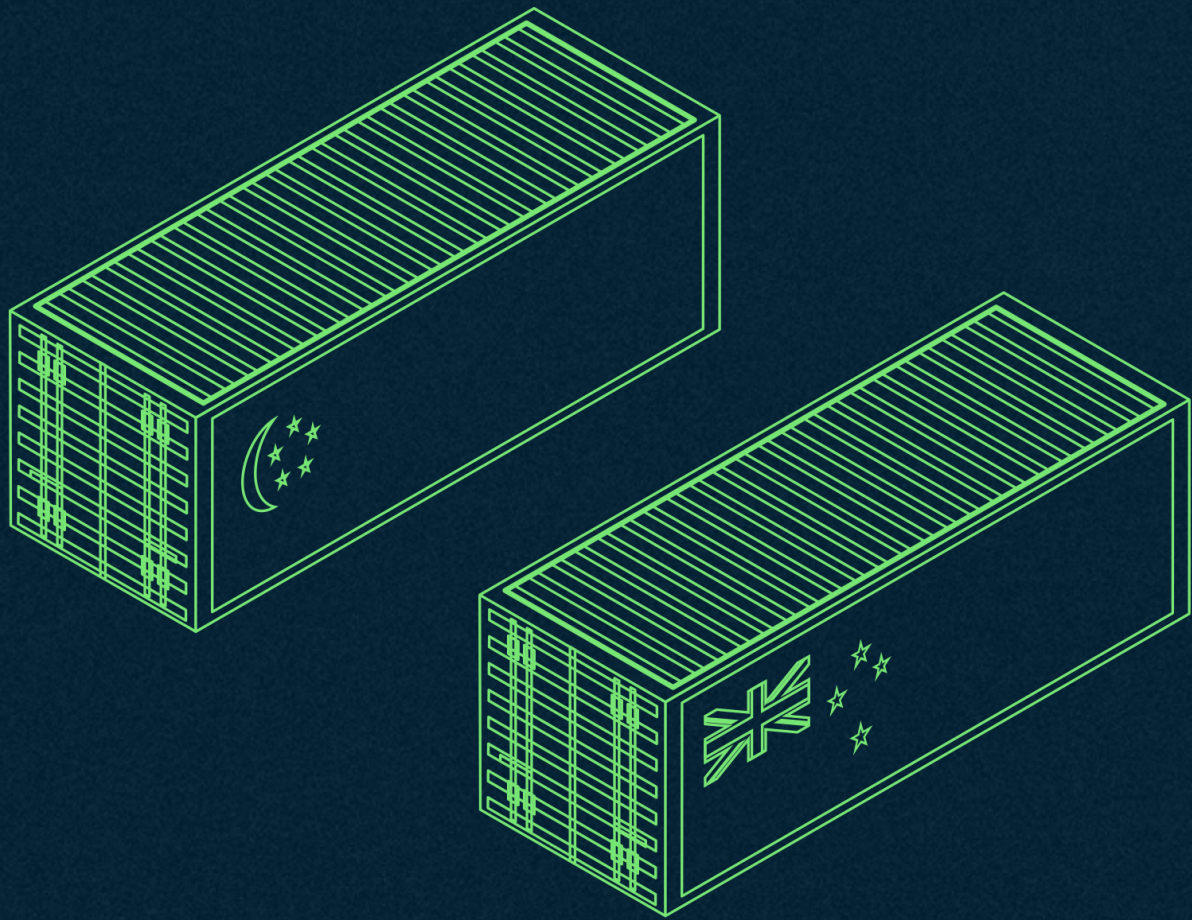




Supply Chain Resilience

The EU Should Look to Singapore and New Zealand on How to Secure Supply in a Crisis

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A shortage turns trade policy into a sovereignty test: who keeps exporting when the goods become scarce?

Executive Summary

The EU's trade agreements are built on the promise that goods will move more freely, yet crisis trade often works by a different logic. When supplies become politically sensitive, governments protect domestic access first and deal with the legal consequences later. The EU saw this during COVID-19, when personal protective equipment (PPE) restrictions and vaccine export authorisations showed that Europe could be both the exposed importer and the restrictive exporter.

This brief argues that the European Commission should attach reciprocal Essential Goods Protocols to selected

EU trade agreements. These would not be broad solidarity statements. They would be narrow crisis commitments built around two negotiated lists: goods the EU is most vulnerable to losing from a partner, and goods that partner depends on from Europe. The model should draw from the New Zealand–Singapore Agreement on Trade in Essential Supplies, but be adapted to Europe's larger market, more complex supply chains and stricter legal constraints. If designed carefully, these protocols would give the EU binding supply-continuity rules its current trade network still lacks.

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Key Recommendations

| Pilot reciprocal protocols

The European Commission should pilot reciprocal Essential Goods Protocols in selected existing EU trade agreements, starting with partners where two-way dependence, legal enforceability and logistics capacity are clearly established.

| Define eligibility tests

DG Trade should replace vague “trusted partner” language with a public eligibility test, assessing whether a partner would genuinely diversify EU supply risks rather than simply shift dependence elsewhere.

| Map product schedules

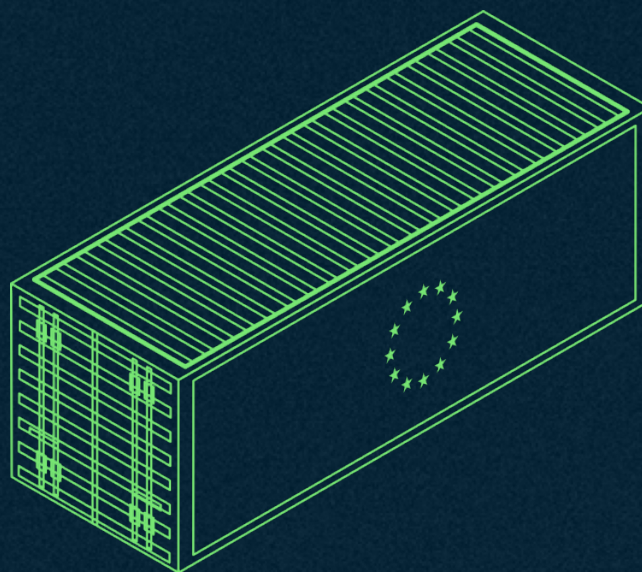
Each protocol should contain reciprocal product schedules, covering both goods the EU is vulnerable to losing from the partner and goods the partner depends on from the EU.

| Secure binding commitments

The European Commission should negotiate binding continuity commitments that prevent new export bans or licensing restrictions on covered goods during defined supply disruptions, except through time-limited and reviewable emergency safeguards.

| Build crisis machinery

Each protocol should include operational crisis machinery, including rapid customs procedures, named emergency contact points, links to existing EU crisis-monitoring tools and annual stress tests. It should also include a legal layer, with dispute settlement through the parent trade agreement and a formal WTO-compatibility assessment before signature.



Analysis

Crisis Trade Can Reverse Overnight

Trade agreements are often written for ordinary conditions, designed around the assumption that states want markets to stay open and commercial relationships to continue. When a crisis arrives, that assumption can collapse quickly. The same government that signed an open trade agreement may decide that masks, vaccines, fuel or food need to be kept at home. The state controlling the scarce goods usually has no obligation to preserve supply for its partners in the way the importing side expects.

The EU learned this during COVID-19. In the early phase of the pandemic, protective masks and other personal protective equipment became scarce across Europe. Several Member States, including Germany and France, had already moved to restrict exports of protective medical equipment, while EU production of mouth protection masks was concentrated in the Czech Republic, France, Germany and Poland. The Commission then moved to an EU-wide export authorisation scheme for PPE. The logic was understandable, Europe needed to protect supply at home. Even inside the Single Market, the strongest trade relationship the EU has, governments began to restrict supply when fear overtook coordination.

Similarly, once vaccine production became politically sensitive, the EU introduced an export authorisation mechanism for COVID-19 vaccines covered by advance purchase agreements. Here, the EU was not only the vulnerable importer. It was also the exporter whose

partners feared losing access. The EU cannot simply ask other countries not to restrict goods in a crisis while preserving full freedom to do so itself. Any serious proposal has to be reciprocal. Gas dependency since 2022 and the risk surrounding concentrated mineral supply chains both point to the same structural weakness. The EU can build stockpiles and support domestic production, but none of that guarantees that foreign suppliers will keep goods moving when their own governments come under pressure. Ordinary FTAs do not solve the politics of scarcity.

What Singapore and New Zealand Built

The New Zealand–Singapore Agreement on Trade in Essential Supplies (AOTES) does not leave crisis supply to goodwill. The two countries agreed on lists of essential supplies and committed to keeping those goods moving during supply-chain disruption. Said essential supplies include food, fuel, chemical goods and construction products. The agreement covers disruptions caused by events such as pandemics, weather events, cyber incidents, armed conflict, logistical interruptions and shortages of raw materials or components. It also outlines practical procedures. The parties designate contact points, hold emergency consultations, facilitate sea and air freight, use electronic documentation and maintain customs processes that allow essential supplies to move quickly.

The EU should not treat AOTES as a political template that can be lifted and applied directly

to European trade policy. New Zealand and Singapore are small, highly trade-dependent economies with a long-standing bilateral trade relationship and relatively low strategic friction. The two nations have unusually complementary needs, as New Zealand gains greater certainty over fuel access through Singapore, while Singapore gains more secure access to food supplies, including dairy. The EU is different, in that it is a large regulatory power with a far more complex internal market and more politically contested external relationships. Its partners will have different expectations of what they want in return. The EU should borrow the mechanism and the logic behind it, applying it to a new political setting. The lesson here is that essential-supply commitments can be made narrow and legally specific, including by grounding export-restriction commitments in the same legal terrain as GATT Article XI:1, which generally prohibits quantitative restrictions.

From Trusted Partners to Reciprocal Essential Goods Protocols

The EU should avoid framing this proposal as a broad compact with “trusted partners.” The language sounds reassuring, but it is too vague for a legal instrument that would have to work under political pressure. A partner may be close to the EU diplomatically, but still lack the port capacity or administrative transparency needed to keep goods moving in a crisis. The word “trust”, by itself, is insufficient, evidence should be used to define who qualifies before negotiations begin. The Commission should publish an eligibility test that looks at whether a partner already has a strong treaty relationship with the EU, whether there is measurable two-way dependence in a relevant sector,

whether the partner has the logistics and legal capacity to act quickly during disruption, and whether the protocol would genuinely diversify EU exposure rather than shift dependence elsewhere. This would make partner selection less political and more evidence-based. It would also prevent the EU from using the language of resilience to simply move exposure from one risky supplier to another.

The core of the proposal should be reciprocity, the EU would not be asking other countries to protect European supply security for free. Each protocol would be negotiated around goods that the EU needs from the partner, and goods that the partner needs from the EU. These schedules should be detailed enough to identify real products rather than broad categories. The EU is not only a vulnerable importer; it is also a major exporter of goods that other countries rely on. As an illustrative example, consider that Canada may be important to the EU for critical raw materials or energy-linked goods, but may also want more reliable access to European medical products or specialised industrial inputs. Similarly, Japan may supply advanced components, but still depend on European pharmaceutical or chemical inputs. This mutual guarantee, specific to each country, is what makes the proposal more likely to be upheld than a general resilience partnership. The EU gains more reliable access to goods it may lose in a crisis, while the partner gains protection against European export restrictions on goods it depends on. That turns the protocol into a negotiated exchange of supply continuity, giving partners a strong incentive to accept obligations.

The EU already has policy tools which can be integrated with the Essential Goods Protocol. The Critical Raw Materials Act, IMERA, health emergency rules and energy-security frame-

works already help the EU detect risks in particular sectors. The problem is that these instruments mainly organise internal preparedness. They can show that a shortage is developing, but they do not bind an external supplier to keep trade open. Essential Goods Protocols would fill that external gap. EU monitoring would identify the risk; the treaty would provide the supply-continuity commitment with the partner. Another consideration is that such a policy framework needs to be assimilated with existing WTO regulations. GATT Article XI:1 generally prohibits quantitative restrictions, including export restrictions, while Article XI:2(a) leaves room for temporary measures to prevent or relieve critical shortages. An Essential Goods Protocol would be a mutual promise not to use that emergency space too freely against scheduled bilateral goods. The sensitive point is the Most-Favoured-Nation principle, giving one protocol partner better treatment during a restriction could create tension with the WTO rule that members should not discriminate between trading partners. For that reason, the EU should attach these protocols to existing trade agreements and subject them to a formal WTO-compatibility assessment before signing.

Adaptability as Enforcement

An Essential Goods Protocol should not pretend Brussels knows the next shortage in advance. A fixed list could look neat today and weak two years later, especially when the vulnerable input is buried earlier in the chain. This is why adaptability is a crucial part of what makes the agreement enforceable. A schedule that can be updated leaves less room for either side to maneuver out of the agreement using the claim that the obligation is

outdated or unclear. AOTES treats disruption broadly and allows the product list to be amended when conditions change, and the EU should borrow that design. Covered goods should be narrow at the start, but reviewed against new sectoral warnings, changes in import concentration, stockholding limits and transport risks. If the schedule stays current, the commitment is easier to defend. Partners are not trapped into outdated obligations, and the EU is not forced to protect goods that no longer carry serious strategic risk. That same flexibility would make breaches harder to excuse. If the covered goods are regularly reviewed and limited to shortages with serious public-health or industrial consequences, a partner cannot easily claim that the obligation was too unclear or detached from the actual crisis.

A partner may still face domestic pressure to restrict exports when shelves are empty or prices rise. The agreement therefore needs consequences that are faster than ordinary diplomacy, even if they are not dramatic. That consequence should be built into the design of the agreement itself. A partner that restricts a covered good should have to justify why the shortage could not be managed through less restrictive measures, echoing the logic already present in GATT's treatment of critical-shortage exceptions. It should also face the risk of losing equivalent protections on goods it depends on from the EU. This is why reciprocity matters so much, the protocol works because it makes supply continuity part of a mutually beneficial bargain. An effective agreement would therefore not try to eliminate political pressure, but channel it through rules that have already been accepted before the crisis begins. The EU cannot know which shortage will come next, but it can make sure that the next one is not governed by panic alone.

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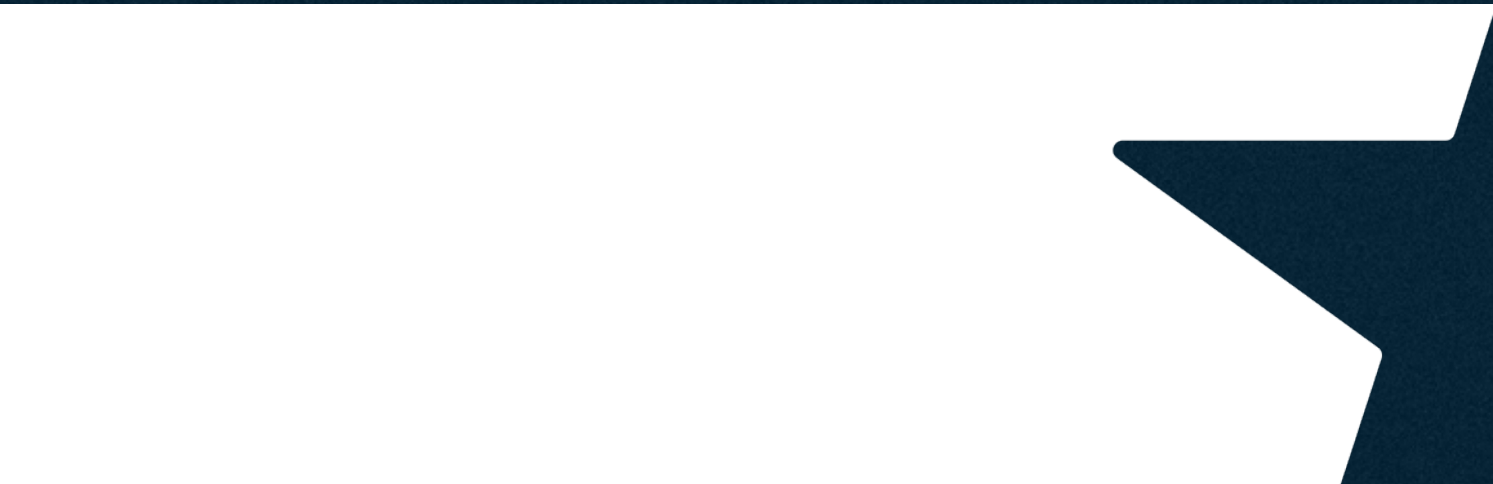
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