

International trade in goods - tariffs

Statistics Explained

*Data extracted in June 2024
Planned article update: no update planned*

Highlights

" In 2023, around 72 % of the imports that entered the EU did so at zero tariff. "

Globalisation patterns in EU trade and investment is an online [Eurostat](#) publication presenting a summary of recent [European Union \(EU\)](#) statistics on economic aspects of globalisation, focusing on patterns of EU trade and investment. The EU has a common trade policy, whereby the [European Commission](#) negotiates trade agreements and represents the EU's interests on behalf of its 27 Member States. As such, trade policy is an exclusive power of the EU — so only the EU, and not individual Member States, can legislate on trade matters and conclude international trade agreements. This article covers the specific topic of tariffs that may be imposed on traded goods. The benefits of free trade are mentioned in a separate chapter in the online publication: when making trade deals, the EU seeks to tackle those things that get in the way of trade when dealing with other countries. Depending on the agreement, such deals may lead to a series of commitments on behalf of the parties concerned, for example:

- removing or cutting customs duties (taxes) on goods;
- scrapping any limits (quotas) on the amounts of goods that can be exported;
- allowing enterprises to provide services and bid for public contracts;
- cutting red tape which makes it harder for enterprises to export.

For more information, refer to the European Commission's Directorate-General for Trade [website](#) .

The EU's common trade policy and tariffs

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The European Commission negotiates trade deals either directly with other countries or regions, or through its membership of the [World Trade Organisation \(WTO\)](#) . The WTO is the only international organisation dealing with multinational trade issues — the global rules of trade between nations; its main function is to ensure that trade flows as smoothly, predictably and freely as possible. The [General Agreement on Tariffs and Trade \(GATT\)](#) covers international trade in goods.

Goods can be imported into the EU under different trade regimes depending on the product and the country of origin. The main trade regime is the [most-favoured nation \(MFN\)](#) which applies, in principle, to all countries — it provides normal non-discriminatory tariffs charged on imports and excludes preferential tariffs under free trade agreements and other schemes or tariffs charged inside quotas. MFN tariffs are what countries promise to impose on imports from other members of the WTO, unless that partner country has a preferential trade agreement or preferential treatment, such as the [Generalised System of Preferences \(GSP\)](#) for developing countries or the EU's [Everything But Arms \(EBA\)](#) programme. Virtually all countries in the world have joined at least one preferential trade agreement, under which they promise to give another country's products lower tariffs than their MFN rate, for example, through a customs union or a free trade area, where the preferential tariff rate for essentially all products is zero.

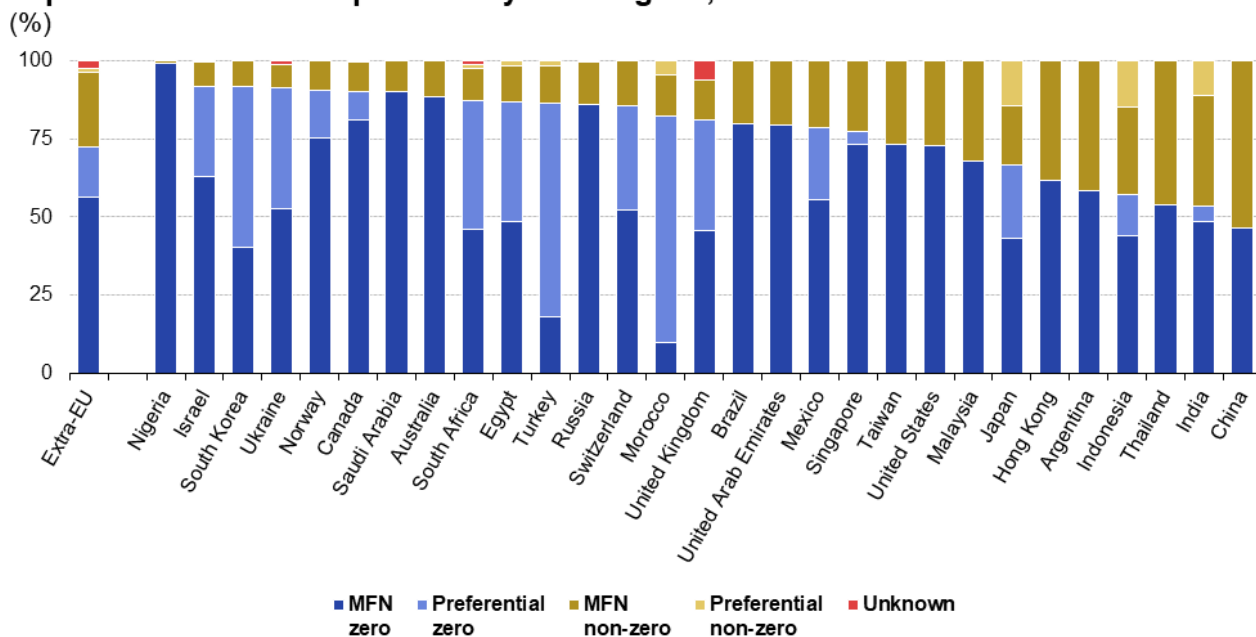
Tariffs applied to the value of imports of selected partners

In 2023, 72 % of the imports that entered the EU did so at zero tariff

EU trade agreements enable European enterprises to compete more effectively and export more to countries and regions outside the EU; they also give better access to raw materials and vital components for importers residing within the EU, as well as a greater choice of products for consumers. Such trade agreements may also require partner governments to protect human rights, labour rights and the environment, for example, through tackling issues such as safety or gender equality in the workplace.

The EU benefits from being one of the most open economies in the world, as around 72 % of its imports enter the EU at zero tariff. Figure 1 presents information for 2023 on the share of EU imported goods that originated from selected partners and which were subjected to a range of different tariffs. Among the selected partners China (46 %) had the lowest share of zero-tariff imports and Nigeria (99 %) the highest, while this share was 73 % for the United States.

Imports of selected EU partners by tariff regime, 2023



Note: ranked on the share of imports for which zero tariffs were applied. MFN tariffs: most-favoured nation regime. Preferential tariffs: generalised system of preferences (GSP) for developing countries, bilateral and multilateral regimes.

Source: Eurostat (Comext DS-059339)

eurostat

Figure 1: Imports of selected EU partners by tariff regime, 2023 (%) Source: Eurostat Comext DS-059339

Tariffs applied to the value of imports by processing stage

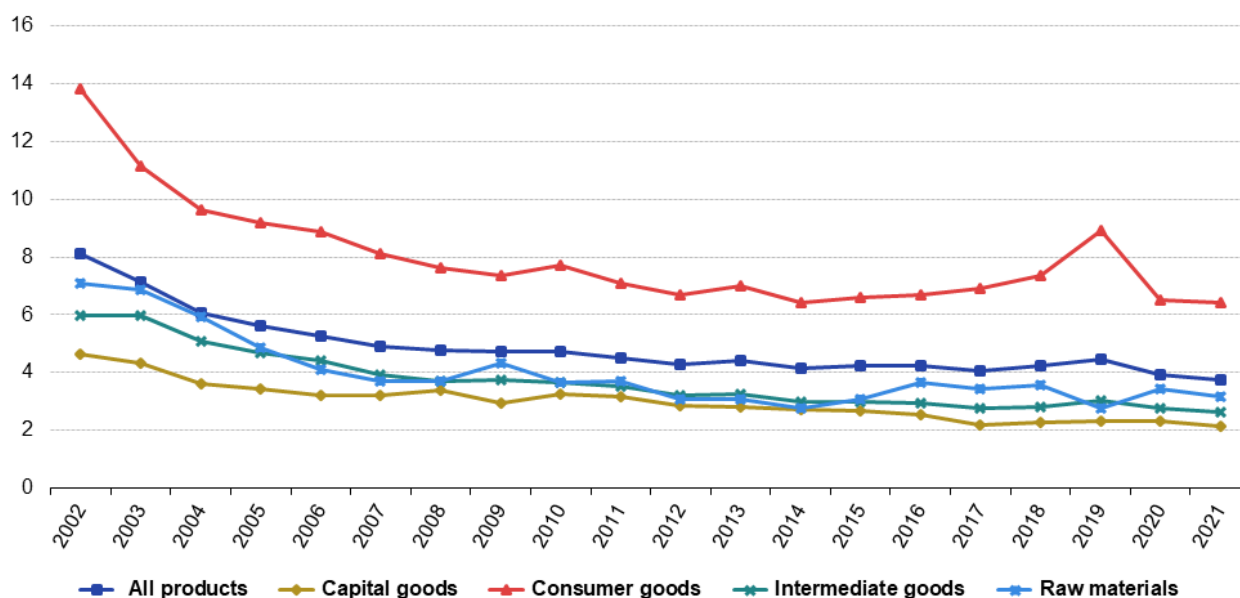
The highest trade tariffs were applied on consumer goods

Alongside increased levels of international trade in goods, there has at the same time been a concerted reduction in tariffs. Figure 2 presents information for a world average, which shows that tariffs applied to imports of

intermediate goods, capital goods and raw materials were particularly low, in contrast to tariffs for consumer goods. During the period from 2002 to 2017, average tariffs applied to imports were reduced approximately by half for each of the different processing stages. From 2017 to 2019, with the exception of raw materials, tariffs increased somewhat, most notable was the increase of 2.0 percentage points (pp) for consumer goods. However, by 2021 tariffs for consumer goods had dropped by 2.5 pp.

Import tariffs by processing stage, world average, 2002-2021

(%)



Note: trade-weighted average for effectively applied tariffs.

Source: World Bank, WITS (World Integrated Trade Solution)

eurostat

Figure 2: Import tariffs by processing stage, world average, 2002-2021 (%) Source: World Bank, WITS (World Integrated Trade Solution)

Tariffs on trade for goods

The EU is a customs union, operating a single, uniform trade and tariff policy. As part of this, the European Commission represents the EU Member States at WTO meetings and in negotiations for bilateral trade deals.

Although the emergence of globalised production chains has tended to strengthen the case for multilateral trade negotiations, the relatively limited progress made in recent years in this domain (the slow progress on the Doha Development Agenda) has led the EU to adopt a pragmatic approach. While continuing to actively participate in the WTO, the EU has also negotiated a number of bilateral trade agreements, which cover a broad range of issues, including trade in goods and services, intellectual property, investment, government procurement, access to energy and raw materials, environmental protection, working conditions, or regulatory cooperation.

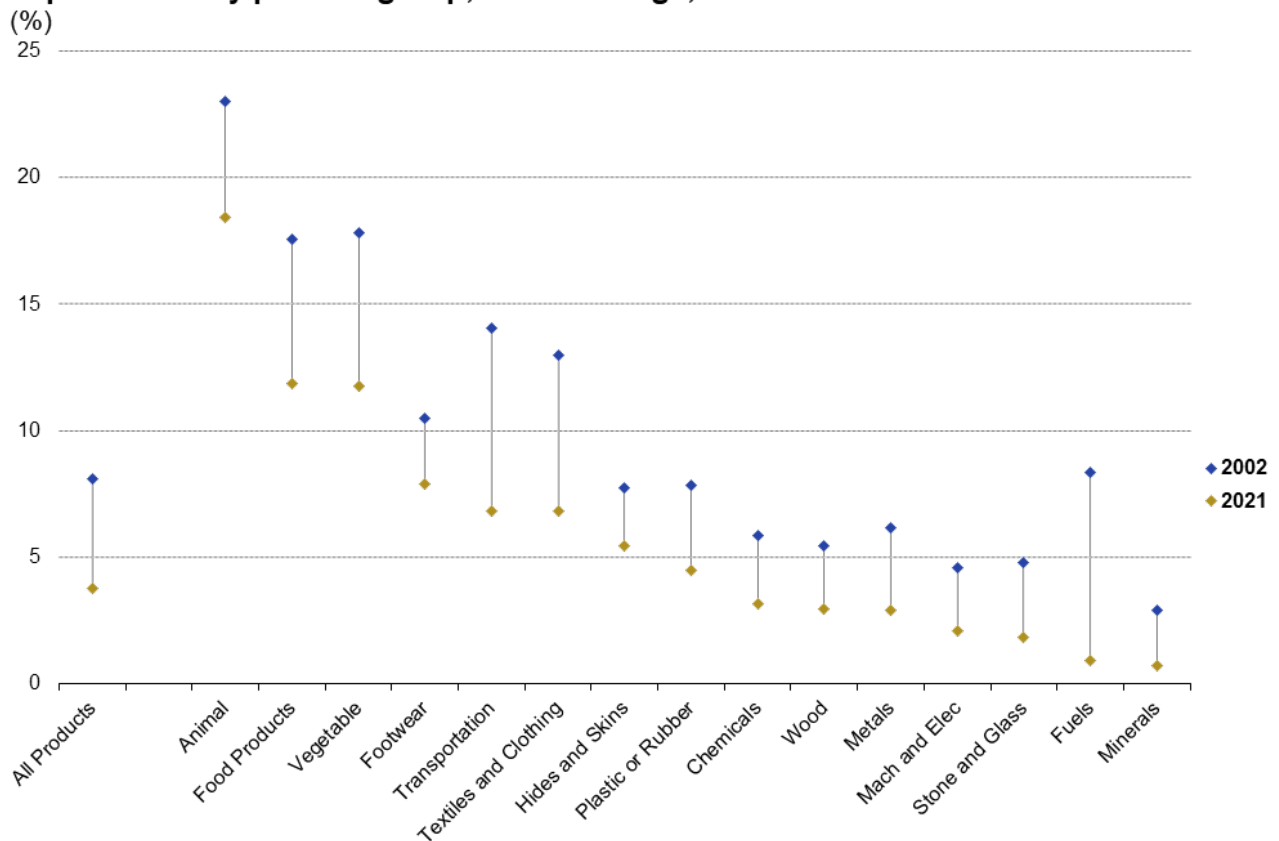
Comprehensive negotiations have taken place, among others, with China, Japan, Singapore, South Korea and the United States, with varying degrees of success. In 2018 agreements were signed with Singapore and Japan and in 2019 with Vietnam. Negotiations for trade agreements with Australia and New Zealand have been launched in 2018. The EU-United Kingdom agreement was signed on 30 December 2020. The agreement entered into force on 1 May 2021 after approval of the European Parliament and adoption by the Council.

Application of import tariff regimes

Between 2002 and 2021 there was a considerable reduction in average tariffs

Figure 3 shows average tariffs that were applied globally in 2002 and 2021 to a more detailed list of selected products: there was a considerable reduction in the average tariff applied to all of these selected products during the period under consideration and by 2021 the average tariff applied was usually in single digits. The largest tariff reductions (in percentage terms) were recorded for fuels (-7.4 pp) and transportation (-7.2 pp). In 2021, among the selected products, tariffs were above 10 % only for animal products (18.4 %), food products (11.9 %) and vegetable products (11.8 %).

Import tariffs by product group, world average, 2002 and 2021



Note: trade-weighted average for effectively applied tariffs.
Source: World Bank, WITS (World Integrated Trade Solution)



Figure 3: Import tariffs by product group, world average, 2002 and 2021 (%) Source: World Bank, WITS (World Integrated Trade Solution)

Source data for tables and graphs

- [Tariffs: tables and figures](#)

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External links

- [European Commission - DG Trade](#)
- [European Commission — reflection paper on harnessing globalisation \(COM\(2017\) 240\)](#)
- [International Trade Centre](#)
- [World Bank — World integrated trade solution](#)

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