

Procedure file

Basic information		
INI - Own-initiative procedure	2020/2117(INI)	Procedure completed
Trade related aspects and implications of COVID-19		
Subject		
2.10 Free movement of goods		
4.20.01 Medicine, diseases		
Legislative priorities		
The EU's response to the Covid-19 pandemic		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	 International Trade	 VAN BREMPT Kathleen	28/04/2020
		Shadow rapporteur	
		 ASIMAKOPOULOU Anna-Michelle	
		 RAFAELA Samira	
		 BRICMONT Saskia	
		 HAIDER Roman	
		 ZAHRADIL Jan	
		 SCHOLZ Helmut	
		Committee for opinion	Rapporteur for opinion
	 Development	 ASIMAKOPOULOU Anna-Michelle	28/05/2020
	 Agriculture and Rural Development	 AMARO Álvaro	10/03/2021
European Commission	Commission DG Trade	Commissioner HOGAN Phil	

Key events			
17/09/2020	Committee referral announced in Parliament		
25/05/2021	Vote in committee		
02/06/2021	Committee report tabled for plenary	A9-0190/2021	Summary
05/07/2021	Debate in Parliament		
06/07/2021	Results of vote in Parliament		
07/07/2021	Decision by Parliament	T9-0328/2021	Summary

Technical information	
Procedure reference	2020/2117(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 54
Other legal basis	Rules of Procedure EP 159
Stage reached in procedure	Procedure completed
Committee dossier	INTA/9/03456

Documentation gateway					
Committee draft report		PE689.689	19/03/2021	EP	
Amendments tabled in committee		PE691.343	20/04/2021	EP	
Committee opinion	DEVE	PE680.970	11/05/2021	EP	
Committee opinion	AGRI	PE689.844	11/05/2021	EP	
Committee report tabled for plenary, single reading		A9-0190/2021	02/06/2021	EP	Summary
Text adopted by Parliament, single reading		T9-0328/2021	07/07/2021	EP	Summary
Commission response to text adopted in plenary		SP(2021)558	08/11/2021	EC	

Trade related aspects and implications of COVID-19

The Committee on International Trade adopted an own-initiative report by Kathleen VAN BREMPT (S&D, BE) on the trade-related aspects and implications of COVID-19.

The global COVID-19 pandemic has resulted in a health, economic, social and humanitarian crisis that has created unprecedented disruptions in international trade, resulting in a decline in global production and employment, a decrease in the level of foreign direct investment and an increase in geopolitical tensions.

The pandemic has exposed the strategic vulnerabilities of the EU and global supply chains. It has continued to increase inequalities and risks setting back the global fight against climate change.

Members believe that COVID-19 has only increased the need for a comprehensive review of the EU's trade policy and are ready to make their contribution.

Fair, resilient and green value chains

Although most global value chains remained operational during the pandemic, Members stressed that the EU is too dependent on a small number of suppliers of certain critical raw materials and essential goods and services, including medical and pharmaceutical products, which

undermines its strategic autonomy and geopolitical objectives.

The COVID-19 crisis has highlighted the risks to critical supply chains. The Commission is urged to pay particular attention to the sustainability of the EU's supply chains in its forthcoming industrial strategy, identifying supply chains that could benefit from greater resilience through supply diversification, relocation and stockpiling.

Members stressed that diversification and resilience of supply chains should be a key priority of the EU's revised trade policy. Openness should go hand in hand with safeguarding the EU's strategic sectors and be closely linked to an ambitious industrial policy, in line with the European Green Deal and the Digital Agenda, which can increase the Union's resilience to future shocks in strategic sectors.

EU trade defence instruments

The Commission is asked to complete the EU's trade defence instruments in 2021 by presenting legislative proposals, giving priority to an anti-coercive instrument, an instrument to combat distortions caused by foreign subsidies and state-owned enterprises and the conclusion of negotiations on the international public procurement instrument.

Members called on the Commission to promote fair trade initiatives, encourage a global circular economy and present a strategy for digital trade, which improves market access for European companies.

Trade policy for essential health products

Members welcomed the proposal by several heads of government for an international treaty on the response to pandemics and called for such a treaty to include a strong trade pillar.

Saying that protectionism in the production and distribution of vaccines could hamper the global pandemic response, Members considered that global supply chains for raw materials and the production and distribution of vaccines must benefit from open trade relations.

The report therefore called on the EU to encourage the adoption of the WTO Trade and Health Initiative by the end of 2021, to encourage greater global cooperation and to be more demanding in terms of transparency of supply, production and cost of medical goods.

The EU should ensure that future advance purchase contracts are fully disclosed, including for new generation vaccines.

Removing barriers to the export of vaccines

Members are concerned about the recent increase in export restrictions on vaccines by major producing countries such as the United States, the United Kingdom, China, India and, to a lesser extent, the European Union, as this could jeopardise the rapid increase in global vaccine production capacity, disrupt production chains and lead to retaliation. They called on the Commission to engage with producer countries to rapidly eliminate export barriers, reiterating that the EU's export licensing mechanism was a temporary measure that should be replaced by a transparency mechanism.

Faced with the growing number of COVID-19 variants, Members stressed that the lack of vaccine production and distribution in third countries could lead to an increase in new types of different variants. They called for more international efforts to accelerate the supply of vaccines to the COVAX mechanism, while stressing that vaccines against COVID-19 and its variants should be a global public good and that urgent multilateral efforts should focus on equitable distribution of vaccines worldwide. They also called for a constructive dialogue on a temporary waiver of the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS).

Trade and sustainable development

While welcoming the inclusion of the Paris Agreement as an essential element in all future trade, investment and partnership agreements, the report stressed that the post-COVID-19 revival offers a unique opportunity to set the agenda for supporting sustainable growth. It called on the Commission and the Council to include provisions on animal welfare, fair trade and the circular economy in the chapters on trade and sustainable development and agriculture.

The Commission is invited to use all trade instruments and development cooperation policies at its disposal to increase financial support, technical assistance, technology transfer, capacity building and digitalisation in order to empower developing countries and enable them to achieve sustainable resilience across the supply chain.

Multilateralism and Europe's geopolitical position in the world

Recalling the geopolitical importance of a strong EU trade policy, Members called on the Commission to identify concrete and specific actions and a roadmap to implement the concept of open strategic autonomy. They recommended that the EU seek new partnerships and consolidate existing ones with like-minded partners.

Members are convinced that EU-China trade relations require a more balanced and reciprocal approach: the process of ratifying the EU-China Comprehensive Agreement on Investment (CIA) can only start once the EU has made substantial progress in developing effective autonomous measures to be deployed in efforts to counter market-distorting practices and to defend strategic EU interests.

Trade related aspects and implications of COVID-19

The European Parliament adopted by 509 votes to 63, with 120 abstentions, a resolution on the trade-related aspects and implications of COVID-19.

The global COVID-19 pandemic has resulted in a health, economic, social and humanitarian crisis that has created unprecedented disruptions in international trade, resulting in a decline in global production and employment, a decrease in the level of foreign direct investment and an increase in geopolitical tensions.

Fair, resilient and green value chains

Stressing that trade policy finds itself at a crossroads and that the geopolitical reality has changed, Parliament stressed that the EU still has to position itself in this new environment.

Parliament believes that COVID-19 has only increased the need for a comprehensive review of the EU's trade policy and are ready to make their contribution. The crisis has highlighted the risks to critical supply chains. According to Parliament, the EU is too dependent on a small number of suppliers of certain critical raw materials and essential goods and services, including medical and pharmaceutical products, which undermines its strategic autonomy and geopolitical objectives.

Therefore, the Commission is urged to pay particular attention to the sustainability of the EU's supply chains in its forthcoming industrial strategy, identifying supply chains that could benefit from greater resilience through supply diversification, relocation and stockpiling.

Members stressed that diversification and resilience of supply chains should be a key priority of the EU's revised trade policy. Openness should go hand in hand with safeguarding the EU's strategic sectors and be closely linked to an ambitious industrial policy, in line with the European Green Deal and the Digital Agenda, which can increase the Union's resilience to future shocks in strategic sectors.

EU trade defence instruments

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Trade policy for critical health products

The resolution welcomed the proposal by several heads of government for an international treaty on the response to pandemics and called for such a treaty to include a strong trade pillar. Parliament considered that global supply chains for raw materials and the production and distribution of vaccines must benefit from open trade relations.

The resolution therefore called on the EU to encourage the adoption of the WTO Trade and Health Initiative by the end of 2021, to encourage greater global cooperation and to be more demanding in terms of transparency of supply, production and cost of medical goods.

The EU should ensure that future advance purchase contracts are fully disclosed, including for new generation vaccines.

Removing barriers to the export of vaccines

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Faced with the growing number of COVID-19 variants, Members stressed that the lack of vaccine production and distribution in third countries could lead to an increase in new types of different variants. They called for more international efforts to accelerate the supply of vaccines to the COVAX mechanism, while stressing that vaccines against COVID-19 and its variants should be a global public good and that urgent multilateral efforts should focus on equitable distribution of vaccines worldwide. They also called for a constructive dialogue on a temporary waiver of the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS).

Trade and sustainable development

While welcoming the inclusion of the Paris Agreement as an essential element in all future trade, investment and partnership agreements, the resolution stressed that the post-COVID-19 revival offers a unique opportunity to set the agenda for supporting sustainable growth. It called on the Commission and the Council to include provisions on animal welfare, fair trade and the circular economy in the chapters on trade and sustainable development and agriculture.

The resolution stressed the need for more coherency and transparency in scrutinising EU trade policy. There is also a need for coherent, clear, measurable and objective criteria for the EU's trade policy and the engagement of EU citizens, better dialogue between the Commission and Parliament, more policy coherence and better scrutiny of all aspects of trade policy.

Multilateralism and Europe's geopolitical position in the world

Recalling the geopolitical importance of a strong EU trade policy, Parliament called on the Commission to identify concrete and specific actions and a roadmap to implement the concept of open strategic autonomy. It recommended that the EU seek new partnerships and consolidate existing ones with like-minded partners. However, that where cooperation is not possible, the EU should pursue its interests through autonomous measures to protect its values and fight against unfair trading practices in accordance with international law.

Members are convinced that EU-China trade relations require a more balanced and reciprocal approach: the process of ratifying the EU-China Comprehensive Agreement on Investment (CIA) can only start once the EU has made substantial progress in developing effective autonomous measures to be deployed in efforts to counter market-distorting practices and to defend strategic EU interests.

Lastly, Parliament called on the EU institutions to maintain as a priority our trade and development cooperation and the development of greater resilience to pandemics and health emergencies.