



18 December 2012

BUSINESSEUROPE INTERVENTION AT EP WORKSHOP ON TDI MODERNIZATION

Dear Chairman,
Dear Ladies and Gentlemen,

Thank you for giving BUSINESSEUROPE the opportunity to speak at this workshop on the modernization of the EU's Trade Defence Instruments.

The view that trade defence instruments (TDI) are designed to defend competitive industries threatened by unfair competition is shared by all WTO members. These are neither protectionist tools to protect uncompetitive enterprises nor instruments for assisting firms in restructuring policies. On the contrary, precisely in a world of open trade and with the challenges we currently face due to the complex set of trade flows, there needs to be an effective deterrent mechanism against unfair trade. TDI are the only legitimate way to defend injured industries against unfair practices of dumping and the very existence and the effective use of it helps to maintain the principles of law.

The EU TDI system complies with the WTO anti-dumping agreement and in addition it is considered to be a model example of non-protectionist instrument containing provisions that go beyond the WTO agreement, like the lesser duty rule and the balanced consideration of all interested parties in the Union interest analysis. The EU already gives more unilaterally than it is legally bound to by the multilateral commitments. Having said this, we in BUSINESSEUROPE strongly believe that the already balanced TDI instrument must not be weakened by the current modernization exercise. Especially at times when there is no progress on WTO/DDA, which was one of the two conditions set by President Barroso when the mandate to have a modernization exercise was given.

Notwithstanding the high level of rules and practices of the EU TDI system, we believe there is still room for improvement in some areas. In this context, we believe it is absolutely necessary to introduce provisions to deal with the distortions caused by unfair trade practices with regards to raw materials. Linked to this, we also believe that when distorted access to raw materials gives competitors an unfair advantage (e.g by means of export duties or dual pricing) and this being a structural issue, then it is justified to maintain the AD measures in force and hence we reject the automatic combining of second and subsequent expiry reviews with interim reviews. We also believe that the lesser duty rule should not be applied in case of distortions in raw materials, but also in case of fraud, circumvention or subsidization. Last but not least, we oppose the concept whereby measures would not be imposed within a period of three weeks after sending the pre-disclosure ("shipping clause"). This would not only encourage more shipments in times of uncertainties for all the market actors, but also it would seriously risk aggravating the injury suffered by the industry caused by dumping.



Finally, I would like to take this opportunity to highlight our serious concerns about the apparent tendency to downsize resources provided to trade defence. Although we understand that resource allocation is an issue we all have to deal with in the current economic situation, industry and its defence should be considered as a top priority.

To conclude, dear chairman, within the context of the current economic situation and the impasse of WTO/DDA, any unbalanced unilateral EU decision would seriously risk deterioration of the EU economy. The short term interest for user industries may very well be to get the lowest possible price for a good, however, the long term interest is to make sure that the good will always be available at a fair price and same quality. We are only a few weeks away before the Commission will present its modernization proposal and we very much welcome your today's initiative to discuss this complex issue in more detail and moreover to increase the awareness of the high importance of trade defence for industry.

Thank you for your attention.