

**UNICE Roadmap to Hong Kong**

**UNICE Fiche: Rules Negotiations**

UNICE is a strong believer in a rules-based multilateral trading system that establishes a level playing field for fair competition. WTO Rules play an essential role in ensuring the effectiveness of the multilateral system and their clarification and improvement are therefore an important item on the Doha Development Agenda.

**Harmonise the implementation of the WTO Anti-dumping Agreement**

Legitimate trade disciplines need to be operated in accordance with transparent, predictable, harmonised and non-discriminatory enforcement provisions. Therefore, WTO Members should implement the WTO AD Agreement based on the same interpretation and criteria. We believe that anti-dumping is one area where the DDA can bring direct, tangible and substantial improvements for business. UNICE calls for a clarification of the WTO AD Agreement based on the following guidelines.

Procedural and methodological issues

- WTO Members should aim to develop common approaches for complainant submissions and investigation questionnaires.
- Specify fair, expeditious and compulsory time constraints for proceedings.
- Develop clear guidelines for the criteria for the temporary suspension of measures or for triggering interim reviews.
- Develop common methodologies for assessing dumping and injury margins, undercutting, free market vs. captive market, etc.
- Clarify rules on price undertakings, which should only be used under exceptional circumstances.

Conceptual issues

- Adopt the lesser duty rule in-line with the spirit of the agreement – to end injury caused by dumping without imposing a penalty on the exporter.
- Adopt provisions that would properly address circumvention practices which undermine the effectiveness of measures.
- Act against flawed initiations by creating a swift control mechanism to prevent abusive action.

**Clarify the Agreement on Subsidies and Countervailing Measures (ASCM)**

While ensuring compatibility with the *acquis communautaire*, there is a need to increase the transparency and disciplines in the subsidies field. UNICE calls for the following issues to be improved.

- Clarify the definition of “disguised” subsidies.
- Clarify rules for “local content” subsidies to prevent abuse.
- Address the problem of tax subsidies.
- Ensure coherence between WTO and OECD export financing rules.
- Establish more effective notification rules at the WTO.

**Improve disciplines on regional trading arrangements (RTAs)**

Despite the proliferation of RTAs over the past twenty years, WTO rules have not been adapted to the new situation. UNICE believes that RTAs should be trade creating, should

limit trade diversion and should not lead to market exclusion. RTA rules should therefore be improved along the following lines.

- All RTAs should be promptly subjected to WTO assessment.
- Rules governing “substantially all trade” should be clarified to ensure that RTAs are trade creating.
- WTO Members should clarify rules governing trade diversion – notably as concerns goods and services. RTAs which lead to market exclusion, in the services field for instance, should be forbidden.

### **Conclusion**

UNICE is a strong supporter of WTO rules which aim to establish a level playing field. Although negotiations in these fields are of a very technical nature, progress will provide tremendous benefits to companies from all countries.

UNICE is prepared to support this position in constructive dialogue with relevant EU officials and institutions, with partner business organisations around the world and with the EU's WTO partners to ensure that the DDA negotiations on Rules are a success.

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