



Ms Ursula VON DER LEYEN

President of the European Commission

Mr Valdis DOMBROVSKIS

European Commissioner for Trade

Vice-President of the European Commission

CC Mr Janusz WOJCIEJCHOWSKI

European Commissioner for Agriculture

Brussels, 3rd February 2023

Dear President,

Dear Commissioner,

In August 2018, the United States imposed tariffs of 35% on the import of black olives from Spain following a complaint from two Californian companies. These complaints accused the Spanish black olive industry of selling at low cost and considered that the Common Agricultural Policy (CAP) aid received by the sector (such as income support and aid to young farmers) was dumping on the US market.

Following the European Commission's request for a World Trade Organisation panel in November 2021, the WTO ruled against these tariffs as contrary to international trade law, urging the US to eliminate them.

The US market is the world's main market for table olives, with a lot of growth potential, and over the last five years Spanish exports of black olives have fallen by 68% in volume, from 48.9% of the market in 2017 to 18.5% in 2021. The losses up to 2021 are estimated at €168 million, without counting the €8.5 million in legal defense costs before the US Court of International Trade almost exclusively borne by the sector.

Moreover, Spanish industrial production has lost profitability compared to other producing countries, with North African countries being the main beneficiaries of the US tariffs, and consumption of the category as a whole has fallen benefiting other products, as it has not been possible to counteract the fall in Spanish products.

The table olive sector is the main driving force behind important rural production areas in Spain, which economy is based on the production, processing, and export of green olives, and that it generates stable employment in its associated industries and services, preventing the depopulation of many disadvantaged areas.

The imposition of these tariffs by the US Government is a protectionist measure to prevent more competitive companies from entering the US market in free competition with US industries. It is also clear that the aim of US is to relocate production and that the added value of the industrialisation of imported olives remain in their territory, creating a direct problem of deindustrialization in the EU's production areas in a sector that is a major source of jobs and growth.

In 2021, the US and the EU created the Trade and Technology Council with the aim of coordinating common actions for cooperation in global trade and deepening economic relations based on international rules. In this sense, taking into account the tariffs are still ongoing, it calls into question the will of the US to promote trade relations based on international rules.

The added and far-reaching problem generated by this conflict is that the tariffs call into question the legitimacy of the CAP at international level. It is very important that we do recognise this matter as an European problem and to work for its definitive abolition. If these tariffs are not eliminated, tomorrow the US or any other third country could act against any other sector or Member state with the same reasoning against the system of income support for European farmers as a cause of "dumping" in their markets.

We appreciate the work of the European Commission in defending this sector before the WTO and we regret the non-conciliatory attitude of the US in this matter. We therefore call for this issue to be treated as a top priority and at the highest political level between the EU and the US where a solution to put an end to these tariffs can be negotiated.

Yours sincerely,

Clara **AGUILERA**, S&D MEP, Juan Ignacio **ZOIDO** EPP MEP

Mazaly **AGUILAR** ECR MEP, Eugenia **RODRIGUEZ** The Left MEP

AND:

-Javier **MORENO**, S&D MEP

- Inmaculada **RODRIGUEZ PIÑERO**, S&D MEP

- Norbert **LINS**, EPP MEP

- Irene **TOLLERET**, RE MEP
- Cristina **MAESTRE MARTIN DE ALMAGRO**, S&D MEP
- Marie-Pierre **VEDRENNE**, RE MEP
- Elsi **KATAINEN**, RE MEP
- Adrian **VAZQUEZ LAZARA**, RE MEP
- Jordi **CAÑAS**, RE MEP
- Carmen **AVRAM**, S&D MEP
- Paolo **de CASTRO**, S&D MEP
- Gabriel **MATO**, EPP MEP
- Iuliu **WINKLER**, EPP MEP
- Attila **ARA-KOVACS**, S&D MEP
- Lina **GALVEZ MUÑOZ**, S&D MEP
- Franc **BOGOVIC**, EPP MEP
- Camilla **LAURETI**, S&D MEP
- Herbert **DORFMANN**, EPP MEP
- Daniela **RONDINELLI**, MEP
- Martin **HLAVÁČEK**, RE MEP