

## Robust EU trade defence system is fundamental to the future of industrial manufacturing in Europe

AEGIS Europe response to the Communication from the Commission to the European Parliament, the European Council and the Council: 'Towards a robust trade policy for the EU in the interest of jobs and growth'

**Brussels, Tuesday 18 October 2016** - "The existence of a robust EU trade defence system is fundamental to the future of industrial manufacturing in Europe, one which is losing production and jobs to China every day.

AEGIS Europe welcomes the European Commission's strong words and posturing. However, we are concerned that the EU may be in an even weaker position to stand firm against unfair trade practices if its new proposal were to enter into force. The most important elements of the current regulation against dumped imports from countries outside the EU must be transposed into the new system.

Non-market economy status is fundamental to every effective anti-dumping measure against unfairly traded imports from China. If the Commission removes any reference to the five basic criteria for what constitutes a non-market economy, to the benefit of an unprecise new concept - market distortions - the entire legal basis for action against imports from China would be diluted.

Furthermore, when complaints are considered by the European Commission, it is essential for China to continue to have the burden of proof that it operates as a market economy, rather than European SMEs fighting for their existence to have to demonstrate distortions in China.

AEGIS Europe supports the initiative to drop the Lesser Duty Rule (LDR) in certain situations, considering that LDR is an unnecessary restriction imposed by the EU onto itself without any obligation under the WTO Anti-Dumping Agreement, and could consequently be suppressed in all circumstances.

Nonetheless, we are concerned that under the proposed new regime, dumping margins may be so low as to not offer any effective protection against flagrant dumping and state subsidies, making elimination of the Lesser Duty Rule largely symbolic," said Milan Nitzschke, spokesperson for AEGIS Europe.

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## ABOUT AEGIS EUROPE

AEGIS Europe is a grouping of nearly 30 industrial associations dedicated to ensuring that EU policymakers work towards free and fair international trade. AEGIS members are leaders in sustainable manufacturing and account for more than  $\notin$ 500 billion in annual turnover and millions of jobs across the EU. To find out more about AEGIS Europe please visit www.aegiseurope.eu.

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