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Today the Commission has adopted a green paper for public consultation on the European Union’s Trade Defence Instruments. These are the legal measures, based on WTO rules, that the EU and almost all large importing economies use to defend their economic interests against unfairly traded goods. In particular, it concerns the EU’s anti-dumping instruments.

The use of Trade Defence instruments cover a minute proportion of the value EU imports (less than half of 1%) but they play an important political and economic role in enabling us to stand up against unfair trade. Effective action against dumping has helped safeguard tens of thousands of European workers and helps maintain the public’s belief in free trade. Trade defence is the flip-side of the coin of openness – open to free trade, open to defending against unfair trade. This is part of a balanced response to globalisation.

Over the years, the EU has gone further than any other WTO Member in tightening, focussing and refining its Trade Defence Measures – we have a lesser duty rule and a community interest test that
are unique to the EU. We have arguably the most transparent, most balanced Trade Defence system of any WTO member. We have nothing to apologise for in defending ourselves against trade cheats, as long as this stems from genuine price distortion and anti-competitive behaviour. Lower cost competition alone does not justify the use of trade defence instruments.

Nevertheless, in the ten years since the EU’s Trade Defence Instruments were last looked at, the global economy has changed dramatically.

Many more EU companies now produce goods wholly or partially outside the EU for import into the EU, or operate supply chains that stretch beyond the EU market. Those employed in European-based enterprises are often linked directly to production outside Europe – workers’ interests are therefore becoming more complex. These changes challenge traditional understanding of what constitutes EU production and the EU’s economic interests.

And because it is precisely these things that trade instruments are intended to defend, a periodic review can help us to ensure that their use reflects a changing world.
The Green paper is addressed to a range of interested parties: member states, business, the European Parliament, NGOs and individuals. It seeks their views in an open and neutral way.

The paper asks if we have the mix right in assessing the economic interests of the EU: defending the interests of domestic producers and their employees, but also taking account of those producers who have relocated parts of their production outside of the EU, and their European employees.

It asks whether we need to look at new ways of reflecting the interests of retailers and their employees as well as consumers when we impose anti-dumping duties.

It asks if we could be more transparent in the way we handle case documents.

It asks if we are using the right criteria in launching investigations; defining and implementing measures.

It asks if we are doing enough to ensure small businesses have adequate access to the trade defence system.
What the green paper does not question is the intrinsic role and value of trade defence instruments. It asks if we could use them better to defend European economic interests, and if so, how. It is their effectiveness which is my concern.

How we use these instruments can become politicised. Recent months have shown clearly what happens when EU Member States cannot agree on the operation of the EU's Trade Defence Instruments. A system that doesn't work, or one in which solidarity and consensus are under strain, risks becoming inoperable. And that doesn't serve anybody's interests.

I hope all interested groups: industry, retailers, consumer groups, MEPs and Member States will come to the process with open minds.

The commission will bring forward next year a communication on the outcome of this survey. I do not know yet what will come out of it. I expect views will differ. I am not committed a priori to any reform of the system – far less to a radical overhaul. But I do expect that the consultation will highlight some areas that require further attention.

I see today's consultation as an important part of the Global Europe trade policy framework that I
launched in October. In our bid to boost Europe’s competitiveness in the world – and there is no bigger challenge confronting us – it must be right to go through all the tools in our trade tool box and make sure they are working well and adapting to a changing economic world. This is neither quick nor easy but it is necessary.

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