

**HOW CAN SMEs PROTECT THEIR RIGHTS
UNDER EU TRADE POLICY?**



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➤ Companies have rights in an open market!

The European Union is one of the world's most open markets. Industrial tariffs are very low and export and import levels are very high. However, if a non-EU country exports to the EU under unfair conditions or in a way that seriously disrupts the EU market, European companies can request measures to eliminate the injury caused to their activity in the EU. Upon request, the European Commission will investigate sales made in the EU at dumped or subsidized prices or in such quantities that unbearable competitive pressure suddenly disrupts the normal operation of the EU market.

UNICE works closely with the EU to ensure that European trade law gives SMEs the legitimate right to defend themselves against unfair trade practices and non-EU country policies that distort markets.

➤ What kind of rights do companies have under EU trade law?

There are **three** trade defence instruments (TDI) that companies can use when faced with unfair trade practices or disruptive imports:

↪ Anti-dumping

There is dumping when imported products are sold on the EU market below their sales price in the home market of the exporter. This practice can undermine the viability of EU industries. Anti-dumping duties can be applied to dumped products to restore fair competition in the EU and eliminate the injury caused to EU enterprises.

↪ Anti-subsidy (countervailing measures)

Many countries grant subsidies to their enterprises to facilitate their operations and exports. The EU can apply anti-subsidy duties to imports benefiting from sector-specific subsidies that distort fair competition.

↪ Safeguard measures

Sudden, massive import surge of a product can affect the survival of EU enterprises in a sector. The EU can impose safeguard measures (in the form of duties or import quotas) for a limited period of time to enable the EU enterprises to adjust.

For more detailed information, please consult the European Commission's [SME Trade Defense Helpdesk](#) or send them an [e-mail](#).

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➤ How does a trade defense case work?

- STEP 1. Get organised, launch the industry complaint! (represent at least 25% of the sector concerned)
- STEP 2. Collect the evidence!
- STEP 3. Provide investigators with the relevant information on time!
- STEP 4. Follow-up: monitor the effectiveness of remedies

➤ Recourse to trade defense instrument is a serious matter

While enterprises have rights under trade law, the EU will not invoke trade defense instruments unless there is a clear evidence of unfair or predatory trade practice and of injury to EU industry.

EU trade law requires Commission investigators to subject trade defence measures to a strict "Community interest test" to ensure that such measures do not harm the economic interests of the EU.

➤ Who should you contact?

For general inquiries on trade law: contact your national business federation (see [list of UNICE member federations](#)).

For specific questions regarding trade defence rights: contact your national sector association.

➤ What to do if you are under investigation by a non-EU country?

Likewise, EU exporters can be subject to a trade defence investigation by a non-EU country. Be careful! Some countries abuse their power during these investigations and apply illegal anti-dumping or anti-subsidy duties or use investigations to obtain access to sensitive company information.

UNICE strongly advises EU enterprises under investigation by a non-EU country to immediately contact their national government authorities.

Further information is available from the [European Commission's Third Country Trade Defence Instruments website](#).

UNICE is working to clarify WTO rules to prevent non-EU country abuses in this field in the future.