

Enforcement of international trade rules

2019/0273(COD) - 06/07/2020 - Committee report tabled for plenary, 1st reading/single reading

The Committee on International Trade adopted the report by Marie-Pierre VEDRENNE (Renew, FR) on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) No 654/2014 of the European Parliament and of the Council concerning the exercise of the Union's rights for the application and enforcement of international trade rules.

The current situation, namely the blocking of the dispute settlement under the World Trade Organisation (WTO) Agreement, requires the EU to act as quickly as possible to protect its interests. The proposed amendment extends the scope of Regulation (EU) No 654/2014 on compliance with international trade rules so that the EU can act when third countries adopt illegal measures while at the same time blocking the dispute settlement process.

The committee recommended that the European Parliament adopt its position at first reading under the ordinary legislative procedure by amending the Commission proposal.

It introduced amendments aimed at:

- clarifying that the Regulation shall ensure the coherent application of the enforcement mechanism in trade disputes relating to international trade agreements, in particular regional or bilateral agreements;
- include services and intellectual property rights within the scope of trade policy measures that can be taken by the EU and are currently limited to goods and public procurement, with a view to strengthening the credibility and deterrent effect of the Regulation;
- clarify that the imposition of measures to restrict trade with a third country should be targeted and proportionate and compensate, as far as possible, those sectors of the Union that have been affected;
- strengthen the possibility to take immediate action in the event of a unilateral measure imposed on the EU by a third country which represents a clear breach of international law and harms the interests of the EU;
- give the European Parliament and the Council the possibility to request the Commission to adopt the implementing acts determining the appropriate commercial policy measures to safeguard the interests of the Union; the Commission shall inform the European Parliament and the Council without delay on how it intends to follow up on the request;
- bringing forward the date for the review of the Regulation: the review shall not take place on 1 March 2025 as proposed by the Commission, but as soon as possible after the date of entry into force of the amending Regulation and no later than two years after that date. The review shall include proposals to strengthen the enforcement of sustainable development commitments.

The Commission shall report to the European Parliament and the Council within one year of the entry into force of the Regulation on ongoing developments in the area of international trade dispute settlements and the actions it has taken relating to the reform of the Appellate Body of the WTO.