



College orientation debate on the treatment of China in anti-dumping investigations

Brussels, 20 July 2016

The College discussed today the political, economic and legal implications resulting from the expiry on 11 December 2016 of some provisions in China's Protocol of Accession to the World Trade Organisation (WTO) and what consequences to draw from this.

This discussion follows up on a first orientation debate held on 13 January on whether, and if so how, the EU should change the treatment of China in anti-dumping and anti-subsidy investigations after December 2016.

Since then, an in-depth impact assessment was conducted to measure the consequences of possible changes by Member State and by economic sector, with a particular focus on jobs. [A public consultation](#) was also carried out, which delivered more than 5.000 replies. Member States, industry representatives, trade unions and various stakeholders took an active role in these discussions during the last months. The European parliament adopted [a resolution](#) in May calling on the Commission to take action.

At the orientation debate today, the College of Commissioners discussed the **three options** examined in the impact assessment: (1) leaving the EU legislation unchanged; (2) removing China from the list of "non-market economies" and applying the standard methodology for dumping calculations; (3) changing the antidumping methodology with a new approach which would maintain a strong trade defence system, while giving effect to the EU's international obligations.

EU Commission Vice-President Jyrki **Katainen**, responsible for Jobs, Growth, Investment and Competitiveness, said: *"Fair and open trade is Europe's best growth lever. Today's discussion was not about whether or not China is a Market Economy. It is about how to adapt our trade defence instruments to deal with the realities of over-capacity and a changing international legal framework. By acting on several fronts, together with the European Parliament and Member States, we can treat both the symptoms and underlying causes of unfair trade and provide greater job security in Europe"*.

EU Trade Commissioner Cecilia **Malmström** commented: *"The European Union is the world's largest trading partner. Our welfare is built on trade and we are strong proponents of free trade and open markets. However, trade must be fair. The current situation of overcapacity, notably in steel, has shown that we need effective trade defence instruments to uphold fair trade and address market distortions in the future. This means that we now need to adapt to new economic realities and sharpen the tools at our disposal."*

The College agreed that the Commission must make sure that Europe has trade defence instruments that can deal with the current realities – notably existing overcapacities – in the international trading environment, while respecting the EU's international obligations in the WTO legal framework.

In the meantime, progress can and should be made to strengthen the existing trade defence instruments. The Commission calls on Member States to move swiftly in the adoption of the proposal tabled in 2013 to modernise the EU's trade defence instruments. This step would speed up anti-dumping and anti-subsidy procedures and would allow the Commission to impose higher duties in certain circumstances. The European Parliament adopted its report in the first reading. Member States are strongly encouraged to move this file swiftly forward in the Council.

At the same time, and as stressed just this week by the Foreign Affairs Council, China should make significant and verifiable cuts in industrial over-capacity based on a clear timeline of commitments and an independent monitoring mechanism.

To achieve this goal, the Commission keeps delivering on its action plan for addressing the overcapacity issue in the steel sector, through bilateral and multilateral contacts with our partners. Following the EU-China Summit in Beijing on 19 July and upon the insistence of President **Juncker**, an EU-China bilateral platform on steel was established to monitor overproduction. At G20 level, trade ministers committed to enhance communication and cooperation, and take effective steps to address the challenges, so as to enhance market function and encourage adjustment. The G20 steelmaking economies will participate in the OECD's Steel Committee meeting scheduled for September that will

discuss the feasibility of forming a Global Forum as a cooperative platform for dialogue and information sharing on global capacity developments and on policies and support measures taken by governments.

Next steps:

Taking into account the College debate of today, the Commission will revert to the matter and table a proposal before the end of this year.

More information:

[Public Consultation on future measures to prevent dumped imports from China](#)

Steel industry: Commission takes action to preserve sustainable jobs and growth in Europe (16 March 2016):

- [Press release](#)
- [MEMO – Frequently Asked Questions](#)
- [Communication "Steel: Preserving sustainable jobs and growth in Europe"](#)

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