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Brussels Info Flash

10 July 2026

H/ADVISORS' ANALYSIS

European Parliament backs modernised EU–Mexico partnership to strengthen trade and strategic cooperation

Brussels moves to deepen ties with one of its key Latin American partners as the EU seeks to defend multilateralism and diversify its global partnerships

The **European Parliament** has approved the **EU–Mexico Modernised Global Agreement** and the **Interim Trade Agreement**, giving its consent to two agreements designed to strengthen political relations and expand trade between the European Union and Mexico. The modernised agreement will replace the current framework, in place since **2000**, and aims to create new opportunities for business, sustainable development and institutional cooperation. The vote comes amid growing geopolitical fragmentation, with the EU seeking to consolidate partnerships with strategic and like-minded countries in support of the **rules-based international order**.

The agreements would remove almost all remaining tariffs between the two partners, benefiting European companies, farmers and agri-food exporters. According to the estimates cited by Parliament, total EU exports of goods and services could increase by up to **75%**, while EU companies could save as much as **€100 million** annually in customs duties. The deal also guarantees the protection of **568 EU geographical indications** in Mexico and grants European firms unprecedented access to public procurement markets in **14 Mexican states**, including a wider range of public contracts.

The partnership also includes binding commitments on **democratic principles**, the **rule of law** and **fundamental rights**, while reinforcing cooperation on judicial independence, transparency, anti-corruption, money laundering and organised crime. Following Parliament's approval, the **Council** will be able to formally conclude both agreements. The **Interim Trade Agreement** will allow the updated trade provisions to apply earlier, while the **Modernised Global Agreement** will still require ratification by all EU Member States and Mexico before entering fully into force. Overall, the deal strengthens one of the EU's most important economic relationships in Latin America and reinforces its broader strategy of **trade diversification** and international cooperation.

MAIN ISSUES IN THE EU

THE COUNCIL

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- **Economic and Financial Affairs Council.** EU finance ministers met in Brussels on 10 July to discuss the market integration and supervision package, the Irish Presidency's work programme, economic governance, the 2026 European Semester recommendations, the economic and financial impact of Russia's war against Ukraine, and modified recovery and resilience plans submitted by Member States.

- **Competitiveness Ministers meeting.**

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- **Eurogroup.** Euro area ministers discussed the fiscal stance, the international role of the euro, digital finance, and the impact of artificial intelligence and cybersecurity on the financial sector, while adopting their work programme, welcoming Austria's 2027 draft budgetary plan as compliant with EU fiscal rules, and agreeing that a neutral to mildly expansionary euro area fiscal stance remains appropriate amid slower growth, higher energy prices and rising defence spending.

- **Competitiveness Ministers meeting.** EU competitiveness ministers met informally in Dublin on 9-10 July to discuss the Irish Presidency's priorities for a more competitive, sustainable and consumer-focused Europe, with a focus on implementing the "One Europe, One Market" agenda, removing barriers for SMEs, mobilising private finance, supporting industrial decarbonisation and reinforcing the Single Market.

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- **EU-Türkiye relations.** European Council President António Costa will travel to Ankara on 7-8 July to attend the NATO Summit leaders' dinner and, together with Commission President Ursula von der Leyen, meet President

Recep Tayyip Erdoğan to discuss EU-Türkiye relations, defence cooperation, support for Ukraine, regional security and diplomatic efforts on Cyprus.

THE COMMISSION

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- **Digital Services Act.** The Commission preliminarily found Meta in breach of the Digital Services Act over the addictive design of Instagram and Facebook, citing concerns over features such as infinite scroll, autoplay, push notifications and personalised recommender systems, and their impact on users' physical and mental wellbeing, including minors and vulnerable adults.

- **European Public Prosecutor's Office.** The Commission confirmed Hungary's participation in the European Public Prosecutor's Office, making it the 25th Member State to join the body responsible for investigating and prosecuting financial crimes affecting the EU budget.

- **SAFE defence instrument.** Croatia received its first €255 million payment under the Security Action for Europe defence instrument, representing 15% of its €1.7 billion allocation and aimed at accelerating defence investments, upgrading military capabilities and supporting joint European security objectives.

- **Irish State aid.** The Commission approved a €2 million Irish State aid scheme to support horticulture companies facing higher fuel prices linked to the Middle East crisis, with direct grants covering additional fuel costs for fruit and vegetable growers using heated horticultural structures.

- **Medical devices acquisition.** The Commission approved the acquisition of joint control of Intersurgical by Armira and TA Associates under the simplified merger review procedure, concluding that the transaction in the medical device sector would not raise competition concerns.

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- **Organised crime sanctions.** The Commission and the High Representative proposed a new EU sanctions regime targeting migrant smuggling, human trafficking and other serious forms of organised crime, including illicit drugs, firearms trafficking and money laundering, with measures such as asset freezes, funding bans and travel restrictions.

- **EU-ILO cooperation.** The Commission and the International Labour Organization agreed to renew their strategic cooperation agenda, focusing on social justice, quality jobs, labour standards and a human-centred approach to digital and clean transitions, including the impact of artificial intelligence on the future of work.

- **RSV vaccines.** The Commission signed a joint procurement framework contract with Moderna, requested by six countries, to access up to 24 million doses of an mRNA-based RSV vaccine, aiming to strengthen preparedness ahead of the 2026-2027 winter season and reduce pressure on healthcare systems.

- **Agricultural competition rules.** The Commission published a report showing how EU competition rules support fairer and more resilient markets for farmers, highlighting their role in strengthening farmers' bargaining power, enabling cooperation in the agri-food chain and addressing anti-competitive practices.

- **SAP competition case.** The Commission accepted legally binding commitments from SAP to address competition concerns over maintenance and support services for its on-premises ERP software, giving customers greater flexibility to choose providers, terminate certain licences and reduce fees, while removing restrictions that could increase costs or limit competition.

- **Terégа acquisition.** The Commission approved the acquisition of joint control of French gas transmission and storage company Teréga by Enagás Internacional and SNAM under the simplified merger review procedure, concluding that the transaction raises no competition concerns.

- **Green hydrogen joint venture.** The Commission approved the creation of a joint venture by EWE Hydrogen and Verbund Green Hydrogen for the production and sale of green hydrogen, finding that the transaction would not raise competition concerns due to its negligible activities in the European Economic Area.

- **Automotive interiors acquisition.** The Commission approved Apollo Funds' acquisition of Forvia's automotive interiors business under the simplified merger review procedure, concluding that the transaction would not raise competition concerns due to the companies' limited market positions.

- **Energy software acquisition.** The Commission approved the acquisition of joint control of PowerGEM by General Atlantic and TA Associates, finding that the transaction in power grid and energy simulation software would not raise competition concerns due to its negligible activities in the European Economic Area.

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- **Infringement procedures.** The Commission adopted its July infringement package, including 63 letters of formal notice, 45 reasoned opinions and 12 referrals to the Court of Justice of the European Union, with cases covering Spain's banking and professional qualification rules, NIS2 cybersecurity transposition in Ireland, Spain, France and the Netherlands, Hungary's price margin restrictions, Romania's late payments to pharmacies and Greece's employment conditions for fixed-term teachers.

- **EU-Bonds.** The Commission raised €11 billion in its seventh syndicated transaction of 2026, through a new 5-year EU-Bond and a tap of a 20-year EU-Bond, as part of its €80 billion funding target for the second half of the year, with proceeds supporting EU priorities including Ukraine, European defence and broader resilience investments.

- **Nordic Ferry Infrastructure.** The Commission approved the acquisition of joint control over Nordic Ferry Infrastructure by Gotlandsbolaget and EQT under the simplified merger review procedure, concluding that the transaction raises no competition concerns as the companies are not active in overlapping or vertically related markets.

- **Aircraft maintenance joint venture.** The Commission approved the creation of HAECO Vietnam by Sun Group, HAECO, Toyota Tsusho and Japan Airlines, concluding that the joint venture for commercial aircraft maintenance services in Vietnam would have only a limited impact on the European Economic Area.

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- **Unconditional basic income.** The Commission registered a European Citizens' Initiative calling for the introduction of unconditional basic income across the EU, confirming that it meets the formal admissibility requirements, while noting that it has not assessed the substance and will only decide on potential action if the initiative gathers at least one million valid signatures.

- **Logistics real estate.** The Commission approved the acquisition of joint control of a logistics property in Bönen, Germany, by Prologis and NBIM under the simplified merger review procedure, concluding that the transaction would not raise competition concerns due to the companies' limited combined market position.

- **Insurance sector.** The Commission approved Zurich's acquisition of sole control of Beazley under the simplified merger review procedure, finding that the transaction in insurance products and services would not raise competition concerns due to the companies' limited market positions.

- **Fiber optic networks.** The Commission approved the acquisition of joint control of Wyyerd Group Holdings by Oak Hill Capital Management and Carlyle, concluding that the transaction concerning high-speed fiber optic networks in the US would have only a limited impact on the European Economic Area.

- **Broadband services.** The Commission approved the acquisition of joint control of Greenlight and GoNetSpeed by T-Mobile USA and Oak Hill Capital Management, finding that the transaction in fiber-to-the-premises broadband services would have only a limited impact on the European Economic Area.

- **Filtration products.** The Commission approved Parker-Hannifin's acquisition of sole control of Filtration Group under the simplified merger review procedure, concluding that the transaction would not raise competition concerns due to the companies' limited market positions.

- **Livestock strategy.** The Commission adopted its first EU Livestock Strategy and a Protein Action Plan, setting a long-term vision to strengthen the sector's resilience, competitiveness and sustainability, support rural communities, reduce import dependencies and increase the share of EU-sourced plant proteins from 25% in 2025 to 35% by 2035.

- **Cybersecurity and artificial intelligence.** The Commission presented an EU Action Plan to address the risks and opportunities of advanced AI models for cybersecurity, including new EU evaluation capacity, structured access to advanced AI systems, testing platforms for critical sectors, stronger cyber resilience measures and support for European AI cybersecurity capabilities.

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- **Wildfire response.** The Commission has mobilised EU support through the Civil Protection Mechanism after Portugal and France requested assistance to tackle major wildfires, deploying rescEU aircraft, firefighters and vehicles from several Member States as part of wider EU preparedness efforts during the wildfire season.

- **Agricultural markets.** The Commission's summer 2026 short-term outlook projects that EU agricultural markets will remain robust despite uncertainty, rising input costs, animal disease risks and trade tensions, with cereal production expected to return to average levels while heat and water shortages may affect spring and summer crops.

- **Schroders acquisition.** The Commission approved Nuveen's acquisition of sole control of Schroders under the simplified merger review procedure, concluding that the transaction in the asset management sector would not raise competition concerns due to the companies' limited combined market position.

THE EUROPEAN PARLIAMENT

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- **Tax framework.** Parliament adopted positions on a coherent tax framework for the EU's financial sector and the proposed pan-European "EU Inc." business regime, including proposals on a consolidated corporate tax base, standardised tax returns, simplified VAT procedures and reform of the VAT exemption for financial services.

- **Common fisheries policy.** MEPs and the Commission debated the future of the EU's common fisheries policy, with Parliament expected to call for modernisation of the fishing fleet, reduced bureaucracy, support for small-scale fisheries and sufficient funding under the 2028-2034 EU budget.

- **Human rights and democracy.** Parliament held urgent debates and votes on human rights, democracy and rule of law issues, including alleged war crimes and humanitarian law violations in El-Obeid, Sudan, persecution of Christians in Nigeria, and the abduction, forced conversion and child marriage of Maria Shahbaz in Pakistan.

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- **EU enlargement.** Parliament adopted annual reports on Ukraine, Moldova and Serbia's progress towards EU membership, welcoming reform efforts in Ukraine and Moldova despite major challenges, while warning that Serbia's accession process has stalled amid concerns over democracy, the rule of law, anti-corruption reforms, relations with Kosovo and alignment with EU foreign policy.

- **EU-Mexico relations.** Parliament gave its green light to the EU-Mexico modernised global agreement and an interim trade agreement, paving the way for closer political ties, expanded trade, sustainable development commitments, anti-corruption cooperation and earlier application of updated trade arrangements.

- **Heatwaves and wildfires.** Parliament debated the need to strengthen the EU's preparedness and response to recurring heatwaves and wildfires, amid growing drought and fire risks and plans for the EU's largest wildfire response deployment for summer 2026.

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- **Air passenger rights.** Parliament adopted updated rules strengthening protections for air travellers, including compensation after three-hour delays and faster reimbursement or re-routing in cases of cancellation, while securing fee-free adjacent seating for children under 14 and clearer fare transparency on carry-on luggage.

- **Irish Council Presidency.** Taoiseach Micheál Martin presented Ireland's Council Presidency priorities to MEPs, with the six-month programme focused on competitiveness, values and security, including Single Market integration, simplification, trade, digitalisation and AI, support for Ukraine, enlargement, defence, cybersecurity and progress on the EU's 2028-2034 budget.

- **Automotive sector.** Parliament debated possible support measures to strengthen the EU automotive sector's competitiveness and protect jobs, as the industry faces high energy prices, supply chain disruptions, stronger global competition and the costs of digitalisation and electrification.

- **Cybersecurity and artificial intelligence.** MEPs questioned the Commission on its new action plan on artificial intelligence and cybersecurity, focused on helping Member States and companies address AI-related cyber risks and strengthen Europe's advanced AI cybersecurity capabilities.

- **Social security coordination. Social security coordination.** Parliament adopted updated rules on social security coordination for EU workers living or working in another Member State, clarifying applicable legislation and improving cooperation to detect errors, fraud and abusive practices such as letterbox companies.

- **Fertiliser prices.** Parliament approved urgent support for farmers affected by high fertiliser prices, providing financial assistance and faster access to direct payments under the common agricultural policy amid rising production costs linked to Russia's war against Ukraine and recent disruptions in the Strait of Hormuz.

- **Child sexual abuse online.** Parliament agreed to use the urgent procedure on reactivating an exemption to EU privacy rules allowing providers to voluntarily detect child sexual abuse online, after the previous interim derogation expired and negotiations on a permanent framework continued.

- **Natural disasters support.** Parliament approved the mobilisation of €144.1 million from the EU Solidarity Fund to support Spain, Romania and Cyprus following severe floods, drought, heatwaves and wildfires in 2025, including €120.55 million for Spain, €14.34 million for Romania and €9.21 million for Cyprus.