



**2nd Strasbourg Lunch
Wednesday, 15. February 2017**

„The Future of EU Trade Defence“

After Karl von Wogau's welcome of the participants, Michael Gahler MEP, President of the Kangaroo Group, reported about the recent vote on CETA-Agreement in European Parliament which took place only minutes before. The result for CETA-Agreement: 408 for, 254 against, 33 abstentions. He emphasized that CETA could lead to positive impacts in global trade. In addition it could be a blueprint for other trade agreements.



MEP Godelieve Quisthoudt-Rowohl, Member of the Committee on International Trade, pointed out the need combating global trade distortion to protect effectively industry and jobs in the European Union. To detect distortions there is discussed a new methodology. It should provide objective criteria as well as effectiveness. Additional topics are environmental and social conditions. She also referred to overcapacities within sectors for instance in the steel sector.

The European Commission was represented by Wolfgang Müller, Head of Unit, DG Trade. He explained key issues of the proposal amending Regulations (EU) 2016/1036 and 2016/1037 on protection against dumped respectively subsidised imports from countries not member of the European Union.



Concerning dumping he presented the new dumping calculation methodology for significant distortions:

- country neutral, but there may be reports
- constructed normal value based on exporter's cost structure
- depending on distortions: some or all of actual costs will be replaced.

Subsidies found in course of investigations will be addressed. Wolfgang Müller stressed that the proposal introduces specific disciplines ensuring that the entry into force of the new system would be made in an orderly and transparent manner and would not create legal uncertainty of ongoing cases or unduly affect existing measures.



Senior Policy Officer of the Maltese Presidency, Mark Scriha, outlined that the European Council is prepared to start. He stated that the European Commissions proposal is an excellent basis to proceed and move into right direction. It would be important to identify unfair competition in global trade as well as significant dumping and market distortions. Therefore market conditions have to be explored. For the Maltese Presidency he pointed out the there is not too much time left. So European Union should act fastly.



Chairman of Foreign Trade and Statistics Committee of the German Steel Federation, Stefan Grünhage, considered the increasing global pressure especially within the steel market outgoing from China. He mentioned that the modernisation of European Union Trade Defence is not new and it is disappointing from the view of the European Steel Industry. There is more transparency necessary to detect dumping and subsidising in the global steel industry. Unfair conditions of competition are leading to market distortions and endanger innovation and global trade.

The following discussion made obvious that there are existing differing points of view concerning the proposal on the future of European Unions Trade Defence published by the European Commission in November 2016.

On the one hand Mark Sciriha from the Maltese Presidency pointed out the there is a tendency to “this deal or no deal”. On the other hand there are unsatisfying dumping methods and existing subsidies in the global markets - for example in the steel - leading to unfair competition.

Furthermore there is additional uncertainty deriving from the American Administration.

Finally Michael Gahler remarked that there should not be a decision making in China without transparency.

