

# WTO Upholds EU Challenge Against US in Spanish Olive Trade Dispute



**Valdis Dombrovskis, Executive Vice-President and Commissioner for Trade has called on the US to swiftly comply with the WTO's ruling and provide relief to the Spanish olive sector, which has been "unlawfully hit by the US anti-subsidy duties since 2018."**

In a landmark decision, the World Trade Organization (WTO) has today reaffirmed the European Union's (EU) challenge against the United States (US) over the imposition of anti-subsidy and anti-dumping duties on Spanish ripe olives. The WTO compliance panel's report, which both parties have eagerly awaited, has confirmed that the US measures are in breach of international trade rules.

The dispute dates back to August 1, 2018, when the US Department of Commerce levied duties ranging from 30% to 44% on Spanish ripe olives, alleging unfair subsidies and dumping practices. The EU contested these measures at the WTO, leading to a ruling in favour of the EU on November 19, 2021. The WTO panel found that the US anti-subsidy duties violated WTO rules, particularly criticizing the US legislation's presumption of an automatic pass-through of subsidies from producers to transformers of agricultural products, as stipulated in Section 771B of the 1930 US Tariff Act.



Despite the initial ruling, the US did not fully comply with the panel's recommendations, prompting the EU to request the establishment of a compliance panel on July 14, 2023. The compliance panel's report, released today, upholds the EU's position, confirming the original panel's analysis and concluding that the US law remains inconsistent with WTO rules.

The implications of the US duties have been significant for the Spanish olive sector. Before the imposition of the tariffs in 2017, Spain was the largest exporter of ripe olives to the US, with imports totalling USD 67 million, accounting for 76% of ripe olive imports in the US. In 2022, Spain's exports to the US totalled USD 20 million, accounting for just 26% of US imports.

Following the compliance panel's report, both the EU and the US can request that the WTO Dispute Settlement Body (DSB) adopt it. If adopted, the report will become binding, and the US will be required to take immediate action to implement the ruling and remove the duties.

The decision marks a significant victory for the EU and the Spanish olive producers, who have faced a challenging situation since the imposition of the US tariffs. The WTO's confirmation of the EU's stance sends a clear message about adhering to international trade rules and the mechanisms to resolve such disputes. The ball is now in the US's court to align its practices with the WTO's directives and provide a fair trading environment for Spanish ripe olives.