology, ceramics and the textile industry.

To support its outreach to SMEs, the Commission/DG TRADE stepped up its training of **key multipliers** at European and national levels, such as trade promotion organisations, European business organisations and associations including SME United or EuroChambres, for them to provide practical guidance to SMEs on using EU trade agreements. Examples include the Export Management Masterclass organised by Trade Promotion Europe and meetings with national associations, including the Confederation of Swedish Enterprises SME committee and the French Confédération des petites et moyennes entreprises.

The EU's **dedicated SME centres** in Tokyo (*EU-Japan Centre for Industrial Cooperation*³²) and Beijing (*EU-China SME Centre*³³) helped EU SMEs to navigate markets in Asia and the Far East, through organising training, business missions, B2B events and issuing market access reports and delivering technical assistance to companies. The Japan Centre also raises awareness on the benefits and opportunities created by the EU-Japan EPA for the SMEs through 23 webinars on doing business in Japan, with 730 participants³⁴. The EU-China SME Centre's team of experts provides free services including on business development, legal information, standards, human resources and training, hot desking, any other practical, hands-on support for SMEs through 34 training sessions/webinars in China and the EU for over 2 000 EU SMEs, among other events.

³² <https://www.eu-japan.eu/>

³³ <https://www.eusmecentre.org.cn/>

³⁴ Success stories of European companies entering the Japanese market can be found here: <https://www.eu-japan.eu/eubusinessinjapan/tags/case-study>

Helping EU SMEs navigate the EU trade agreements and access third country markets remains one of the key priorities of the EU-financed **Enterprise Europe Network**³⁵ (EEN).

- EEN advisors with the help of the Commission/DG TRADE continued building up their capacity to support clients in accessing the benefits of EU trade agreements. EEN business advisers are in daily contact with SMEs looking for growth opportunities in third country markets. 87 of them received training in September 2023 covering the state of play of the EU trade agreements and an update on Access2Markets.
- Over the reporting period, EEN hosted four ‘**FTA regulars’ tables**’, bringing together more than 150 EEN business advisers and trade experts for hands-on exchanges on concrete cases involving European SMEs.
- In 2024, the EEN launched a series of webinars on *Embracing global markets*, offering SMEs key market intelligence and information on regulatory requirements to help them expand in fast growing markets in Asia, Africa and the Americas.
- The Commission supports the effort and shared its expertise on MRAs on conformity assessment.

Concrete results of the work by EEN business advisers and examples of how they helped European SMEs to seize trade opportunities linked to FTAs are available on the EEN website³⁶.

In 2023, the EU also continued its engagement at **multilateral level**. Efforts were directed in particular at converting the *Global Trade Helpdesk*³⁷ into a comprehensive and more user-friendly platform for micro and SMEs (MSMEs). The EU also made major strides on best practices work, which led to the launch of two *compendia* (on access to finance by women-led MSMEs³⁸ and on special provisions for MSMEs in Authorised Economic Operator Programmes³⁹) launched at the WTO MC13 in February 2024.

³⁵ Information on the EEN is available here: <https://een.ec.europa.eu/>. The network, co-financed by the EU COSME programme, is active in more than 60 countries and brings together 3 000 experts from 600 member organisations. Its objective is to help small and medium-sized businesses in their international activities.

³⁶ [Success stories | Enterprise Europe Network \(europa.eu\)](#)

³⁷ [Global Trade Helpdesk](#)

³⁸ [directdoc.aspx \(wto.org\)](#)

³⁹ [directdoc.aspx \(wto.org\)](#)

IV. Addressing barriers and finding solutions

IV.1 State of play and trends in 2023

In 2023, the global trade landscape was increasingly influenced by a mix of ongoing geopolitical tensions, economic fluctuations and shifts in trade policies. The dynamic of trade was further complicated by a contraction in global trade volumes, reflecting a cautious and, in some cases, pessimistic outlook from both developed and developing economies. The recent crises over the last few years – notably the Covid-19 pandemic and its consequences, Russia’s war of aggression against Ukraine, and the latest developments in the Middle East have disrupted global supply chains and added more strains on international trade relations. At the same time, the digital transformation has been accelerating, affecting trade in goods and services differently, while the economic impact of energy price hikes and the inflation that followed continued to be felt.

At the same time, **trade barriers restricting imports** have been on the rise. Import restrictions, local content requirements and discriminatory practices, and more generally measures directed at import substitution (e.g. non-automatic licences on a variety of imports), in particular in the Southern Neighbourhood, are becoming the industrial policy instrument of choice for some of our partners.

Among new barriers, **export restrictions** (following on from the pandemic, affecting food, fertilisers but also a number of important raw materials) continue to outnumber import restrictions. EU businesses are also facing export restrictive measures targeting (critical) raw materials to create policy space for industrial development and processing, notably in partner countries in Southeast Asia (e.g. Indonesia’s export ban on nickel ore) or Sub-Saharan Africa (e.g. Ghana, Tanzania or more recently the export ban of lithium from Namibia and Zimbabwe).

In 2023, a total of **16 new barriers were registered**, the leading categories being administrative measures and tariff barriers (four respectively), while three new barriers related to TBT and SPS, respectively.

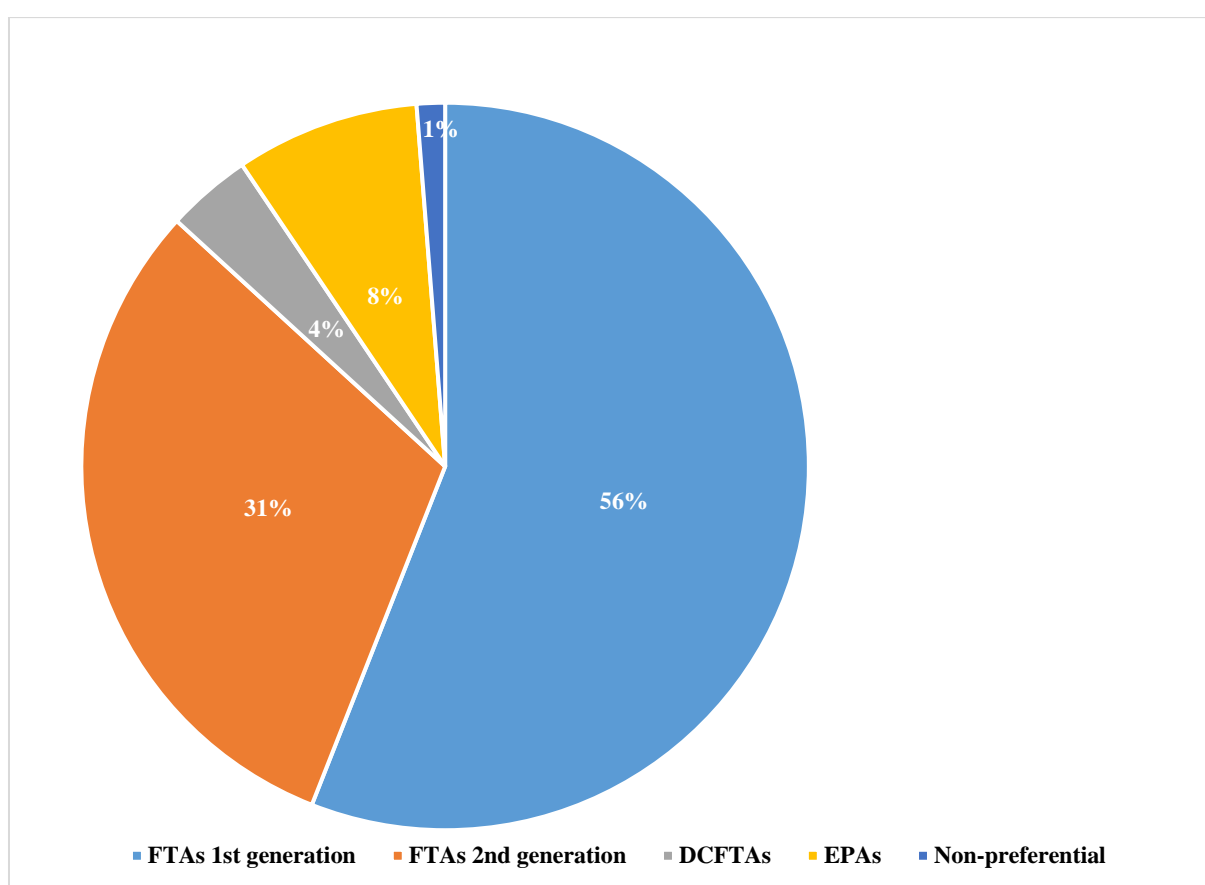
2023 again highlighted the importance of **addressing and navigating trade barriers and protectionist measures**, which remained a significant concern. Countries and trade blocs grappled with finding the balance between protecting domestic industries and fostering a free and fair-trading system.

A. Stock of registered trade & investment barriers as of 31 December 2023

By the end of 2023, **423 active market access barriers**⁴⁰ were registered in the Commission's Access2Markets database in 62 third countries, i.e. 25 fewer barriers than the year before, when 448 were registered. This is a result of a dual approach: actively combating existing barriers and undertaking an internal review to eliminate outdated obstacles that no longer pose a challenge to EU exporters.

Figure 3 below shows the percentage of barriers registered at the end of 2023 per type of agreement. Preferential trade partners, in particular those with a second-generation agreement, had fewer registered barriers than other trade partners and the number of longstanding barriers was also lower.

Figure 3: Percentage of barriers registered as per type of agreement



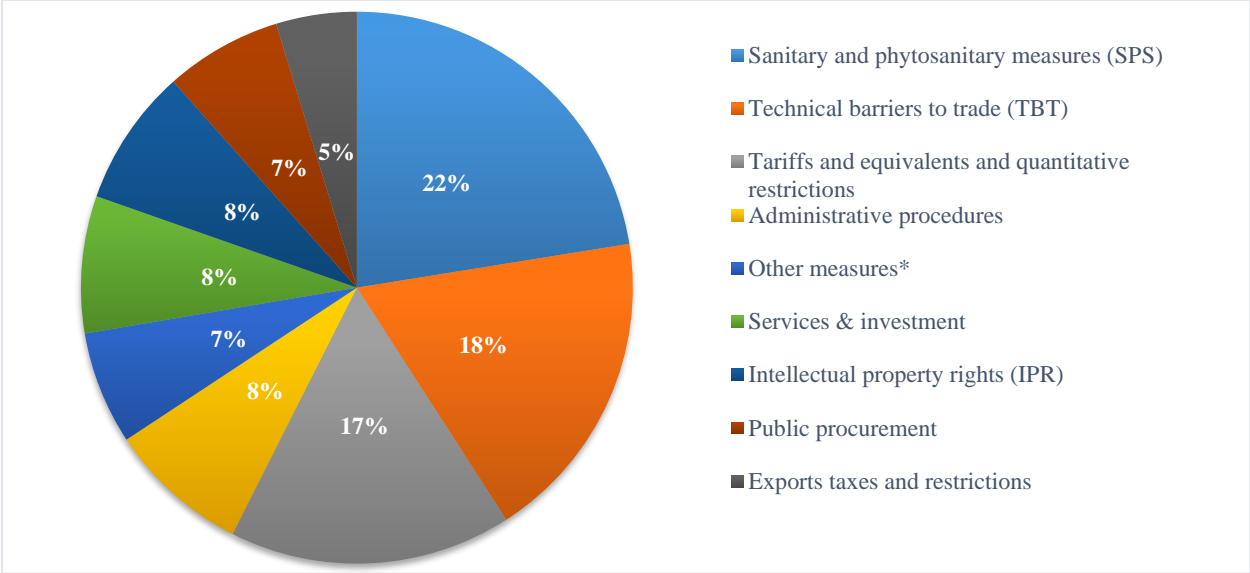
Looking at the **geographical spread of barriers** in 2023, the highest number were still registered in **China** (33), **Russia** and **India** (32 each), followed by the **United States** (23) and **Brazil** (19). This mirrors the situation in 2022, except that Brazil overtook Indonesia (17). In addition, third countries with 10 or more barriers included Türkiye (17), South Korea (16), Australia (15), Mexico (12), Algeria (11), Egypt (11) and Malaysia (10).

⁴⁰ At the end of 2022, the number of barriers stood at 448. In 2023, 16 new barriers were registered, while 21 were fully resolved and 20 were deregistered because they became obsolete, leading to a total stock of 423 barriers at the end of 2023.

Looking at the **types of trade barriers**, SPS measures remained the largest category (95), accounting for 22% of all barriers. This was followed by technical barriers to trade (TBT) measures (78 barriers) and tariff measures and quantitative restrictions or quotas (70 barriers). Together, these three categories of trade barriers accounted for 57% of all active barriers. 2023 did see, however, a steep decrease in two categories, namely tariffs and quantitative restrictions (70 instead of 79 registered in the year before) and ‘other measures’⁴¹ (28 as compared to 37 registered at the end of 2022), and a steady decline in SPS related measures since 2021 (95 compared to 99 in 2022). The number of export taxes and restrictions has increased (20 compared to 16 in 2022) in comparison.

Numbers of registered barriers in the remaining categories remained relatively stable when compared to the end of 2022.

Figure 4: Types of barriers in 2023



B. Developments in trade & investment barriers in 2023

In 2023, the **number of new barriers** registered **increased again** for the first time since 2020, although their number remains far below pre-COVID levels.

Type of measure	2020	2021	2022	2023
SPS	13	2	3	3
TBT	5	6	2	3
Tariffs and equivalents and quantitative restrictions	5	2	3	4
Administrative procedures	5	1	0	4
Services & investment	4	1	0	0

⁴¹ Other measures include barriers related to trade defence instruments (TDIs) and to subsidies and measures affecting competition.

Other measures ⁴²	4	2	0	0
IPR	1	0	2	0
Public procurement	3	2	0	0
Exports taxes and restrictions	1	0	0	2
Grand total	41	16	10	16

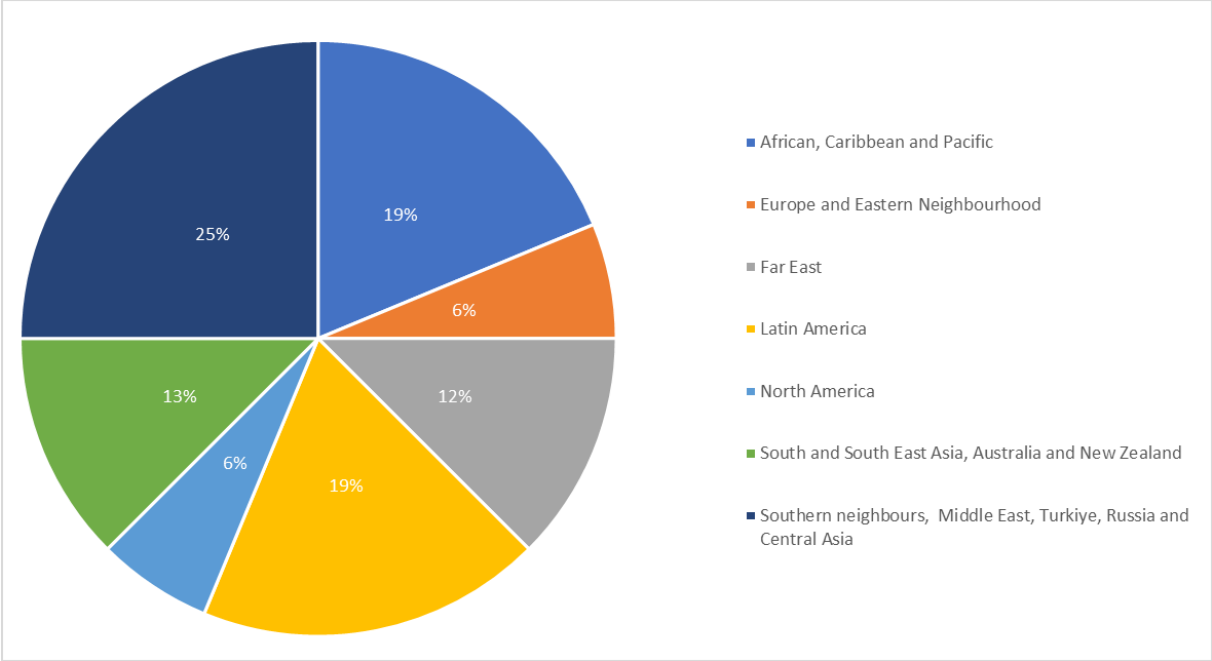
The new types of barriers were **administrative procedures** and **tariffs and equivalents and quantitative restrictions** (four new registered barriers for each type), followed by **technical barriers to trade (TBT)** and **sanitary and phytosanitary measures (SPS) measures**. In 2023, the number of new SPS barriers remained at a relatively low level (3), similarly as was the case in 2022 (3) and in 2021 (2).

As in previous years, most of the new barriers concerned the **agriculture and fisheries** sector. Horizontal barriers which affected several sectors were also on the rise.

Type of sector	New barriers 2022	New barriers 2023
Agriculture and fisheries	5	4
Horizontal	3	5
Wines and spirits	1	1
Other industries	1	1
Automotive	0	2
Pharmaceuticals	0	2
Mining	0	1
Services	0	1
Total	10	16

⁴² Other measures include barriers related to trade defence instruments (TDIs), and to subsidies and measures affecting competition.

Figure 5: Geographical spread of new barriers in 2023



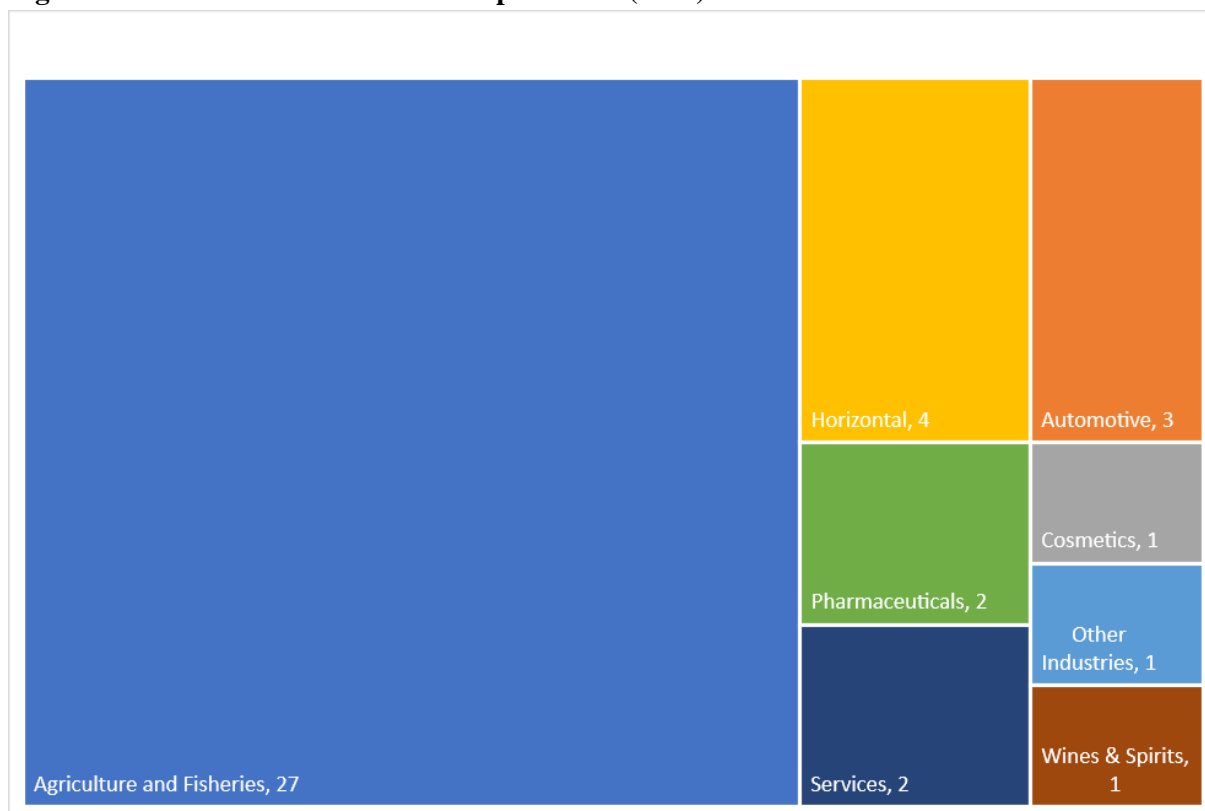
As in 2022, the Southern Neighbourhood topped the list in terms of new barriers (4), followed by Latin America and Africa (3), South and Southeast Asia and the Far East (2) and North America and the European Neighbourhood (1). This is also reflected in the number of complaints per region (see figure 5).

C. Barriers resolved in 2023

In 2023, **41** barriers were removed in **28 partner countries**. Different strategies and instruments were used, including diplomatic engagement and/or using the committees created under **bilateral trade agreements and the WTO**.

60% of resolved barriers were in the **agriculture and fisheries sector**. Four of the resolved barriers affected products across more than one sector, while three concerned the **automotive sector**. This largely mirrors the situation in 2022.

Figure 6: Number of barriers resolved per sector (2023)



Among resolved barriers, **SPS measures** (26) again **topped the list**, with a direct positive effect for the European **food sector**. In addition to progress on **regionalisation with FTA partners Japan and South Korea** (see Section II.2 above), concerted action between the Commission, Member States and the sectors concerned were the motor behind resolving a number of longstanding and particularly harmful barriers in a number of other third countries.

- For example, **Saudi Arabia stopped a BSE** (Bovine spongiform encephalopathy) motivated **ban of bovine, ovine and caprine products from all EU countries** that had lasted two decades, while **China** after more than 20 years, finally lifted similar restrictions affecting beef from Belgium and Poland. China remains the world's largest export market for beef, specifically deboned beef from animals under 30 months of age.
- **Indonesia lifted excessive fees and taxes** charged on EU imports, introducing a transparent and equitable fee structure for quarantine services aligned with international standards. This directly benefits EU exports of agri-food products to Indonesia worth EUR 950 million a year. Exporters of agricultural goods to **Colombia**, an export market worth EUR 737 million a year, benefited from the abolition of **excessive fees for risk** assessments of EU animal and plant products, which had amounted to up to EUR 3 000 each.
- Progress was also made on delays in treating market access applications made by individual Member States. After several years, Slovakian dairy products are now welcome in **South Korea**, French baby kiwis in the **United States**, and French

pigmeat products in **Australia**. Often these procedures fail to take into account that legislation on SPS matters is harmonised at EU level.

Six of the barriers removed were **technical barriers to trade (TBT)**, while two concerned **related tariffs and equivalents and quantitative restrictions**.

- Restrictive rules governing the labelling of foodstuffs were removed by **Peru**. Following discussions in the EU-Andean FTA TBT subcommittee, Peru amended its legislation to allow the use of adhesive labelling on food products indefinitely. This is a big relief for EU exporters to Peru of processed food and non-alcoholic beverages, a market worth EUR 140-180 million annually.
- **Argentina** eliminated the system of non-automatic import licences - one of the longest-standing market access barriers for EU business in Argentina. Member States are already reporting that imports are entering the country much more smoothly with the new system.
- Working together, the European Commission, the **Japanese Government** and the private sector succeeded in remedying a problem caused by additional requirements that affected imports of veterinary products, notably animal RFID (radio frequency identification device) readers.

When tackling barriers, the Commission cooperates closely with Member States and EU stakeholders. This is done within the **Market Access Partnership**, which remains a central strand of the strategy for battling barriers. The partnership brings together the Commission, Member States and EU business associations on a regular basis, in different configurations. The Council's Trade Policy Committee also regularly considers implementation and enforcement issues, including on country-specific barriers, to provide the necessary drive and direction and to develop a shared understanding between the Commission and Member States of priorities, of what needs to be done and of where efforts should be focused.

The partnership's work before and during the mandate of this Commission has significantly **freed up EU exports**. Overall, econometric analysis carried out by DG TRADE showed that thanks to the removal of a number of barriers between 2018 and 2022, exports from the EU in 2023 were EUR 6.2 billion higher than they would have been if the barriers had still been in place.

IV.2 Bilateral and multilateral enforcement of trade commitments: resolving disputes

While most barriers continue to be tackled by bilateral engagement with the trading partner through FTA committees or committees in the WTO, it continues to be necessary in some cases to move to formal dispute procedures, either under a bilateral agreement or in the WTO. For this, it remains **crucial to preserve the ability to get disputes adjudicated** between parties.

In particular, the **Multi-Party Interim Appeal Arbitration Agreement (MPIA)** as well as 'ad hoc' appeal arbitration agreements have helped to preserve the adjudication of disputes at the WTO notwithstanding the blockage by the United States since 2019 of appointments to

the WTO's Appellate Body. With the Philippines joining in May 2024, 54 of the 164 WTO members are now covered by the 26 MPIA participants. The first MPIA award was issued in December 2022 in DS591 in a case brought by the EU (*Colombia – Frozen Fries*).

Dispute settlement - albeit taking its time - remains an important avenue for the EU's enforcement action. It is a well-established and rule-oriented way to resolve disputes away from unnecessary politicisation. By reinforcing the rule of law, the dispute settlement system also makes the trading system more secure and predictable.

No new offensive cases were launched by the EU in 2023, but two new ones were launched in June 2024:

- On 14 June 2024, the EU launched a **bilateral dispute settlement case** against **Algeria** under the EU-Algeria Association Agreement⁴³ and requested consultations with Algerian authorities to address several restrictions imposed on EU exports and investments, including, amongst others, 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 in Algeria and an import ban for ceramics and marble. By imposing these trade restrictive measures since 2021, Algeria in the view of the EU is not respecting its trade liberalisation commitments under the EU-Algeria Association Agreement.
- On 26 June 2024, the EU requested **dispute settlement** consultations at the **WTO** concerning **Taiwan's** use of local content criteria for offshore wind energy projects (DS625, *Taiwan – offshore wind*). In the view of the EU, Taiwan's local content eligibility and award criteria in energy capacity allocation auctions for offshore wind farms are inconsistent with its WTO commitment to not discriminate against imported goods and services.

Over the reporting period, the **EU side also continued leveraging legal enforcement** and was able to obtain relief in a number of cases. In the case DS583 (*Turkey – pharma*), the WTO dispute has been successful in reversing Türkiye's policies of localisation and prioritisation of pharmaceutical products.

At the same time, winning a case does not always translate into the immediate removal of the restrictive measure or policy. In some cases, partner countries may engage in delaying tactics or take measures that do not actually result in compliance. In this scenario, the Commission will take the necessary steps to defend the EU's interests (i.e. launching compliance proceedings or even considering retaliation) to maintain the pressure to ensure the removal of barriers. This is the case for DS591 (*Colombia – Frozen fries*) and DS577 (*US – Ripe olives*) where compliance proceedings were launched (see information in Section I.1 above).

⁴³ <https://circabc.europa.eu/ui/group/09242a36-a438-40fd-a7af-fe32e36cbd0e/library/46ce9fe8-838a-4d71-8dde-9f4cd9976d3e/details?download=true>

Finally, the Commission continued efforts to **ensure the full implementation of panel rulings** in the EU's favour. To do so, it is making full use of the possibilities offered by the WTO dispute settlement scheme and the EU's strengthened **Enforcement Regulation**⁴⁴. The EU has recently faced the blocking of final adjudication of disputes within the WTO system, e.g. case DS592 (*Indonesia-nickel ore*), where Indonesia has appealed to the non-functioning WTO Appeal Body, and case DS582 (*ICT India – tariffs on ICT products*) where India has similarly appealed after almost a year of engagement to find a solution. In 2023, the Commission launched a first public consultation on the possible use of the Enforcement Regulation against Indonesia, and it is considering applying appropriate and proportionate countermeasures while discussions with the country on a possible solution are under way.

IV.3 The Single Entry Point

The **Single Entry Point** continued to provide a unified platform and one-stop shop, simplifying the process for stakeholders to report barriers to the Commission and setting in motion an efficient process to assess complaints. Progress in 2023 underscores the EU's dedication to promoting fair trade and sustainability objectives through streamlined processes and enhanced stakeholder engagement.

Single Entry Point: How does it work?

Complaints can be submitted by completing the relevant **online forms** (one for market access issues and one on TSD/GSP-related issues), available on Access2Markets⁴⁵. These forms are designed to provide DG TRADE with sufficient information to conduct an initial assessment of the issue at stake and consider the appropriate follow-up. In December 2023, the Commission/DG TRADE revised and further simplified the operating guidelines for the Single Entry Point⁴⁶ and came up with an indicative timeline of 120 working days for handling TSD complaints. Clarifications are also provided in pre-submission meetings with potential complainants and subsequent meetings once a complaint has been received. The Commission can also open a complaint on its own initiative ('ex officio') to pursue cases.

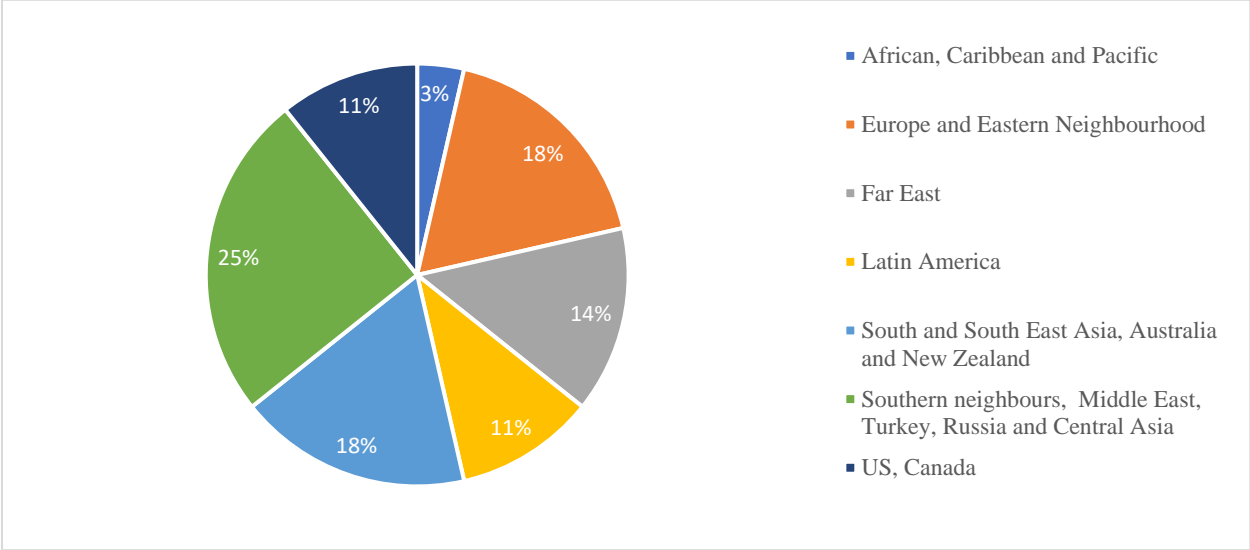
As shown in figure 7 below, the Single Entry Point received complaints about barriers encountered in 20 partner countries, covering all geographical regions. In line with the trend observed in 2022, a quarter concerned alleged trade barriers in the Southern Neighbourhood (seven barriers), down from 33% in 2022. Almost a fifth of barriers arose in South and South East Asia and Europe and the Eastern Neighbourhood, respectively, with these three areas accounting for 61% of all complaints received.

⁴⁴ eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021R0167

⁴⁵ <https://trade.ec.europa.eu/access-to-markets/en/contact-form>

⁴⁶ https://trade.ec.europa.eu/access-to-markets/en/form-assets/operational_guidelines.pdf

Figure 7: Complaints received by the Single Entry Point in 2023, per region



In 2023, its **third full year** of operation, the **Single Entry Point** received 28 external complaints from EU stakeholders. The vast majority (24) were brought by EU business, i.e. 16 complaints were launched by EU companies, six by European trade associations, and two by national trade associations. The two remaining complaints were launched by Member States. In addition, the Commission started looking at two complaints on its own initiative.