



2019/0142M(NLE)

15.10.2019

DRAFT REPORT

containing a motion for a non-legislative resolution on the draft Council decision on the conclusion of the Agreement between the United States of America and the European Union on the Allocation to the United States of a Share in the Tariff Rate Quota for High-Quality Beef referred to in the Revised Memorandum of Understanding Regarding the Importation of Beef from Animals Not Treated with Certain Growth-Promoting Hormones and Increased Duties Applied by the United States to Certain Products of the European Union (2014)
(10681/2019 – C9-0107/2019 – 2019/0142M(NLE))

Committee on International Trade

Rapporteur: Bernd Lange

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on the draft Council decision on the conclusion of the Agreement between the United States of America and the European Union on the Allocation to the United States of a Share in the Tariff Rate Quota for High-Quality Beef referred to in the Revised Memorandum of Understanding Regarding the Importation of Beef from Animals Not Treated with Certain Growth-Promoting Hormones and Increased Duties Applied by the United States to Certain Products of the European Union (2014) (10681/2019 – C9-0107/2019 – 2019/0142M(NLE))

The European Parliament,

- having regard to the draft Council decision (10681/2019),
 - having regard to the draft Agreement between the United States of America and the European Union on the Allocation to the United States of a Share in the Tariff Rate Quota for High-Quality Beef referred to in the Revised Memorandum of Understanding Regarding the Importation of Beef from Animals Not Treated with Certain Growth-Promoting Hormones and Increased Duties Applied by the United States to Certain Products of the European Union (2014) (10678/2019),
 - having regard to the request for consent submitted by the Council in accordance with the first subparagraph of Article 207(4), in conjunction with point (a)(v) of the second subparagraph of Article 218(6) of the Treaty on the Functioning of the European Union (C9-0107/2019),
 - having regard to its resolution of 12 September 2018 on the state of EU-US relations¹,
 - having regard to the Joint US-EU Statement of 25 July 2018 following President Juncker's visit to the White House (Joint Statement)²,
 - having regard to the Progress Report on the Implementation of the EU-US Joint Statement of 25 July 2018³,
 - having regard to its legislative resolution of ...⁴,
 - having regard to Rule 105(2) of its Rules of Procedure,
 - having regard to the opinion of the Committee on Agriculture and Rural Development,
 - having regard to the report of the Committee on International Trade (A9-0000/2019),
- A. whereas the EU and the US have the largest bilateral trade and investment relationship, enjoy the most integrated economic relationship in the world, and share important values and economic interests, despite the current trade tensions;

¹ Texts adopted, P8_TA(2018)0342.

² http://europa.eu/rapid/press-release_STATEMENT-18-4687_en.htm

³ https://trade.ec.europa.eu/doclib/docs/2019/july/tradoc_158272.pdf

⁴

- B. whereas in 2009, the EU and the US concluded a Memorandum of Understanding (MoU, revised in 2014⁵) providing for an interim solution to a longstanding dispute in the World Trade Organisation (WTO) regarding measures imposed by the EU in 1989 on US exports of meat containing artificial beef growth hormones⁶; whereas the MoU established a 45 000-tonne tariff rate quota (TRQ) on non-hormone-treated beef open to all qualifying suppliers in WTO member states;
- C. whereas in 2019, the Commission negotiated a new allocation of the TRQ with the US (35 000 tonnes to the US of the overall 45 000 tonnes), with the other suppliers (Australia, Uruguay and Argentina) agreeing to share the remaining part of the quota;
- D. whereas this agreement is to be seen in the light of the de-escalation of the trade tensions between the EU and the US agreed in the Joint US-EU Statement of 25 July 2018;
- E. whereas the US, invoking national security concerns, imposed in March 2018 additional tariffs on imports of steel and aluminium, and is threatening to apply similar tariffs against the imports of motor vehicles and automotive parts from the EU (under Section 232 of the US Trade Expansion Act of 1962);
- F. whereas the EU is challenging, at the WTO, the imposition of antidumping and countervailing duties on Spanish olives by the US⁷;
- G. whereas the US, based on the WTO arbitration decision circulated on 2 October 2019⁸, declared its willingness to impose, in retaliation for illegal EU subsidies granted to the aircraft manufacturer Airbus, tariffs on USD 7.5 billion worth of EU imports also of agricultural and industrial items in addition to aircraft;
1. Welcomes this agreement with the US on the allocation of a share in the TRQ for high-quality beef as a solution to a longstanding trade dispute, as it sets a positive example of a negotiated solution between the EU and the US;
 2. Welcomes and acknowledges the fact that, while it remains unclear whether any compensation has been foreseen, other WTO members that export beef to the EU agreed to support this agreement by accepting that the vast majority of the quota would be allocated to the US;
 3. Notes that the agreement does not affect current levels of market access for beef to the EU market;

⁵ Revised Memorandum of Understanding with the United States of America Regarding the Importation of Beef from Animals Not Treated with Certain Growth-Promoting Hormones and Increased Duties Applied by the United States to Certain Products of the European Union
OJ L 27, 30.1.2014, p. 2.

⁶ Joint communication from the European Union and the United States on measures concerning meat and meat products (hormones) of 17 April 2014 (WT/DS26/29).

⁷ Anti-Dumping and Countervailing Duties on Ripe Olives from Spain: Request for the establishment of a panel by the European Union of 17 May 2019 (WT/DS577/3).

⁸ European Communities and Certain Member States – Measures Affecting Trade in Large Civil Aircraft: Recourse to Article 7.9 of the SCM Agreement and Article 22.7 of the DSU by the United States of 4 October 2019 (WT/DS316/42).

4. Stresses the importance of finding negotiated solutions, such as this agreement, to dilute trade tensions between the EU and the US;
5. Takes note of the lack of progress with the implementation of the Joint Statement, whereas the EU is delivering on the objectives to de-escalate trade tensions, as set out therein;
6. Calls on the US to work with the EU on a fair and balanced solution for our respective aircraft industries in order to prevent the mutual imposition of countermeasures as a result of the longstanding Airbus/Boeing dispute;
7. Calls on the US to revoke the additional tariffs on steel and aluminium, and olives, and to withdraw its threat to impose additional tariffs on cars and car parts;
8. Instructs its President to forward this resolution to the Council, the Commission, as well as to the governments and parliaments of the Member States and of the United States of America.