

TRADE OBSERVER

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YOUR CUSTOMS MONITORING

US-EU CUSTOMS AGREEMENT: EUROPE BENDS TO TRUMP'S ULTIMATUM, BUT SECURES ITS TRADE FLOWS

Supply chains in Europe and the US can breathe a sigh of relief, at least for now. Under the direct threat of an ultimatum from Donald Trump, the European Union concluded a provisional agreement on May 20, 2026. The objective? To ratify the trade agreement negotiated last summer and avoid a new tariff war at the last minute, preventing a spike in customs duties on the automotive sector. But behind this high-tension compromise, what does this new customs agreement actually contain for businesses?

The schedule had become untenable. The White House had set a deadline of July 4, 2026, threatening to increase customs duties on European cars and trucks from 15% to 25%. Faced with this risk of paralysis for a key industry, the EU validated an assumed asymmetry.

Europe commits to eliminating almost all of its customs duties on American industrial imports, while granting preferential access to some of their agricultural and fishery products.

In exchange, Washington guarantees a 15% cap on customs duties on the majority of European products.

For logistics directors, the impact is twofold. On the import side, the elimination of American taxes upon entry into the EU will mechanically drop cost prices. On the export side, the 15% cap puts an end to tariff uncertainty where the slightest surtax shatters profit margins.

In return, the European Parliament demanded defense mechanisms against the volatility of American policy. This agreement also imposed a clause providing for the text's expiration on December 31, 2029, thereby forcing a full re-evaluation of its future impacts. This prevents Europe from finding itself disarmed in the event of another protectionist mood swing.

By hammering home that "a deal is a deal," the President of the Commission, Ursula von der Leyen, is attempting to stabilize the world's largest trade corridor, worth nearly 1,700 billion euros per year.



However, the message is clear: this provisional agreement represents a truce, rather than a definitive peace treaty. Transatlantic flows will remain on geopolitical life support until 2029.

The flexibility of distribution networks, regulatory monitoring, and active surveillance of tariff databases remain, more than ever, the only real assurances to protect operations.

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THE SOPHIE LA GIRAFE CASE: THE MYTH OF "MADE IN FRANCE" PUT TO THE TEST BY CUSTOMS RULES.

It is an earthquake in the world of childcare, but above all a resounding textbook case for customs and Supply Chain professionals. The iconic “Sophie la girafe”, a symbol of the French toy for decades, is currently in the crosshairs of the justice system. Revealed to the general public in early May 2026, the relocation of a significant part of its production to China triggered an investigation by the DGCCRF for "deceptive commercial practices". Beyond consumer emotion and the reputational risk for the manufacturer Vulli, this scandal highlights one of the most complex and crucial concepts in international trade: customs rules of origin.

For the general public, the "Made in France" label guarantees that a product has been entirely designed and assembled on the territory. For customs, the reality is infinitely more technical. Today, very few industrial products are 100% local.

This is where the concept of non-preferential origin, defined by the Customs Code, comes into play. According to Articles 59 to 63, to determine the non-preferential origin of a product when it involves several countries in its manufacture, it is necessary to consider the last country where processing took place. In such cases, it is the nature of the operation carried out in the last country of processing that will determine the non-preferential origin of the product.

The product must indeed undergo what is called a "substantial" transformation in the latter.

It is on this grey area that many manufacturers play. Is the importation of Asian components (molds, whistles, pre-treated rubber) followed by a simple assembly or finishing in France enough to confer French origin? For customs, depending on the products, certain operations deemed "minimal" (such as, for example: packaging, affixing labels, or a simple fitting) are never taken into account to validate the origin of the product.

The DGCCRF investigation highlights the danger of "French washing". If a manufacturer optimizes their production in Asia to reduce production costs, they must have absolute transparency regarding the nature of the operations carried out in France if they wish to use the "Made in France" argument. The discrepancy between Vulli's marketing communication (highlighting 100% French artisanal know-how) and the reality of its manufacturing bill of materials is at the heart of the suspected offense. This scandal serves as a reminder of a golden rule: the marketing department must never affix a statement of origin without aligning with its customs compliance. For companies, the lesson is clear. **It is imperative to audit the end-to-end traceability of their Supply Chain. This involves collecting supplier documents, analyzing tariff classification shifts during assembly, and calculating local added value. Proving once again that customs is not a subject to be ignored.**

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GLOBAL WINE MARKET: JUST-IN-TIME FLOWS, CUSTOMS BARRIERS, AND SUPPLY CHAIN MANAGEMENT.

The global wine trade is currently facing several difficulties from various sources. Between international tariff tensions, climatic hazards, and the overall decline in demand, the sector's logistics flows are contracting. According to the annual report of the International Organisation of Vine and Wine, the year 2025 ended with a decline in production indicators. However, behind this overall drop, Supply Chain players are adapting to stabilize stocks and maintain a high level of market internationalization.

Geopolitics and tariff barriers are drawing the map of the global wine trade. The market is bearing the full brunt of the trade war instigated by Donald Trump. This customs uncertainty has frozen many trades, leading to a drop in global exports of 4.7% in volume to reach 94.8 million hectoliters, and 6.7% in value, settling at 33.8 billion euros. The three major European export pillars (France, Italy, and Spain) have seen their commercial performance directly affected by these customs tensions. However, the international logistics structure remains solid since nearly one in two bottles is still consumed outside its country of production.



Nevertheless, the security and predictability of supplies are weakened by climate change. Europe alone concentrates 60% of the world's viticulture, but its production chain is rendered unstable due to extreme weather events. Some regions are facing severe droughts, water shortages, and heatwaves, while others are suffering from excessive rainfall and flooding. Faced with these hazards, competing countries in the Southern Hemisphere and the United States are also reducing their production, which drastically limits substitution options on a global scale. The final commercial challenge is the weakening of major consumer markets. In 2025, global consumption fell to 208 million hectoliters, marking a decline of 2.7% compared to the previous year.

The most striking volume drops concern the historical markets. China is suffering a sharp drop of 13%, followed by Italy with a decrease of 9.4%, the United States falling by 4.3%, and France declining by 3.2%. This erosion is explained by purchasing power battered by the economic context, but above all by a profound transformation in purchasing habits. Younger generations are abandoning wine in favor of drinks considered healthier. The global wine market demonstrates structural strength despite an unstable customs, economic, and climatic context. The continuous reduction of the global vineyard surface area, which now stands at 7 million hectares after its sixth consecutive year of decline, shows that the sector is adjusting to avoid overproduction. **For operators, the key to success lies in the ability to manage customs changes while optimizing the flexibility of distribution networks in the face of rapidly changing demand.**

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END OF COUNTERVAILING MEASURES RAINBOW TROUT ORIGINATING IN TURKEY

The European Commission has announced the expiry, effective from May 26, 2026, of the countervailing measures applicable to imports of certain rainbow trout originating in Turkey. This removal follows the absence of any request for a review after the publication of the notice of expiry by the European Commission.

In practical terms, the imports concerned are therefore no longer subject to these countervailing duties as of May 26, 2026.

Products concerned: certain rainbow trout originating in Turkey.

Potential impact: lower import costs for the operators concerned and changes in competitive conditions on the European market.

CUSTOMS CODE: CORRELATION TABLES NOW AVAILABLE

The correlation tables between the former French National Customs Code (CDN) and the new Customs Code are now available on Légifrance.

They make it easier to identify correspondences between the former and the new article numbering systems, including provisions from other Codes.

👉 This database centralizes nearly 70,000 references and will be updated regularly.

Source: Légifrance

EU-AUSTRALIA FREE TRADE AGREEMENT: SIGNATURE OF A MAJOR DEAL

The European Union and Australia signed a free trade agreement on March 24 in Canberra, following 8 years of negotiations.

The agreement provides for the removal of most customs duties on European industrial exports (automotive, chemicals, textiles, pharmaceuticals, machinery, etc.) as well as broader access for European agri-food products (wine, cheese, chocolate, spirits, etc.).

Discussions notably focused on access for Australian beef to the European market and the regulated use of certain geographical names such as feta, gruyère and prosecco.

The agreement must still be ratified by both the European Union and Australia before entering into force.





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DELTA IE: THE TRANSITION FROM DELTA G TO DELTA E IS TAKING SHAPE

The migration from DELTA G to DELTA E is ongoing, but several technical and regulatory prerequisites still need to be finalized, postponing the transition beyond the mid-May timeline initially planned.

Among the expected developments:

- completion of the export cargo freight migration,
- implementation of the Single Transport Contract (CTU),
- DELTA IE – GAMMA2 interconnection,
- upcoming functionalities related to DELTA T and the Centralised Clearance for Import (CCI) planned for late 2026.

New corrective versions of DELTA IE are also scheduled for April and May 2026.

Source: Information letter dated March 31, 2026.

MERCOSUR: NEW TARIFF QUOTAS OPENING ON MAY 1, 2026

EU Regulation 2026/996 amends the management rules for several tariff quotas related to Mercosur, with entry into application on May 1, 2026.

The sectors concerned notably include cereals, sugar, beef and pork, poultry, dairy products, eggs, as well as ethyl alcohol.

The regulation also introduces:

- new tariff quota management rules,
- the requirement for a preferential proof issued by Mercosur authorities,
- transitional measures for 2026,
- the postponement of certain obligations, including EORI registration, to January 1, 2027.

Source: EU Regulation 2026/996.

AEO: PROGRESSIVE INTRODUCTION OF THE “TRUST & CHECK” STATUS

The European Union is preparing the rollout of the “Trust & Check” status, expected between 2028 and 2032. This new framework will not replace AEO status but will represent a higher level of customs trust.

Accessible upon request and subject to specific criteria, this status will complement the existing AEO-C, AEO-S and Full AEO authorizations already in place since 2008.

In a context of increasing regulatory requirements (CBAM, compliance, traceability, etc.), this future status could become a major operational and strategic advantage for companies.

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