



2017/2271(INI)

21.6.2018

OPINION

of the Committee on International Trade

for the Committee on Foreign Affairs

on the state of EU-US relations
(2017/2271(INI))

Rapporteur for opinion (*): Bernd Lange

(*) Associated committee – Rule 54 of the Rules of Procedure

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SUGGESTIONS

The Committee on International Trade calls on the Committee on Foreign Affairs, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Notes that the US was the largest market for EU exports and the second-largest source of EU imports in 2017; notes that there are differences in the trade deficits and surpluses between the EU and the US for trade in goods, trade in services, digital trade and foreign direct investment; emphasises that the EU-US trade and investment relationship – being the largest in the world and one which has always been based on shared values – is one of the most important drivers of global economic growth, trade and prosperity; notes further that the EU has a USD 147 billion surplus in goods with the US; notes that EU businesses employ 4.3 million workers in the US;
2. Stresses that the EU and US are two key players in a globalised world that is evolving with unprecedented speed and intensity, and that given the shared challenges, the EU and the US have a common interest in collaborating and coordinating on trade policy matters to shape the future multilateral trading system and global standards;
3. Points to the central role the WTO plays within the multilateral system as the best option for guaranteeing an open, fair and rules-based system which takes account of and balances the many varying interests of its members; reiterates its support for further strengthening the multilateral trading system; supports the work undertaken by the Commission to further work with the US on a positive common response to the current institutional and systemic challenges;
4. Stresses the role of the WTO in settling trade-related disputes; calls on all WTO members to ensure the proper functioning of the WTO dispute settlement system; regrets in this regard the United States' blocking of new nominations to fill the vacancies in the Appellate Body, which threatens the very functioning of the WTO dispute settlement system; calls on the Commission and all WTO members to explore ways to overcome this impasse on renewing judges at the WTO Appellate Body and, if necessary, by reforming the dispute settlement system; considers that such reforms could aim at ensuring the highest possible level of efficiency and independence of the system while remaining consistent with the values and the general approach that the EU has constantly defended since the creation of the WTO, notably the promotion of free and fair trade on a global basis, under the rule of law, and the need for all WTO members to comply with all WTO obligations;
5. Welcomes, while regretting the lack of results at the Eleventh WTO Ministerial Conference (MC11), the signature of the joint statement on the elimination of unfair market-distorting and protectionist practices by the US, the EU and Japan, which was also highlighted in the G20 statement of July 2017; calls for further cooperation with the US and Japan on this matter to address unfair trading practices such as discrimination, limiting market access, dumping and subsidies;
6. Calls on the Commission to establish a work plan with the US and other WTO members on the elimination of distorting subsidies in the cotton sector and in the fisheries sector (relating in particular to illegal, unreported and unregulated (IUU) fishing); calls for

cooperation in advancing the multilateral agenda on new issues such as e-commerce, digital trade, including digital development, investment facilitation, trade and the environment, and trade and gender, and in promoting specific policies to facilitate the participation of micro, small and medium-sized enterprises (MSMEs) in the global economy;

7. Calls for the EU and the US to promote cooperation at international level in order to strengthen international agreements in the field of public procurement, notably the Agreement on Government Procurement (GPA);
8. Calls on the Commission to enter into dialogue with the United States with a view to resuming negotiations on the plurilateral Environmental Goods Agreement (EGA) and the Trade in Services Agreement (TiSA);
9. Calls for the EU and the US to pool resources to fight unfair trade policies and practices, while respecting multilateral rules and the dispute settlement process in the WTO and avoiding unilateral actions, as they are harmful for all global value chains in which EU and US companies operate; deeply regrets the uncertainty in the international trading system caused by the US's employment of instruments and policy tools (e.g. Section 232 from 1962 and Section 301 from 1974) that were created before the creation of the WTO and its dispute settlement system; notes in this regard that the US decision to impose steel and aluminium tariffs under Section 232 cannot be justified on the grounds of national security and calls on the US to grant the EU and other allies a full and permanent exemption from the measures; calls on the Commission to respond firmly should these tariffs be used as a way to curb EU exports; also stresses that any sanctions that may be taken by the US in the form of countermeasures on European goods following the publication of the Compliance Appellate Body report in the framework of the US complaint against the EU on measures affecting trade in large civil aircraft would not be legitimate, as 204 of the 218 claims put forward by the US were rejected by the WTO and a further report on the related case against US illegal subsidies is still expected;
10. Takes note of the continuing bilateral cooperation between the EU and the US on a wide range of regulatory issues, as evidenced by the recently concluded bilateral agreement on prudential measures regarding insurance and re-insurance or the mutual recognition agreement on recognition of inspections of medicine manufacturers; calls on the Commission and the Council to fully respect the role of the European Parliament in this process;
11. Stresses the crucial importance of intellectual property to the EU and the US economies; calls on both parties to support research and innovation on both sides of the Atlantic, guaranteeing high levels of intellectual property protection, and ensuring that those who create high quality innovative products can continue to do so;
12. Calls for the EU and the US to improve market access for SMEs exporting to the US and to the EU, by means of increasing transparency on existing rules and market openings on both sides of the Atlantic, for instance through an SME portal;
13. Highlights the importance of the US market to EU SMEs; calls for the EU and the US to address the disproportionate effect that tariffs, non-tariff barriers and technical barriers

to trade have on SMEs on both sides of the Atlantic, covering not only a reduction in tariffs but a simplification of customs procedures and potentially new mechanisms aimed at helping SMEs to exchange experience and best practices in buying and selling on the EU and US markets;

14. Calls for the EU and the US, in the framework of their bilateral cooperation, to refrain from tax competition with each other, as this will only lead to a decrease in investment in both economies;
15. Calls for the EU and the US to agree on a framework for digital trade which respects each side's existing legal frameworks and agreements, data protection legislation and data privacy rules, which is of particular relevance to the services sector; stresses, in this regard, that the EU and the US should work together in order to encourage third countries to adopt high data protection standards;
16. Appeals to the EU and the US to scale up cooperation on climate change; calls for the EU and the US to make use of current and future trade negotiations, at all levels, to ensure the application of internationally agreed standards such as the Paris Agreement, to promote trade in environmentally sound goods, including technology, and to ensure global energy transition, with a clear and coordinated international trade agenda, both to protect the environment and to create opportunities for jobs and growth;
17. Believes that a potential new agreement on EU-US trade and investment relations cannot be negotiated under pressure nor under threat, and that only a broad, ambitious, balanced and comprehensive agreement covering all trade areas would be in the interest of the EU; notes, in this regard, that the establishment of a possible specific and permanent regulatory and consultation cooperation mechanism could be advantageous; calls on the Commission to resume negotiations with the US under the right circumstances;
18. Highlights that trade flows increasingly require new, faster, and more secure ways of moving goods and services across borders; calls for the EU and the US, as key trading partners, to collaborate on trade-related digital technology solutions to facilitate trade;
19. Recalls the importance of the existing EU-US dialogue and cooperation on science and technology; recognises the role of EU-US endeavours in the field of research and innovation as key drivers of knowledge and economic growth, and supports the continuation and expansion of the EU-US Science and Technology Agreement beyond 2018, with a view to fostering research, innovation and new emerging technologies, protecting intellectual property rights, and creating more and better jobs, sustainable trade and inclusive growth;
20. Shares the US concerns about global steel overcapacity; regrets, at the same time, that unilateral, WTO-incompatible measures will only undermine the integrity of a rules-based trading order; underlines that even a permanent EU exemption from US tariffs cannot legitimise this course of action; calls on the Commission to cooperate with the US in strengthening the efforts to fight steel overcapacity within the framework of the G20 Global Forum, in order to exploit the huge potential of multilateral action; reiterates its conviction that joint and concerted actions within the rules-based trading systems are the best way to solve such global problems;

21. Reasserts the importance for the EU and the US of addressing, in a coordinated and constructive manner, the necessary modernisation of the WTO, with a view to making it more effective, transparent and accountable, as well as ensuring that, in the process of elaborating international trade rules and policies, the gender, social, environmental and human rights dimensions are adequately integrated;
22. Points out that the EU stands for an undistorted market economy, as well as open values and rule-based and fair trade; reiterates its support for the Commission strategy in response to the current trade policy of the United States, while complying with the rules of the multilateral trading system; calls for unity among all EU Member States and calls on the Commission to develop a common approach in addressing this situation; stresses the importance of preserving the unity of EU Member States in this respect, as joint EU actions in the framework of the common commercial policy (CCP) and the EU customs union at international level, as well as bilaterally with the US, have proven to be far more effective than any initiative undertaken by individual Member States; reiterates that the EU stands ready to work with the United States on trade-related issues of mutual concern within the rules of the multilateral trading system;
23. Regrets President Trump's decision to withdraw the US from the Joint Comprehensive Plan of Action (JCPOA) and the effect this decision will have on EU companies doing business in Iran; supports all EU efforts aimed at preserving the interests of EU companies investing in Iran, in particular the Commission's decision to activate the Blocking Statute, which demonstrates the EU's commitment to the JCPOA; believes that the same statute could be used wherever it is appropriate;
24. Calls for the EU and the US to reinforce cooperation and efforts to implement and expand due diligence schemes for enterprises in order to reinforce the protection of human rights internationally, including in the area of trade in minerals and metals from conflict-affected areas;
25. Deplores the US disengagement from the protection of the environment; regrets, in this respect, President Trump's decision, when the US is the largest importer of elephant hunting trophies, to lift the ban on imports of such trophies from certain African countries, including Zimbabwe and Zambia;
26. Calls for the EU and the US to continue and strengthen transatlantic parliamentary cooperation, which should lead to an enhanced and broader political framework to improve trade and investment links between the EU and the US;
27. Expresses its concern that the US and China might reach an agreement that is not fully compatible with the WTO, which could also undermine our interests and cast a pall over transatlantic trade relations; stresses, therefore, the need for a more global agreement with our principal trading partners, given our shared interests worldwide.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	21.6.2018
Result of final vote	<div style="display: flex; justify-content: flex-end; align-items: center;"> <div style="text-align: right; padding-right: 10px;"> + : 28 - : 3 0 : 4 </div> </div>
Members present for the final vote	William (The Earl of) Dartmouth, Laima Liucija Andrikienė, Tiziana Beghin, Salvatore Cicu, Santiago Fisas Aixelà, Eleonora Forenza, Nadja Hirsch, Yannick Jadot, France Jamet, Elsi Katainen, Patricia Lalonde, Danilo Oscar Lancini, Bernd Lange, David Martin, Emmanuel Maurel, Anne-Marie Mineur, Sorin Moisă, Alessia Maria Mosca, Franck Proust, Godelieve Quisthoudt-Rowohl, Inmaculada Rodríguez-Piñero Fernández, Tokia Saïfi, Helmut Scholz, Adam Szejnfeld
Substitutes present for the final vote	Goffredo Maria Bettini, Reimer Böge, Klaus Buchner, Dita Charanzová, Danuta Maria Hübner, Sajjad Karim, Sander Loones
Substitutes under Rule 200(2) present for the final vote	Czesław Hoc, John Howarth, Dietmar Köster, Kosma Złotowski

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

28	+
ALDE	Dita Charanzová, Nadja Hirsch, Elsi Katainen, Patricia Lalonde
ECR	Czesław Hoc, Sajjad Karim, Sander Loones, Kosma Złotowski
EFDD	Tiziana Beghin, William (The Earl of) Dartmouth
PPE	Laima Liucija Andrikienė, Reimer Böge, Salvatore Cicu, Santiago Fisas Ayxelà, Danuta Maria Hübner, Sorin Moisă, Franck Proust, Godelieve Quisthoudt-Rowohl, Tokia Saïfi, Adam Szejnfeld
S&D	Goffredo Maria Bettini, John Howarth, Dietmar Köster, Bernd Lange, David Martin, Emmanuel Maurel, Alessia Maria Mosca, Inmaculada Rodríguez-Piñero Fernández

3	-
ENF	France Jamet, Danilo Oscar Lancini
GUE/NGL	Anne-Marie Mineur

4	0
GUE/NGL	Eleonora Forenza, Helmut Scholz
VERTS/ALE	Klaus Buchner, Yannick Jadot

Key to symbols:

+ : in favour

- : against

0 : abstention