

# Protection against dumped and subsidised imports from countries not members of the EU

2016/0351(COD) - 15/11/2017 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 554 votes to 48, with 80 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) 2016/1036 on protection against dumped imports from countries not members of the European Union and Regulation (EU) 2016/1037 on protection against subsidised imports from countries not members of the European Union.

As a reminder, the Commission proposal aims to make targeted amendments to the "basic anti-dumping Regulation" and the "basic anti-subsidy Regulation" to protect against dumped and subsidised imports from third country.

The European Parliament's position adopted at first reading under the ordinary legislative procedure amended the Commission proposal as follows:

**Significant market distortions:** The amended text clarifies the circumstances in which significant distortions can be considered to have a significant influence on the free market forces: this would be the case **where the prices or costs declared, including the cost of raw materials and energy, are not the result of the free market forces** because they are affected by substantial government intervention.

**In assessing the existence of significant distortions** regard shall be had, inter alia, to the potential impact of one or more of the following elements:

- the market in question being served to a significant extent by enterprises which operate under the ownership, control or policy supervision or guidance of the authorities of the exporting country;
- state presence in firms allowing the state to interfere with respect to prices or costs;
- public policies or measures discriminating in favour of domestic suppliers or otherwise influencing free market forces;
- the lack, discriminatory application or inadequate enforcement of bankruptcy, corporate or property laws;
- wage costs being distorted;
- access to finance granted by institutions which implement public policy objectives or otherwise not acting independently of the state.

When assessing the existence of significant distortions, relevant international standards, including core conventions of the **International Labour Organisation** (ILO) and relevant multilateral environmental conventions, shall be taken into account, where appropriate.

**Commission reports:** the Commission shall produce, make public and regularly update reports on significant distortions, which could potentially result in an anti-dumping investigation, describing the market circumstances concerning those instances in a certain country or a certain sector.

**The Union industry may rely on the evidence in these reports in the context of filing a complaint.**

Such reports and the evidence on which they are based shall be placed on the file of any investigation relating to that country or sector. In such investigations, interested parties should have ample opportunity to comment on the reports and the evidence on which they are based

Indications as to the existence of significant distortions may also be presented by all relevant stakeholders, including **Union industry and trade unions**. Such indications and the need to avoid any additional burdens for Union industry in using the anti-dumping instrument, in particular in view of the economic and trade specificities of **small and medium-sized enterprises**, shall be considered when deciding on preparing or updating the relevant reports.

**Report and information:** the Commission shall, with due regard to the protection of confidential information, present an annual report on the application and implementation of this Regulation to the European Parliament and to the Council.

The report shall include information about the application of provisional and definitive measures, the termination of investigations without measures, reinvestigations, reviews, significant distortions and verification visits, and the activities of the various bodies responsible for monitoring the implementation of this Regulation and fulfilment of the obligations arising therefrom.

The **European Parliament** may invite the Commission to an ad hoc meeting of its responsible committee to present and explain any issues related to the implementation of this Regulation. It may also communicate any relevant considerations and facts to the Commission.

**Commission declarations:** the Commission recalled that the purpose of the new methodology is to maintain the continued protection of the Union industry against unfair trade practices, in particular those arising from significant market distortions. In that respect, the Commission will ensure that the **Union industry incurs no additional burden** when seeking protection under the anti-dumping instrument.

The Commission shall **inform the European Parliament and the Council** whenever it intends to produce or update a report.

Where the European Parliament or the Council inform the Commission that they consider that the conditions for producing or updating a report are met, the Commission will take the appropriate action and inform the European Parliament and the Council accordingly.