



ANALYSIS

The EU's Free Trade Agreements

A tool to enhance crisis preparedness

Summary

This analysis explores how the EU can use its free trade agreements (FTAs) more effectively to enhance crisis preparedness. In response to recent global crises, such as the COVID-19 pandemic and Russia's full-scale invasion of Ukraine, preparedness, economic security and resilience have become central aspects of trade policy discussions.

While EU FTAs already include some crisis preparedness provisions, such as the temporary admission of certain goods and cooperation on contingency plans to secure food supplies, the analysis identifies untapped potential. Drawing inspiration from the EU's existing trade tools (e.g., the Internal Market Emergency Act and FTA committees), as well as international initiatives like UN ESCAP's model chapter on trade in crisis situations, this analysis outlines concrete measures that can be implemented to enhance FTAs. These measures include:

- identifying essential goods, services and workers;
- developing joint contingency plans;
- facilitating trade through simplified customs and digital procedures;
- stress-testing supply chains;
- negotiating bilateral export certificates for animal products; and
- only using non-market based measures as a last resort.

However, it should be noted that, as a trade policy instrument, FTAs can help build preparedness by increasing opportunities to diversify supplies and supply chains. If the EU and its trading partners are not ready to incorporate these measures into their FTAs, a trade-related agreement (TRA) could be considered as an option.

Based on the above, we have three recommendations for the European Commission.

- Utilise FTA committees to a greater extent.
- Negotiate new FTA chapters, update existing ones or pursue separate agreements.
- Complement FTAs with TRAs.

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1 The impact of economic security and preparedness on EU trade policy

The trade policy landscape has changed. Due to recent crises – including the COVID-19 pandemic and Russia’s full-scale invasion of Ukraine – national and economic security are at the forefront of trade policy discussions. As a result, policymakers are discussing ways to reduce dependencies and vulnerabilities, while increasing resilience and self-sufficiency. This is reflected in the European Commission’s (hereafter the Commission) Economic Security Strategy and the European Preparedness Union Strategy.

These strategies propose several new tools. For example, the Economic Security Strategy outlines plans to develop economic security standards and to review outbound investment (European Commission, 2023a). The Preparedness Union Strategy states that an EU Stockpiling Strategy will be established and that the EU will embed preparedness and security considerations across EU legislation and policies (European Commission, 2025a). In addition, both strategies stress the importance of concluding more free trade agreements (FTAs) and other trade-partnerships¹ to support de-risking, promote diversification and reduce dependency.

Preparing for future crises requires both new tools and better use of existing ones. The National Board of Trade Sweden (2024a) has recommended that the Commission utilise its existing FTAs more to enhance security and resilience. FTAs help build trust, reduce trade barriers and offer a more predictable trade environment compared to trade with third countries. Research by Nicita and Saygili (2021) shows that during the COVID-19 pandemic, trade under FTAs declined significantly less and was more resilient than trade outside FTAs. One explanation can be that trade flows within FTAs are more robust and have lower trade costs relative to trade outside of FTAs.

1.1 Purpose and outline

Our analysis explores how the EU’s FTAs can support crisis preparedness and help maintain trade flows between the EU and its trading partners. It also aims to highlight how the EU can use its existing trade policy tools for crisis preparedness, before developing new ones.

Throughout the analysis, the term “crisis” refers to a broad range of events, including war, natural disasters, climate change, pandemics, financial crises and cyber-attacks.

We begin by reviewing the EU’s current trade tools for crisis situations, both those within FTAs and those implemented unilaterally. We then look at how the EU’s FTAs could be improved to maintain trade flows during crises. The UN ESCAP (2022) model chapter on trade in crisis situations in regional trade agreements (hereafter model chapter) serves as a source of inspiration. Finally, we propose concrete recommendations to the European Commission.

¹ E.g., Digital Partnerships, Green Alliances and Partnerships, Raw Material Partnerships, the Critical Raw Materials Club and Trade and Technology Councils.

2 The EU's current trade toolbox for crises

2.1 Provisions in the EU's FTAs

Many of the EU's most recent or modernised FTAs include provisions for cooperation during crises. For example, there are provisions in the **chapters on customs and trade facilitation** regarding temporary admissions in both the EU-Chile and the EU-United Kingdom FTAs. This allows importers to bring in certain goods without paying duties, taxes, or facing other restrictions – provided specific conditions are met. One example is when goods are imported for humanitarian purposes and forwarded as aid to people affected by natural disasters or similar crises².

Both the EU–Chile³ and the EU–New Zealand FTAs contains provisions in the **chapters on sustainable food systems** in which the parties have agreed to cooperate on contingency plans to ensure secure and resilient food supply chains in times of crises.⁴

The **chapter on electricity and gas** in the EU-UK FTA states that the parties shall inform each other if disruptions or other crises relating to the supply of electricity or natural gas occur, as well as of any planned or implemented measures⁵. The same chapter states that the parties shall establish and regularly update plans to address identified risks affecting the security of the electricity and gas supply. This includes measures needed to resolve or mitigate an electricity or natural gas crisis. If a crisis occurs, the parties shall only activate non-market-based measures as a last resort⁶.

These provisions are likely a response to previous crises, such as the COVID-19 pandemic and Russia's full-scale invasion of Ukraine. However, since these FTAs are newly adopted, it remains unclear whether the provisions will be effective in an actual crisis. Therefore, the next sections look at other tools within the FTA framework that the EU can utilise to address supply chain disruptions with its partners during crises.

2.2 The EU's FTA committees

Monitoring and related discussions concerning the implementation of the EU's FTAs are conducted by specialised committees (related to the specific FTA chapter) and a Joint Committee. The Joint Committees usually have broad mandates and meet regularly to review and monitor the implementation and operation of the FTA. They may also address any issue covered by the agreement, provide recommendations and make binding decisions⁷. Some Joint Committees also study the development of trade between the parties and consider ways to further enhance trade relations.⁸ Specialised

² See Article 4.21(g) in the EU–Chile FTA and Article 117.2(h) in the EU–UK FTA.

³ We are referring to the EU–Chile Interim Trade Agreement that was concluded in 2024.

⁴ See Article 7.4.3(f) in the EU–Chile FTA and Article 7.4.4(d) in the EU–NZ FTA.

⁵ See Article 315.4 and Article 315.5 in the EU–UK FTA.

⁶ See Article 316.2 in the EU–UK FTA.

⁷ E.g., Chapter 22, Article 22.1, 22.2 in the EU–Japan FTA, Title III, Article 7.4 in the EU–UK FTA.

⁸ E.g., Chapter 26, Article 26.1.4(d) in the EU–Canada FTA.

committees usually have the authority to make decisions and recommendations, provided that these are linked to the implementation of the relevant FTA chapter⁹.

The agendas and reports from several FTA committees indicate that they have been used as platforms for discussions of post-crisis developments. For example, the Joint Committee for the EU–Canada FTA exchanged views on the economic impact of the COVID-19 pandemic and global supply chains (European Commission, 2025b). The parties reviewed their measures to facilitate the continuation of preferential trade during the pandemic, which included increased flexibility and additional administrative cooperation on the verification of origin. When discussing the COVID-19 pandemic and its consequences, the EU–Chile Joint Association Committee also highlighted the need to strengthen health systems and international preparedness for, and response to, future pandemics (MINREL, 2025).

Some of the EU’s specialised committees also discuss preparedness issues to avoid potential future crises. For example, the EU–UK Specialised Committee on Energy shared their views on winter preparedness. The parties exchanged presentations on the latest analysis, scenario planning, modelling assumptions and preliminary findings for the winter outlook from their respective electricity grid operators (European Commission, 2025c). However, the ability of FTA committees to discuss issues related to post-crisis management and preparedness is not entirely new. A review of earlier EU FTAs suggests that these committees have, in principle, always had the flexibility to address such issues – provided that they are linked to the implementation of the agreement.

2.3 Trade-related agreements (TRAs)

The National Board of Trade Sweden (2024b) mapped what we call “trade-related agreements” (TRAs), which are agreements between two or more countries where one of the objectives is to increase cooperation with a trade dimension, without focusing on improving market access by reducing tariffs¹⁰. TRAs are usually more sector-specific than FTAs, focusing on one main area of cooperation such as supply chain resilience. This focus may stem from post-COVID supply chain disruptions, prompting political efforts to facilitate cooperation and prevent future challenges. Since then, supply chain resilience has gained importance, which is reflected in new types of TRAs. For instance, the EU and Japan agreed to launch an energy security dialogue including collaboration on a global early warning system for LNG supply (European Commission, 2023b).

TRAs can be established regardless of whether the parties have FTAs. TRAs can be used as building blocks for future FTAs since they help build mutual trust and provide a platform for regular dialogue on trade matters, such as the EU-India Trade and Technology Council (TTC). TRAs can also complement existing FTAs, which is

⁹ E.g., Chapter 22, Article 22.3.3(f) in the EU-Japan FTA and Chapter 26, Article 26.2.4 in the EU-Canada FTA.

¹⁰ One limitation of our mapping was that we did not analyse if these TRAs actually increased trade between the parties.

quicker than updating an entire FTA, as seen with the EU–Singapore Digital Trade Agreement (DTA). Once ratified, the DTA complements the existing FTA.

Since FTAs and TRAs are not mutually exclusive, it is also possible to establish TRAs that focus on preparedness cooperation while still negotiating an FTA. For example, the EU and India announced that they intend to collaborate on contingency planning for food security after their second TTC meeting (European Commission, 2025d). The parties also aimed to improve transparency and security in the supply chains for active pharmaceutical ingredients by mapping vulnerabilities, promoting sustainable manufacturing, and establishing early warning systems to prevent disruptions.

2.4 Unilateral trade tools

In addition to the measures within EU FTAs, the EU also uses unilateral trade tools to manage different types of crises. Below are a few examples of such tools that could be replicated in the FTA framework.

2.4.1 Trade facilitation measures

During the COVID-19 pandemic, the Commission (2025e) introduced temporary trade facilitation measures such as “green lanes”, which exempted transport workers from road and travel restrictions. After Russia’s full-scale invasion of Ukraine, the Commission (2025f) launched the “Solidarity Lanes Action Plan” to establish alternative logistics routes via rail, road and inland waterways in order to enable Ukraine to keep its trade routes open.

The Commission (2025g) also temporarily accepted digital copies of origin certificates within the framework of the Pan–Euro–Med Convention. During the COVID-19 pandemic, it was not possible to follow regular routines for stamping and signing origin certificates. By accepting digital copies, preferential trade could be maintained despite the need for social distancing.

2.4.2 The EU's crisis preparedness tools

The EU has several crisis preparedness tools. One example is the contingency plan for transport, which was developed in part as a response to lessons learned during the COVID-19 pandemic (European Commission, 2022). The plan emphasises the need to strengthen international coordination mechanisms. It also recommends that crisis preparedness be regularly discussed with international partners. In addition, it encourages EU Member States to ensure that crisis measures treat transport workers fairly – including non-EU workers – and, where possible, to waive travel restrictions or other administrative burdens. This is particularly important given the critical role these workers play in freight and vehicle supply chains.

The Commission (2021a) also adopted a contingency plan for food supply and food security in times of crisis. This plan highlights the importance of cooperating with international partners and enabling the fair and expedient movement of cross-border and seasonal workers in the food sector. To implement the plan, the Commission established the European Food Security Crisis Preparedness and Response Mechanism

(EFSCM). This mechanism is triggered during large-scale, unexpected events that may threaten the EU's food supply. A dedicated expert group supports the EFSCM, meeting regularly to assess risks, identify vulnerabilities, and strengthen the EU's preparedness.

The EU has also adopted the Internal Market Emergency Resilience Act (IMERA), which aims to ensure the uninterrupted movement of essential goods, services and persons across the EU during a crisis (European Commission, 2025h). IMERA supports both crisis preparedness and response. It includes measures such as contingency planning, monitoring critical supply chains of goods and services, and securing access to essential goods when needed.

The above examples are just three crisis preparedness tools the EU has at its disposal¹¹. Other tools have similar measures, such as exchanging information on best practices and experiences¹², monitoring supply chains¹³, and setting up early warning systems¹⁴. Some also involve strengthening EU Member States' coordination in crisis management¹⁵, training exercises¹⁶, and stress-testing regulations and supply chains¹⁷.

¹¹ We have mapped EU regulations and measures for strengthened crisis preparedness, see National Board of Trade Sweden (2025), *EU – en viktig del av Sveriges Försörjningsberedskap: Kartläggning av lagstiftning och åtgärder*. The report is in Swedish.

¹² E.g., IMERA, EU's contingency plan for food supply and food security, Integrated Political Crisis Response (IPCR) and the EU's Civil Protection Mechanism.

¹³ E.g., the EU's Civil Protection Mechanism, IMERA, Chips Act, Critical Raw Materials Act (CRMA) and HERA.

¹⁴ E.g., the EU's contingency plan for food supply and food security, the EU's Civil Protection Mechanism and Rapid Alert System for Food and Feed (RASFF).

¹⁵ E.g., Chips Act, EU's contingency plans for food supply and food security and transport, IPCR and Health Emergency Preparedness and Response (HERA).

¹⁶ E.g., the EU's Civil Protection Mechanism and IPCR.

¹⁷ E.g., IMERA and CRMA.

3 How can EU FTAs be strengthened to prepare for future crises?

In this section, we discuss several measures that the EU and its trading partners (hereafter the parties) can cooperate on to better maintain trade flows during crises. These measures are inspired by the EU's current trade toolbox for crises, which was presented in the previous section. The measures and FTA chapters mentioned in this section are not exhaustive, but they offer examples of what could be done within the FTA framework. We recognise that some issues may be sensitive and not open to full cooperation, and it is up to the parties to decide how to proceed.

3.1 Define a crisis and essential goods and services



Before proposing specific measures, the parties need to agree on some foundational aspects, perhaps most importantly, how a crisis is defined. Before the COVID-19 pandemic, it was difficult to foresee that the EU would face a pandemic, a war in its neighbouring region, an energy crisis and attacks on ships in the Red Sea, all within the space of a few years. A broad and flexible definition of what constitutes a crisis would therefore be beneficial. Inspiration can be found in the UN ESCAP's (2022)¹⁸ or IMERA's¹⁹ definitions of crises.

The parties also need to agree on key parameters – for example who has the authority to declare a crisis and how to activate the crisis provisions in the FTA chapters. For example, the parties may need to discuss how many EU Member States must be affected by a crisis to be able to invoke a crisis situation. UN ESCAP (2022) has suggested that a special committee for crisis management (similar to the FTA committees) has the authority to declare a crisis situation. The parties should consider whether there is a need for a specialised committee or if existing FTA committees could be empowered to make such a decision.

If the parties are to cooperate on facilitating trade during crises, it is important to discuss which trade flows should be prioritised. Therefore, the parties should define which goods, services and workers are considered essential, as well as identify the critical sectors in which they are found. For inspiration, the parties can, again, find inspiration in UN ESCAP's (2022) general definition of essential goods and services.

¹⁸ “Crisis situation means an extraordinary situation arising from inter alia wars, natural disasters, extreme financial events, pandemics, and other emergencies, which affects one or more territories and puts at risk core public interests including national security, public health, and environmental health, and safety, provided that (a) such a situation has the potential to cause significant disruption to cross-border trade; or (b) measures adopted by a Party in such a situation are likely to have significant adverse impacts on international trade, including by reducing its contribution to sustainable development and economic growth.”

¹⁹ According to Article 3(1) in IMERA, “‘crisis’ means an exceptional, unexpected and sudden, natural or man-made event of extraordinary nature and scale that takes place within or outside of the Union, that has or may have a severe negative impact on the functioning of the internal market and that disrupts the free movement of goods, services and persons or disrupts the functioning of its supply chains.”

To ensure some flexibility, the parties could maintain a regularly updated list of essential goods and services.

3.2 Enhance cooperation in the FTA committees



The EU's contingency plans for transport and food supply highlight the importance of strengthening coordination with its international partners. This could, for example, be done in the EU's FTA committees, since several committees are already doing this, as illustrated in Section 2.2.

However, cooperation within the FTA committees could be further strengthened.

For example, several sanitary and phytosanitary (SPS) committees²⁰ discuss and exchange information on the management of animal disease and plant pest outbreaks. This cooperation could be expanded by identifying which SPS-related products are at high risk due to outbreaks, as this could help the parties to take a more proactive approach to crisis preparedness. The parties could also share up-to-date information on zoonosis²¹ to minimise the risk of new pandemics.

Other committees beyond the SPS committee could also be used to strengthen crisis preparedness. The committees could draw on existing EU crisis preparedness tools as inspiration (see Section 2.4.2), such as monitoring supply chains of essential goods and services, establishing early warning systems and setting up joint strategies for managing crises affecting bilateral trade. The parties could also reach agreements on joint contingency plans in the FTA committees, which is discussed below.

3.3 Establish contingency plans for essential goods and services



The EU should consider developing contingency plans with its trading partners, rather than relying exclusively on unilateral plans or the sustainable food systems chapter in the applicable FTA. A proactive and practical approach could promote cooperation, ensuring the continued

flow of essential goods and services during crises. The parties could either share their individual contingency plans or develop joint plans.

Contingency plans could include measures from Section 2.4.2, such as regular information exchange on essential supply chains to support decision-making and the sharing of best practices in past and future crisis management. As with several EU-level crisis preparedness tools, the parties could also agree to stress-test essential supply chains, carry out joint training exercises for different crises and inform each other of the unilateral crisis tools and regulations they have in place.

The parties could also adopt common guiding principles for crises – for example, refraining from introducing export restrictions on essential goods. This would be in accordance with Article XI of the WTO's GATT. Another guiding principle could be

²⁰ E.g., during the 8th SPS committee meeting, the EU and South Korea discussed an animal disease outbreak on 4 September, 2019, and the EU-UK SPS committee discussed this on 21 October 2024.

²¹ Zoonosis refers to any infectious disease that is transmissible from animals to humans.

that non-market-based measures will only be used as a last resort, which the EU and UK agreed upon in the FTA chapter on electricity and gas. Additional principles could include avoiding protectionist measures and removing unnecessary trade barriers and non-tariff barriers in advance of a crisis. By adopting a contingency plan and agreeing to guiding principles, the parties could have more predictability about the trade environment in case of a crisis.

3.3.1 Contingency plan in the trade in services chapter

For the **trade in services chapter**, the most relevant modes of delivery for initial cooperation in a contingency plan are the cross-border supply of services (Mode 1 in GATS parlance) and the cross-border movement of natural persons (Mode 4).

Part of developing such contingency plans could be identifying which Mode 1 services are most critical to sustain during a crisis. For example, if a crisis requires a partial or full lock-down (as happened during the COVID-19 pandemic), telemedicine consultation or online education and consultation services may be especially important. This includes inputs and supporting services necessary for the delivery of essential services. By identifying these services and analysing cross-border trade in advance, the parties would be better equipped to avoid unnecessary trade barriers during a crisis and to understand which services the other parties could deliver.

It would be more difficult to include the movement of natural persons in a contingency plan since Mode 4 commitments partly relate to the competences of EU Member States. However, contingency plans could increase transparency by cataloguing existing exemptions that are activated in times of crisis, such as exceptions to the work permit requirements for certain professions. Summarising these exemptions in, for example, an annex to the trade in services chapter, could facilitate and expedite the process of sending essential workers to countries affected by a crisis.

3.4 Implement customs and trade facilitation measures



Recent crises have exposed supply chain vulnerabilities, causing shortages of essential goods and services such as energy, medical equipment, vaccines, critical raw materials and related services. In a scenario where the EU is facing such shortages, importing these goods and services would enhance supply security. Conversely, exporting these goods and services to trading partners in times of crisis would benefit the EU economically while offering support. In case of a shortage, the parties could unilaterally suspend customs duties on essential goods in bilateral trade during a crisis, similar to the EU's approach in response to the COVID-19 pandemic (Commission, 2021b). However, other customs and trade facilitation measures should also be explored within the FTAs.

3.4.1 Temporary admissions

It is positive that EU–UK and the EU–Chile FTA **chapters on customs and trade facilitation** include provisions for the temporary admission of certain goods for humanitarian purposes. However, the parties should consider taking this a step further. Past crises have shown that goods that are not initially considered essential can

become critical during a crisis. This should incentivise the parties to extend the conditions for temporary admissions beyond humanitarian purposes, broadening the condition for admission to include crises in general. This could give the parties flexibility to address unforeseen crises.

3.4.2 Customs procedures

UN ESCAP's (2022) model chapter provides several suggestions to facilitate customs procedures. For example, they recommend that the parties allow for pre-arrival processing of documentation in electronic format for all essential goods in order to expedite the release of these goods upon arrival. Since Article VII of the WTO's Trade Facilitation Agreement (TFA) includes a similar provision, adding it to the **customs and trade facilitation chapter** in EU FTAs should be relatively straightforward. If a future crisis restricts the freedom of movement, as occurred during the COVID-19 pandemic, the parties should also consider temporarily accepting digital copies of origin certificates as the EU did during the pandemic.

UN ESCAP (2022) also suggests that parties set up a 24/7 fast-track customs clearance system to facilitate the transit of essential goods between the parties, which could be a crucial step during supply shortages. To support importers and exporters during crises, UN ESCAP (2022) also suggests that, where feasible, parties leverage the existing National Single Window system and establish a 24/7 helpdesk. The parties could explore this further and see if it would create facilitation for trade flows during supply chain disruptions.

Another proposal is to allow electronic payment of customs duties, taxes and charges (UN ESCAP, 2022). The EU has already implemented similar provisions in some of its recent FTAs²². The EU should encourage trading partners to do the same, as this is also in line with Article VII of the WTO's TFA.

In addition to UN ESCAP's suggestions, the parties could explore options to temporarily extend Authorised Economic Operator (AEO) status to more companies during crises. This could help expedite the import of essential goods, as AEO status ensures quality, security, and access to simplifications²³, making the flow of goods faster and more secure (Swedish Customs, 2025).

3.4.3 Non-tariff measures

UN ESCAP's (2022) model chapter provides examples of how FTA partners can cooperate on **technical barriers to trade** and **SPS measures**. For example, the parties could consider recognising conformity assessment results from each other's accredited bodies, including those for SPS-related products. Parties could also consider establishing certificates to be used by laboratories of which they both accept as it would facilitate trade of essential goods before and during crises.

²² E.g., see the EU's FTAs with Mercosur and Chile.

²³ E.g., lower risk that your flow of goods into and out of the EU will be stopped for examination, possibility to request a specific place for customs checks, easier access to authorizations and permits.

UN ESCAP (2022) recommends that parties aim to adopt available international standards to increase the availability of essential goods and services. This includes accepting SPS measures and technical regulations that are partially based on, or not based on, standards of other parties as equivalent, especially for essential goods. These proposals offer practical ways to improve trade continuity and could be considered in future negotiations. For cases where labelling or packaging are the only requirements in national legislation that are not fulfilled, this could be remedied provided that both parties accept supplementary labelling such as stickers.

Furthermore, the parties could cooperate to ensure that economic actors, manufacturers, importers etcetera are accountable for the conformity of products that they place on the market during a crisis. This could streamline administration for distributors and reduce logistic delays. To prevent counterfeit products and other unfair practices during a crisis situation, the parties should coordinate on consumer protection, as UN ESCAP (2022) suggests. However, this should also apply to hazardous products.

Additionally, the parties should reach an equivalence agreement on animal disease management systems, based on regionalisation²⁴, to allow trade from non-affected areas. The parties could also consider negotiating export certificates for animal products that are exposed to the most common and infectious animal diseases since this could address supply shortages. Thus, if a product shortage occurs, the other party has already established market access and could more rapidly increase exports to the affected party. This would not only compensate for the affected party's national shortage but also be economically beneficial for the exporting party. A recent example where an export certificate for animal products would have been beneficial is the United States' national egg shortage due to avian influenza. In response, the US asked several countries, including EU Member States, to increase exports of shell eggs (Scaggs, 2025). However, the majority of countries asked, had no bilaterally agreed export certificate with the US, making exports impossible.

3.5 Adopt exceptional measures for essential workers and services



The EU's contingency plans for transport and food supply highlight the importance of enabling the free movement of workers – including non-EU residents. The parties should explore ways to facilitate the free movement of essential services and workers to further increase resilience. One option is to introduce a temporary fast-track process for work permits and economic needs testing for essential workers in times of crisis. Another preparatory measure would be for EU Member States and its FTA partners to unilaterally adopt even more exemptions covering essential workers, which would then be added in to the trade in services chapter.

²⁴ The principle of regionalisation is mentioned in the WTO's SPS Agreement and in the World Organisation for Animal Health.

If a future crisis restricts the movement of people across borders – as occurred during the COVID-19 pandemic, the EU could reintroduce “green lanes” or “solidarity lanes” with trading partners in neighbouring countries. These lanes previously exempted transport workers from travel restrictions and helped facilitate the delivery of essential services, such as freight services, road services and transportation services. If the parties established similar lanes but extended them to cover essential workers, it could help sustain critical services and increase resilience.

For Mode 4 services, the parties could explore adding a new category of natural persons (complementing existing categories such as short-term business visitors, intra-corporate transferees, etc.) in the **trade in services chapter**. This could apply to essential workers for different crises including healthcare workers, first responders, transporters or software engineers. Adding a new category would enable the parties to differentiate between commitments in the different categories in a simple and transparent manner. Commitments could include the previously mentioned fast-track procedures, longer durations of stay, additional transparency requirements and other measures that would facilitate the entry and temporary stay of essential workers. However, establishing such a list would require clear definitions of detailing which personnel are covered, for how long and other details.

4 Concluding remarks and recommendations

In this analysis, we have outlined how the EU and its trading partners can strengthen trade cooperation during crises by using the FTA framework. We have explored what the parties can do within specific FTA chapters and what measures they can use to promote cooperation. A summary can be found in the Annex. While the list of FTA chapters and measures we present here is not exhaustive, it is intended to serve as a foundation that can be used to strengthen crisis preparedness through FTAs.

We would also like to emphasise that FTAs, as a trade policy instrument, can help the EU to enhance crisis preparedness and economic security. As previously mentioned, FTAs make trade cheaper and create mutual trust between parties. More FTAs also give EU companies greater opportunities to diversify their supplies and suppliers, which reduce the risk of supply chain disruptions and overdependence on a single supplier or market. FTAs also enable EU companies to import and export essential goods and services, which are crucial when preparing for and managing crises.

In addition, free and open trade supports jobs, economic growth, competitiveness and investment, making countries more robust and resilient to future crises. For example, the WTO (2023) states that trade was key in the response to the COVID-19 pandemic and the war in Ukraine, and that less trade openness would have worsened the economic impacts of these crises.

Therefore, the Commission should make greater use of FTAs to enhance crisis preparedness. Building on this, the next three sections present actionable recommendations to the Commission to leverage FTAs more effectively.

4.1 Utilise FTA committees to a greater extent



The Commission should explore the interests of its partners to enhance cooperation on crisis preparedness through existing FTA committees. Our analysis has given several examples of actions the FTA committees could take, such as establishing early warning mechanisms for essential goods and services. As these measures aim to reduce supply chain disruptions and maintain trade flows, it could be argued that they are part of the FTA's implementation and thus within the committees' mandate to make recommendations and legally binding decisions. This makes the FTA committees an operative and agile forum that the parties can use instead of creating new forums to discuss crisis preparedness. Since several FTA committees are already used to discuss these matters, the threshold for initiating further cooperation would be lowered. Thus, the FTA committees have the potential to be utilised to a greater extent for crisis preparedness.

4.2 Negotiate new FTA chapters, update existing ones or pursue separate agreements



The Commission should also consider establishing new FTA chapters on trade in crises or updating existing chapters with interested partners.

Many of the proposals in this analysis could either be incorporated into existing chapters, or new FTA chapters, similar to what the UN ESCAP suggested. For instance, the EU and its partners could negotiate a separate agreement and later incorporate it into the FTA, following the model of the EU's DTA with Singapore. If a new chapter is established, the parties could also create a new FTA committee that, for example, has the authority to declare a crisis situation, as proposed by UN ESCAP. Ideally, the provisions on crisis preparedness would be legally binding in the FTA chapters, but cooperative and best endeavour provisions could also be meaningful.

Since the majority of these provisions would be new for the Commission to negotiate, the Commission would most likely need a new negotiating mandate from EU Member States to either negotiate a new FTA chapter or update existing ones. This would be in accordance with Article 218 of the Treaty on the Functioning of the European Union, which also applies in cases where the Commission and its FTA partners decide to negotiate a separate agreement.

4.3 Complement FTAs with TRAs



If the parties are not ready to make legally binding commitments on their trade cooperation in crisis situations through FTAs, the Commission could explore complementing FTAs with TRAs, which usually are non-binding instruments. This option should only be pursued if the TRA can

be expected to reduce risks or lower trade cost for trade flows during times of crisis.

TRAs can help build trust and align priorities, potentially paving the way for both sides to include binding commitments in future FTA chapters. For example, it should be relatively straightforward for the EU to achieve consensus on cooperative commitments on contingency plans, since the EU already has similar provisions in their FTAs with Chile and New Zealand.

In addition to the fact that TRAs may be easier and faster to conclude than FTAs due to their non-binding nature, another positive aspect of TRAs is that they can be negotiated with non-FTA partners. This means that the EU is not limited to enhancing trade cooperation during crises through FTAs alone, but can also do so with non-FTA partners via TRAs. However, it may be easier for the Commission to first explore negotiating TRAs with its existing FTA partners, as such negotiations are likely to progress more quickly due to the established foundation of trust between the parties.

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Annex: Summary of the proposed FTA measures

Table 1. A summary of the proposed measures in which the EU and its FTA partners can cooperate to strengthen preparedness and economic security

Proposed measure	Where	Source of inspiration
Define crisis and essential goods and services	New or existing FTA chapter	UN ESCAP's model chapter
Establish who can declare a crisis and activate crisis provisions	New or existing FTA committee in a new or existing FTA chapter	UN ESCAP's model chapter
Strengthen the cooperation within FTA committees (e.g., identify SPS-related products, monitor essential supply chains, joint strategies for managing crises)	New or existing FTA committees	Existing work in FTA committees
Establish contingency plans (including measures such as information exchange, stress-testing of essential supply chains, joint training exercises and introduction of guiding principles (e.g., avoid export restrictions and use non-market-based measures as a last resort))	New or existing FTA chapter (e.g., trade in services, SPS), in an existing or new FTA committee or through a TRA	Commission's contingency plans, the WTO's GATT Art. XI, and the EU-UK FTA
Catalogue existing exemptions on the movement of natural persons	Annex to the FTA chapter on trade in services	
Suspend customs duties on essential goods in bilateral trade during crisis	Unilateral	EU's response to the COVID-19 pandemic
Extend the conditions for temporary admissions beyond humanitarian purposes	FTA chapter on customs and trade facilitation	Existing FTA provisions
Allow for pre-arrival processing of documentation in electronic format for all essential goods	FTA chapter on customs and trade facilitation	Article VII of the WTO's TFA
Temporarily accept digital copies of origin certificates	Unilateral	EU's response to the COVID-19 pandemic
Implement a 24/7 fast-track customs clearance and, where feasible, leverage the existing National Single Window system and establish a 24/7 helpdesk for importers and exporters	FTA chapter on customs and trade facilitation	UN ESCAP's model chapter

Allow electronic payment of customs duties, taxes and charges	FTA chapter on customs and trade facilitation	UN ESCAP's model chapter, the WTO's TFA and existing provisions in the EU's FTAs
Temporarily extend the AEO status to more companies during crises	Unilateral	The EU's current AEO system
Recognise conformity assessments (e.g., TBT and SPS) and accept certificates to be used by laboratories	TBT or SPS chapter	UN ESCAP's model chapter and EU regulatory practices
Adopt available international standards of essential goods and services	TBT or SPS chapter	UN ESCAP's model chapter
Coordinate on consumer protection and counterfeit products, including hazardous products	TBT or SPS chapter	UN ESCAP's model chapter
Reach an equivalence agreement on animal disease management systems	SPS chapter or separate agreement	Existing equivalence agreements
Negotiate export certificates for animal products	SPS chapter or separate agreement	US national egg shortage
Adopt more exemptions covering essential workers	Unilateral by EU Member States and then added in to the FTA chapter on trade in services	Existing exemptions
Exempt essential workers from travel restrictions during crisis (e.g., through "green lanes" or "solidarity lanes")	FTA chapter on trade in services	EU's response to the COVID-19 pandemic and Russia's full-scale invasion of Ukraine
Add new category of natural persons covering essential workers	FTA chapter on trade in services	

Sammanfattning på svenska

Summary in Swedish

Den här analysen undersöker hur EU kan använda sina frihandelsavtal mer effektivt för att stärka unionens krisberedskap. De senaste årens globala kriser – som coronapandemin och Rysslands fullskaliga invasion av Ukraina – har lett till att frågor om beredskap, ekonomisk säkerhet och motståndskraft fått större plats i handelspolitiska diskussioner.

Analysen bygger på EU:s befintliga handelspolitiska verktyg – som förordningen om krissituationer och resiliens på den inre marknaden (IMERA) och det existerande arbetet inom EU:s frihandelsavtalskommittéer. Den bygger också på internationella initiativ som UN ESCAP:s modellkapitel för handel i krissituationer. Den här analysen identifierar outnyttjad potential inom EU:s frihandelsavtal.

EU:s frihandelsavtal innehåller redan bestämmelser som handlar om krisberedskap. Det gäller till exempel tillfällig införsel av särskilda varor och samarbete om beredskapsplaner för att säkra tillgången till livsmedel. Samtidigt kan Europeiska kommissionen göra mer. Vi föreslår flera konkreta åtgärder:

- identifiera kritiska varor, tjänster och yrkesgrupper
- ta fram gemensamma beredskapsplaner
- förenkla handelsprocedurer
- stresstesta leveranskedjor
- förhandla bilaterala exportgodkännanden för animaliska produkter
- använda marknadsstörande åtgärder endast som sista utväg.

Det är dock viktigt att komma ihåg att frihandelsavtal som ett handelspolitiskt instrument kan öka beredskapen genom att underlätta diversifiering av utbud och leveranskedjor. Om EU och dess handelspartners inte är beredda att införa de föreslagna åtgärderna i ett frihandelsavtal, kan ett handelsrelaterat samarbete vara ett alternativ.

Vi ger tre rekommendationer till den Europeiska kommissionen:

- Använd frihandelsavtalskommittéerna i större utsträckning.
- Förhandla nya frihandelsavtalskapitel, uppdatera befintliga eller förhandla separata avtal.
- Komplettera frihandelsavtal med handelsrelaterade samarbeten.

The National Board of Trade Sweden is the government agency for international trade, the EU internal market and trade policy. Our mission is to facilitate free and open trade with transparent rules as well as free movement in the EU internal market.

Our goal is a well-functioning internal market, an external EU trade policy based on free trade and an open and strong multilateral trading system.

We provide the Swedish Government with analyses, reports and policy recommendations. We also participate in international meetings and negotiations.

The National Board of Trade, via SOLVIT, helps businesses and citizens encountering obstacles to free movement. We also host several networks with business organisations and authorities which aim to facilitate trade.

As an expert agency in trade policy issues, we also provide assistance to developing countries through trade-related development cooperation. One example is Open Trade Gate Sweden, a one-stop information centre assisting exporters from developing countries in their trade with Sweden and the EU.

Our analyses and reports aim to increase the knowledge on the importance of trade for the international economy and for the global sustainable development. Publications issued by the National Board of Trade only reflect the views of the Board.

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