

## **Report on effectiveness of EU's Trade Defence Instruments highlights more must be done to counter market distortions caused by dumping and subsidisation**

**Brussels, 16 September 2022** – AEGIS Europe, an alliance of over 20 manufacturing industries, published its first annual [Report](#) reviewing the functioning of the European Union Trade Defence Instruments (TDI). The Report shows that important improvements were made to address unfair trade practices by third countries but argues that there is still room for significant improvement, particularly regarding support for SMEs and the application of the lesser duty rule.

Using the Trade Defence Instruments 2017 and 2018 reforms as a starting point, the Report shows the new methodology for calculating dumping from non-market economies has worked well, as has the Commission's initiative to countervail subsidies given by one country to enterprises in another. The new provisions on the lesser duty rule<sup>1</sup> and support for SMEs have been less successful.

The non-application of the lesser duty rules when there are distortions in raw material costs occurred only once despite numerous requests from Union producers and SMEs need enhanced support to be able to make better use of the trade defence instruments.

The Report also provides 27 recommendations to EU policy makers on changes that would make the instruments more immediately responsive to the ever-changing ways trade can be distorted.

*'With this Report and its recommendations, AEGIS Europe seeks to engage with all the EU institutions in a wide-ranging policy debate on trade defence. Unfortunately, many of our members have to use these trade instruments regularly, so we believe we have something to say about how they can be made more effective for EU manufacturing sectors and in SMEs particular,'* says Inès Van Lierde, Chair of the Alliance.

Over the coming months, AEGIS Europe will reach out to all the EU institutions, and the Member States, to discuss the benefits of following these recommendations and how they can work in practice.

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*About AEGIS Europe:*

AEGIS Europe is an industry alliance that brings together more than 20 European manufacturing associations and companies representing the whole value chain from metals and ceramics to transportation industries committed to manufacturing in the EU on a truly level playing field ensured by a rules-based free and fair international trade. Our members account for more than €500 billion in annual turnover, as well as for millions of jobs across the EU.

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<sup>1</sup> The lesser duty rule means that the EU calculates an injury margin as well as a dumping or subsidy margin and uses the lower of the two margins to calculate the measure to be imposed at the border.