Modernisation of the EU Trade Defence Instruments

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Main goals

- Improve the system for the benefit of all stakeholders to better reflect the current needs of business
- Finding practical solutions for real problems
- Balanced approach
Balanced Package

- LDR
- Duration
- Ex officio
- Injury margin
- 14.6 data
- Continental Shelf
- Pre-disclosure
- Reimbursement of duties
- Additional UIT
- Codification
- Social and Environmental Standards
- SME
- Undertakings
- Trade Unions
- Guidelines
Legislative Process

The TDI modernisation entered into force on 8 June 2018.
Pre-disclosure

- Increases transparency and predictability

- Three weeks before provisional measures:
  - interested parties will be informed about the EU's intention to impose measures and the level of such measures.
  
  - Sampled exporting producers will be informed about their calculation resulting in the level of measures.
LDR – Raw Material Distortions

• Interference in the trade of raw materials for the benefit of domestic downstream producers creates additional distortions of trade.
• In specific investigations, where these trade restrictions are significant, the EU will consider that measures at the level of dumping are necessary to remove the injury, if this is in the interest of the Union (+). (WTO+)
Anti-Subsidy Investigations

- Countervailable subsidies granted by third countries are particularly distortive of trade.

- Unless it is against the interest of the Union (−), the EU will consider measures at the level of countervailable subsidies are necessary to remove the injury. (LDR – WTO+)
EU will take social and environmental standards into account?

- Yes, the cost of compliance for EU producers with EU standards have an impact on the cost of production (already included) and evidence on future increase of such costs for up to five years (new).
- Yes, the EU can reject undertakings for the reason of general policy, including a country's record on multinational environmental and labour agreements.
- No, these standards will not be part of the investigation in third countries.
Continental Shelf and EEZ

- **EU particularity** – the Customs Union Territory is limited to the land territory of its Member States, including 12 nautical miles of territorial water.
- **Consumption in the EEZ of a Member State** was previously considered a re-export and exempted from measures (unlike USA, India, Canada ...)
- **New tool on the basis of UNCLOS**
- **The EU can extend measures for products consumed in significant amount in the EEZ** (mostly tubes, steel plates, ropes)
TDI Modernisation

• No underlying shift in approach – the EU is promoting open and fair trade.
• Facilitates access to the instrument, transparency and predictability.
• Fully WTO compatible – some WTO+ elements.