



Towards a robust trade policy for the EU

European Council
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Trade is essential for jobs, growth and competitiveness...



More than **30 million jobs**, 1 in 7 of all jobs in the EU, depend on exports to the rest of the world.

Trade will be an even more important source of growth in the future. **~90% of global economic growth in the next 10 to 15 years** is expected to be generated outside Europe.

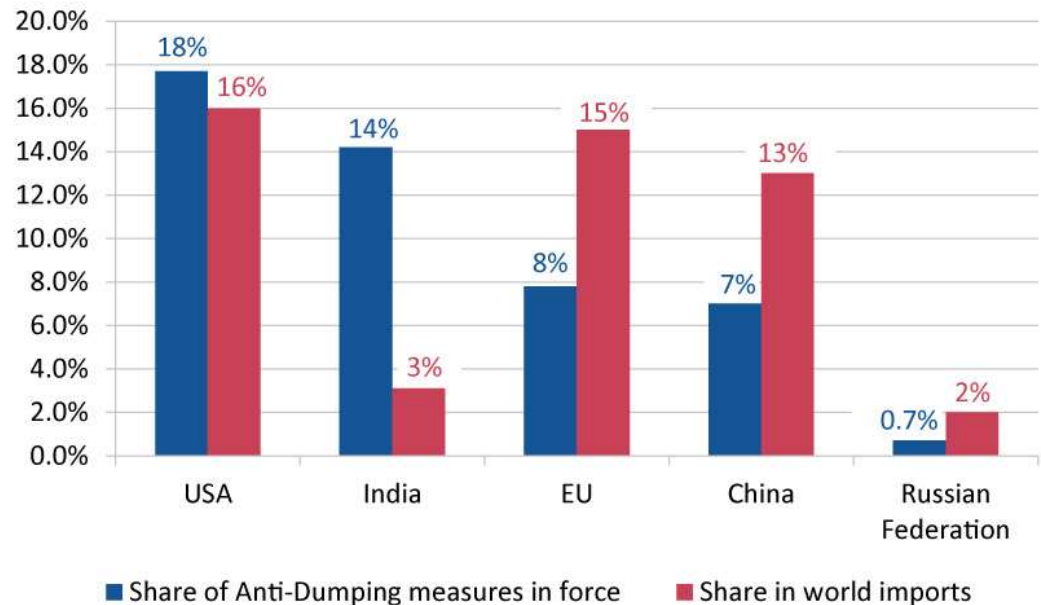
...but it must be fair

Unfair trade practices by third countries have resulted in huge overcapacities and dumped exports on the EU. For example, steel overcapacity in China alone is almost **double** the EU's annual steel production. **40.000 EU steel jobs were lost, as prices fell by up to 40%.**



The EU's current trade defence instruments have reached their limits

- The EU currently has **39 anti-dumping and anti-subsidy measures** against dumped steel products (but some of those are not sufficiently efficient).
- The Commission's use of trade defence instruments is targeted: **only 0.2% of imports** are affected.




The Commission has been using all the instruments available in the trade defence toolbox, but this is not enough

Our legislation prevents us from imposing higher duties

This is because of **the lesser duty rule**, which caps the level of duties imposed to either the amount of dumping/subsidisation, or the level of economic injury suffered by the EU industry, whichever is the lower.

For example: Recently the EU imposed measures on Chinese hot rolled coils: the dumping margin was 102% but the duties were set at only 19%.

EU / US - comparable products (imports from China)	 average duty	 average duty
High fatigue performance steel concrete reinforcement bars / Steel concrete reinforcing bars	21,3%	133%
Stainless steel cold rolled flat products / Certain corrosion resistant products	24,9%	255,8%

The EU's trade defence instruments require an urgent update

The Commission calls on the Council to:



Swiftly adopt the proposal tabled in 2013 to modernise the EU's trade defences.

These measures would **significantly improve our room for manoeuvre**, and increase the speed, transparency and efficiency of our measures. This would involve adapting the use of the lesser duty rule in a few specific and carefully-defined cases.



Endorse the new anti-dumping methodology to address situations where market prices do not prevail, while dealing with forthcoming changes to the WTO legal framework.

The proposal will **not grant 'market economy status'** to any country, but ensure that the EU's trade defence instruments are adapted to face the new challenges and legal and economic realities, while maintaining an equivalent level of protection.

The proposal would also **strengthen the EU's trade defences** and would bring EU legislation and practice closer to that of our international partners such as the US and Canada.