

The Status of EU-Israel Relations: Sanctions, Association Agreement, and Israel's Growing Isolation in Europe

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Israel has become increasingly isolated on the European continent, given the extremism of the current Israeli government and its military conduct in Gaza and across the Middle East. Reflecting this isolation, four member states of the European Union (EU) [boycotted](#) the Eurovision Song Contest in Austria last month in protest of Israel's inclusion. Meanwhile, Israel faces ongoing legal proceedings at The Hague concerning genocide and war crimes in Gaza. The EU-Israel Association Agreement governing the relationship hangs in the balance and the EU is implementing additional sanctions against violent Israeli settlers and their organizations in the West Bank for violating Palestinian human rights. If Israel does not reverse course, it should not be surprised if it finds itself similarly isolated in the United States, where popular support for Israel is already declining. This issue brief examines the three rounds of EU sanctions against violent Israeli settlers and settler organizations, the benefits of the Association Agreement and its potential suspension, the latest developments on Israel-Palestine in six EU hotspots, as well as the impact on Israel of its growing isolation in Europe and how a future Israeli government can reverse this trend.

EU Sanctions on Violent Israeli Settlers and Settler Organizations

Last month, the EU adopted [new sanctions](#) against major settler organizations and their leaders for supporting and financing settler violence and violations of Palestinian human rights in the West Bank. The following is an overview of the latest round of EU sanctions and the two previous rounds:

May 2026: The EU [sanctioned](#) the **Nachala** Settlement Movement and its director Daniella Weiss, Israeli NGO **Regavim** and its director Meir Deutsch, **Hashomer Yesh** NGO and its president Avichai Suissa, and the **Amana** cooperative association of the settler movement Gush Emunim. These proscribed individuals and entities are now subject to an asset freeze, a prohibition on funds, and a ban on travel to the EU. With these latest sanctions, the EU directly targeted settlement movement leadership, [aiming](#) to counter settler violence, settlement expansion, Palestinian displacement and dispossession, as well as other “serious and systematic human rights abuses against Palestinians in the West Bank.”

July 2024: The EU [sanctioned](#) right-wing Israeli extremist group **Tzav 9**; two other entities, **Moshe's Farm** in the Jordan Valley and **Zvi's Farm** in the West Bank; and five settlers, Moshe Sharvit, Zvi Bar Yosef, Baruch Marzel, Ben-Zion “Bentzi” Gopstein, and Isaschar Manne.

April 2024 Sanctions: The EU [sanctioned](#) Israeli settler groups, **Lehava** and **Hilltop Youth**, as well as four settlers, Meir Ettinger, Elisha Yered, Neria Ben Pazi, and Yinon Levi.

The EU-Israel Association Agreement: Benefits and Potential Suspension

Benefits to Israel of the Agreement: The [EU-Israel Association Agreement](#) provides the legal and institutional framework for relations between the EU and Israel. The optimism generated by the Oslo peace process enabled the 1995 signing of the Association Agreement, which officially came into force in 2000. EU-Israel relations are [expansive](#), marked by cooperation in trade, investment, research, innovation, education, culture, aviation, and agriculture. Trade relations between the EU and Israel are governed by a Free Trade Area that is part of the Agreement. The EU is Israel's largest trading partner, accounting for [31.7 percent](#) of Israel's total trade in goods in 2025. Last year, [33.1 percent](#) of Israel's imports came from the EU and [29.4 percent](#) of its exports went to the EU. Under the Agreement, Israel benefits from the EU's [Horizon Europe](#) program for research and innovation, [Erasmus+](#) education program, and Open Skies [aviation pact](#) (about 70 percent of Israel's international flights are to and from Europe). This makes the Association Agreement not merely a trade framework, but a strategic pillar of Israel's economic resilience.

Potential Suspension of the Agreement: In February 2024, the leaders of Ireland and Spain sent a [letter](#) to European Commission President Ursula von der Leyen calling for an “urgent review” of Israel's compliance with the human rights and democracy provisions of the EU-Israel Association Agreement. After withstanding much pressure, von der Leyen – a longtime ally of Israel – [announced](#) a proposal for partial suspension in her September 2025 State of the Union address. The Commission then formally [presented](#) the Council of the EU with a proposal to “suspend certain trade-related provisions” of the Agreement.

Unanimous approval by the EU's 27 member states is needed to revoke the Association Agreement, but a partial suspension requires only a weighted majority of 15 member states, which represents 65 percent of the EU population. This threshold has not yet been crossed. Ireland, Spain, and Slovenia are [leading](#) the suspension efforts, which have been resisted by Germany, Italy, and the Czech Republic. Given the high threshold and so long as the positioning of Berlin, Rome, and Prague holds, it is unlikely that the Agreement will be partially suspended.

EU Hotspots for Israel-Palestine Activity

There are numerous hotspots for Israel-Palestine activity in Europe today. The degree to which the governments of some of these countries have distanced themselves from Israel and the timing of their distancing reflect their history, different ideologies, political stances, and reactions to public opinion. The following is an overview of the latest Israel-Palestine developments in six EU hotspots:

(1) Ireland: Ireland is one of the most [pro-Palestine](#) countries in the world, and its government (along with Spain's) is one of the [fiercest](#) EU critics of Israeli government policy. The "Israeli Settlements (Prohibition of Importation of Goods) Bill" is [expected](#) to pass in Ireland this summer, criminalizing the import of goods from Israeli settlements.

Last month, several Irish nationals, including the [sister](#) of the Irish president, [participated](#) in the "Global Sumud Flotilla" to deliver humanitarian aid to Gaza. A diplomatic crisis ensued when Israeli forces detained the participants and Israeli National Security Minister Itamar Ben-Gvir [posted](#) a video glorifying abuse of the detainees. Another Irish-Israeli diplomatic spat occurred last year when the Dublin City Council announced its decision to [rename](#) a park that carries the name of the late Israeli President Chaim Herzog to "Free Palestine Park" or "Hind Rajab Park."

(2) Spain: Last year, Spain became the second EU country after Slovenia to implement a [trade ban](#) on goods from illegal Israeli settlements. Spain has also [enshrined](#) into law an arms embargo on Israel, blocking transit through Spanish ports for ships carrying fuel for the IDF, denying access to Spanish airspace for state aircraft transporting defense material to Israel, and banning from Spanish territory "all persons directly involved in the genocide, human rights violations and war crimes in Gaza." Far-right Israeli ministers, Itamar Ben-Gvir and Bezalel Smotrich, are [sanctioned](#) by Spain and prohibited from entering the country.

In March, the Spanish-Israeli rift deepened when Spain permanently [withdrew](#) its ambassador to Israel. In response, Israel [evicted](#) Spain from the Civil-Military Coordination Center in Kiryat Gat, the multi-national center overseeing the Gaza ceasefire. Spanish nationals, including the [former mayor](#) of Barcelona, participated in the aforementioned Gaza flotilla and pro-Palestine citizen activism is [widespread](#) in Spain.

(3) France: This week, France [announced](#) (alongside four other countries) [coordinated](#) "sanctions and other measures to hold extremist settlers accountable for the horrific levels of settler violence against Palestinian civilians." Per this announcement, France [banned](#) four leaders of settler organizations, 21 violent settler leaders, and [Smotrich](#) from French territory. Ben-Gvir was previously [banned](#) from France and the Israeli government was recently [blocked](#) from participating in next week's EuroSatory defense exhibition in Paris. Last month, the Israeli Defense Ministry [halted](#) all defense procurement from France in response to French measures that the Israeli government claims have "harmed Israel's security." These measures include prohibiting Israeli aircraft from using French airspace in the war against Iran, though France has not publicly confirmed this prohibition. French President Emmanuel Macron has also signed a [joint statement](#) warning businesses against "bid[ding] for construction tenders for E1 or other settlement developments." Together with Sweden, his country is [pushing](#) the EU to restrict imports from illegal settlements.

In July 2025, France and Saudi Arabia co-chaired a United Nations [conference](#) on the two-state solution, where for the [first time](#), all 22 member states of the Arab League jointly condemned October 7 and called for Hamas to disarm. The “[New York Declaration](#),” [endorsed](#) by 142 UN member states, also outlines a phased roadmap for ending the Israeli-Palestinian conflict and establishing an independent Palestinian state. France [recognized](#) the State of Palestine in September 2025 and [led](#) 9 other Western countries to follow suit. Today, [Ireland](#), [Spain](#), and 13 other EU member states (as well as the [United Kingdom](#)) recognize Palestinian statehood. France has also [formed](#) a Franco-Palestinian committee to help draft a new constitution for Palestine and will be [hosting](#) Israeli and Palestinian civil society organizations in Paris on June 12 to further lay the [groundwork](#) for a two-state solution.

(4) Italy: The extreme right-wing government of Italian Prime Minister Giorgia Meloni has been one of Israel’s closest allies in recent years. In April, however, Italy [suspended](#) its longstanding bilateral defense agreement with Israel. This suspension came after shots were [fired](#) by Israeli forces at a convoy of Italian UN peacekeepers (UNIFIL) in Lebanon – damaging one vehicle but causing no injuries. The Italian government [summoned](#) the Israeli ambassador and the Israeli government, in turn, summoned the Italian ambassador.

Last month, Meloni signed the aforementioned [joint statement](#) warning businesses against supporting Israeli settlement expansion. Italian nationals, including prominent Italian politicians, were among the Gaza flotilla activists, and Meloni sharply [condemned](#) their treatment by Ben-Gvir. Italy has [faced](#) a wave of pro-Palestine general strikes and transport [blockades](#) across the country. Hundreds of thousands of Italians have demonstrated, and [violent clashes](#) with police have broken out. Meanwhile, the Meloni government continues to protect Israel at the EU level, including opposition to the partial suspension of the EU-Israel Association Agreement.

(5) Germany: Historically one of Israel’s staunchest allies, Germany is the [second-largest](#) arms exporter to Israel – ranking second only to the United States. In August 2025, Germany [partially](#) suspended weapons exports to Israel for use in Gaza. German arms exports to Israel [fell to zero](#) in the weeks following the embargo. Berlin [lifted](#) the embargo in November of last year, several weeks after the Gaza ceasefire, resuming its longstanding policy of examining weapons exports to Israel on a case-by-case basis. The government of Chancellor Friedrich Merz continues to protect Israel at the EU level, including opposition to the partial suspension of the EU-Israel Association Agreement and, most recently, [insisting](#) upon sanctions against Ben-Gvir only and not Smotrich.

Germany has seen mass pro-Palestine [protests](#) and [violent clashes](#) with police. The country has also been mired in controversy surrounding the case of five activists from Palestine Action, known as “[Ulm 5](#),” who attacked the German branch of the Israeli arms manufacturer, Elbit Systems. The activists have been charged with membership in a criminal organization and [subjected](#) to prolonged detention with severe restrictions.

(6) Hungary: In April, Israeli Prime Minister Benjamin Netanyahu saw his closest European ally defeated in the Hungarian election. The far-right former Hungarian Prime Minister Viktor Orbán, who has a [long record](#) of antisemitism and support for Netanyahu, was replaced by Péter Magyar. Prime Minister Magyar [revoked](#) his predecessor's withdrawal from the International Criminal Court (ICC). The new Hungarian leader has [said](#) that, in accordance with Hungary's renewed commitment to the ICC's Rome Statute, he would detain Netanyahu (who [faces](#) an ICC arrest warrant for war crimes in Gaza) if the Israeli prime minister visited Hungary. Crucially, the latest package of EU sanctions against major settler organizations and their leaders required unanimous support from the 27 EU member states and Hungary had long been the holdout; Magyar reversed Orbán's veto, [removing](#) the barrier to new EU sanctions.

Impact on Israel and the Way Forward

Israel's growing isolation in Europe reflects the erosion of key pillars of its normative standing, with growing risks also for its security and economy. The EU-Israel Association Agreement, which underpins preferential trade and cooperation in so many important fields, is now under sustained political pressure. Both full and partial suspensions remain unlikely, but repeated calls for suspension create chronic uncertainty for investors, businesses, and universities.

Israel's image among European publics has [deteriorated](#) sharply. This societal alienation fuels municipal and parliamentary activism, cultural and academic boycotts, and pressure on governments that have traditionally shielded Israel, including Germany and Italy, to distance themselves, constrain arms exports, or suspend defense cooperation.

Targeted EU sanctions on violent settlers and organizations supporting settlement expansion mark a qualitative shift. While such steps rightly stigmatize Israel's actions in the West Bank and lack of action regarding violent settlers, they nevertheless normalize coercive tools against it within EU practice and make further European or national-level measures more politically and legally feasible.

Isolation in Europe narrows Israel's diplomatic maneuvering space with EU partners and increases Israel's asymmetric dependence on the United States. A different Israeli government with a concrete diplomatic and conflict-resolution strategy could still halt and partially reverse this trend, but only through a clear diplomatic break with the current trajectory: curbing settler violence, strengthening a reformed Palestinian Authority, advancing the Gaza ceasefire to its second phase, and pursuing agreements with Lebanon and Syria without compromising its security. If Israel returns to a credible diplomatic path, European governments will have a basis to change course.