MOTION FOR A RESOLUTION

to wind up the debate on the statement by the Commission

pursuant to Rule 132(2) of the Rules of Procedure

on measures to address the impact on European agriculture of the WTO ruling
on the Airbus dispute
(2019/2895(RSP))

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on behalf of the PPE Group
European Parliament resolution on measures to address the impact on European agriculture of the WTO ruling on the Airbus dispute
(2019/2895(RSP))

The European Parliament,

– having regard to the decision taken by the WTO arbitrator in the Airbus subsidy dispute (DS316) on 2 October 2019, authorising US countermeasures on EU exports worth USD 7.5 billion,

– having regard to the formal decision taken by the WTO’s dispute settlement body on 14 October 2019 giving the green light to those sanctions,

– having regard to the decision of the US to introduce a new tariff of 25 % *ad valorem* on certain agricultural products as of 18 October 2019,

– having regard to the relevant articles of Regulation (EU) No 1144/2014 of the European Parliament and of the Council of 22 October 2014 on information provision and promotion measures concerning agricultural products implemented in the internal market and in third countries¹ (Promotion Regulation) and to the Commission Implementing Decision of 18 November 2019 on the adoption of the work programme for 2020 of information provision and promotion measures concerning agricultural products implemented in the internal market and in third countries,


– having regard to Rule 132(2) of its Rules of Procedure,

A. whereas the US is the top destination for EU-28 agricultural exports, which amounted to EUR 22.3 billion in 2018, and therefore represents an irreplaceable market in terms of both value and volume;

B. whereas the main agricultural products targeted by the WTO sanctions are strategically chosen emblematic EU products with a very high added value, notably spirits, wine, olive oil, and dairy products such as butter and cheese;

C. whereas other agri-food products such as pork, coffee, sweet biscuits, citrus fruit and fruit juice are also targeted, albeit to a lesser extent;

D. whereas the tariffs will increase economic and legal uncertainty for European producers in a sector already volatile by its very nature, following ongoing disturbances in the EU

¹ OJ L 317, 4.11.2014, p. 56.
agri-food chain due to the Russian ban on European food imports and the UK’s withdrawal from the EU;

E. whereas for some sectors, like olive oil, the US decision will further jeopardise the already fragile situation on the internal market, while for other sectors, like wine, it risks causing serious disturbances in the market overall;

F. whereas the tariffs will lead to significant price increases for consumers and economic and job losses for companies on both sides of the Atlantic, ultimately benefiting producers from outside the EU and the US;

1. Expresses deep concern at the collateral damage that the EU agri-food sector is facing as a consequence of the decision taken by the United States to impose countermeasures on the European Union as a result of the Airbus dispute; considers it unacceptable that the agricultural sector must bear a large part of the cost of a legal dispute originating in a completely unrelated sector; deplores the decision to impose duties on so many agricultural products;

2. Stresses that these tariffs will not only have a considerable negative impact on those Member States and products targeted, but also on the whole agricultural sector and agri-food chain across the EU and potentially on businesses and consumers in the US;

3. Stresses the need for a coordinated and unified EU response, especially since the tariffs have been designed to affect Member States to varying degrees in an attempt to divide the Union’s position;

4. Urges the Commission to prioritise the swift removal of the tariffs affecting agricultural products before the WTO ruling on the Boeing case, expected by March 2020, and calls for the de-escalation of the rising trade tensions between the two parties; calls on the US to work with the EU in this regard;

5. Urges the Commission, in accordance with WTO rules, to mobilise rapid support for the sectors worst affected by these tariffs and to utilise new or existing instruments and relevant measures to deal with disturbances in the internal market;

6. Calls on the Commission to take advantage of the possibility provided for in Article 15 of the Promotion Regulation of raising the co-financing rates from 80% to 85% of the promotion campaigns in order to support operators who will have to step up their efforts to enter the US market and to help mitigate barriers to entry;

7. Asks the Commission to fund, on its own initiative under Article 9 of the Promotion Regulation, horizontal promotion measures to be implemented rapidly in 2020, such as high-level missions, participation in trade fairs and exhibitions of international importance, or operations aimed at enhancing the image of Union products, specifically dedicated to the products affected by the sanctions;

8. Calls on the Commission to take advantage of Article 219 of the SCMO Regulation to make the rules on promotion campaigns under the national wine plans more flexible, in particular to allow for transfers of funds between specific envelopes for the purpose of diversifying in third-country markets or to strengthen promotion actions in the US
market;

9. Insists that the US sanctions represent exceptional circumstances that could not have been predicted and managed by operators and therefore asks the Commission to adapt the control and audit rules in such a way that operators will not be penalised as a result of unavoidable adaptations that they will have to make for promotion actions or for the non-execution of promotion actions that have already been planned;

10. Asks the Commission to consider making use of private storage schemes for butter and cheese and expanding those for olive oil if market conditions deteriorate further;

11. Asks the Commission to consider the possibility, under Article 221 of the SCMO Regulation, of allocating compensation funds to the sectors affected in cases of severe crisis, within the margins available in the budget;

12. Stresses that, under these circumstances, it is vital to avoid further cuts to the common agricultural policy (CAP) budget and to pursue the reform of the CAP crisis reserve, since the agricultural sector is increasingly affected by volatility and politically motivated international crises that require a strong and efficient budgetary response;

13. Stresses the need to secure market access for the products affected by the US tariffs by eliminating the persistent technical obstacles which have prevented operators from taking full advantage of the export possibilities under other free trade agreements;

14. Stresses that the European Union is fully engaged in the implementation of the positive agenda negotiated between President Trump and President Juncker in July 2018 and that the recent agreement with the US on the allocation of a share in the tariff rate quota for high-quality beef as a solution to a longstanding trade dispute is a clear signal of that willingness; expects similar signals from the US side;

15. Reiterates its commitment to free trade and open markets, as these have expanded economic and employment opportunities for numerous small and medium-sized enterprises in the US and the EU, and emphasises the importance of constructive trade relations that are mutually beneficial for the EU and the US;

16. Stresses its support for the preservation of a rules-based trading system and for the WTO as an institution, while recognising the need for comprehensive reform, in particular with regard to the WTO Appellate Body;

17. Instructs its President to forward this resolution to the Council and the Commission.