

## EU will have stronger powers in trade disputes

- The EU can use counter-measures against those violating trade rules while blocking dispute settlements
- Parliament includes services and certain intellectual property rights
- Commission to propose an anti-coercion instrument by the end of 2021 or earlier if necessary

**On Tuesday, Parliament adopted new rules allowing the EU to use countermeasures in trade disputes when arbitration is blocked.**

The strengthening of the so-called [enforcement regulation](#) allows the EU to protect its trade interests against partners acting illegally. From now on, the EU can introduce countermeasures when it obtains a favourable ruling from a dispute settlement panel of the World Trade Organisation (WTO) or in bilateral and regional agreements, when the other party fails to cooperate on the adjudication of the dispute.

### **Scope extended to cover services and intellectual property rights**

Parliament succeeded in widening the scope of the regulation from disputes on goods to those involving services and certain intellectual property rights, including European trademarks, designs and [geographical indications](#). MEPs stress that these account for a large and growing share of world trade and are covered by international trade agreements.

Parliament also ensured that the Commission would examine breaches that negatively affect workers or the environment in a trade context with the same attention as breaches of market access. Enforcement measures will apply in this field as soon as trade agreements permit.

### **Anti-coercion instrument to come**

Parliament also insisted on an instrument to allow the EU to deter and counteract other countries trying to force policy choices on the EU. The Commission agreed to present legislation no later than the end of 2021, and member states committed to take up the issue.

**[Marie-Pierre Vedrenne](#) (Renew, FR), rapporteur**

“This regulation makes it clear that international trade is founded on rules that everybody needs to respect. No one is exempt from these rules.

“Europe continues to stand by the multilateral system and WTO rules. Yet the international dispute settlement mechanism is still blocked. The EU now has another credible, efficient and ambitious tool at its disposal to bolster its trade policies and ensure its strategic autonomy. We now expect the Commission to swiftly introduce a measure to counteract and deter coercive attempts by third countries.”

### Background

As the WTO Appellate Body is no longer able to fulfil its function as last-instance dispute arbiter due to excess vacancies, the EU has been left without the means to enforce trade rules when cases are blocked in the WTO process. The new rules are part of efforts to have better EU tools to promote compliance and enforce EU trade agreements in an altered geopolitical context.

The full house backed the [political agreement](#) between Parliament and Council with 653 votes, with ten against and 30 abstentions.

### Next steps

After Parliament, Council will now formally adopt the revised regulation, which will then be published in the Official Journal and enter into force 20 days later.

### Further information

[Adopted text \(19.01.2021\)](#)

[Video recording of the debate \(18.01.2021\)](#)

[Steps of the procedure](#)

[Legislative procedure and further documents](#)

[EP research service: Review of the EU Enforcement Regulation for trade disputes \(11.01.2021\)](#)

[Free photos, video and audio material](#)

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