

**EPA negotiations  
Seminar for CARIFORUM  
countries**

**Trade Defence Instruments**

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# Anti-dumping

The sales price of the product concerned exported to the EU market is lower than the normal value of the like product on the producer's domestic market. This implies price discrimination.

# Anti-subsidies

Financial contribution by the government (in form e.g. of direct transfer of funds, revenue foregone, provision of goods or services and/or payment to a funding mechanism) with benefit to the recipient.

Not all subsidies are countervailable, only those which are “specific” (e.g. limited to certain companies, or contingent upon export activity.)

# Anti-dumping and Anti-subsidies

## Basic rules

- WTO  
GATT Article VI, Anti-dumping Agreement  
GATT Article XVI, Anti-subsidy Agreement
- Bilateral agreements
- EU legislation  
Council Regulation (EC) No 384/96 of 22  
December 1995 with its amendments  
Council Regulation (EC) No 2026/97 of 6 October  
1997 with its amendments

# Type of bilateral clauses in trade agreements

- **WTO standard provisions**
- **WTO “plus” provisions**

# AD, AS provisions in trade agreements

- **Europe Agreements (Accession countries), Meda Association Agreements:**

WTO provisions (substance)

WTO “plus”: limited to the form of measures and procedural consultations

- **Other trade agreements:**

WTO provisions, or depending on the level of integration these provisions may vary



# AD, AS provisions in trade agreements

=► Therefore,

in practice it is important to know the level of integration of your regional formation.

# Safeguards

- Safeguards are a “**Safety valve**” for unforeseen, sudden and harmful effects of trade liberalization.
- It grants **temporary protection** to allow domestic industry to **adjust** to increased import competition.

# Basic rules

- **General (ERGA-OMNES) Regime**
  - GATT Article XIX and Agreement on Safeguards
- **Conventional (Bilateral) Regime**
  - Examples: Euromed Agreements  
EU-South Africa  
EU-Mexico  
**EU-Chile**
- **EC Implementing Legislation**
  - EC Regulation 3285/94 (Market economies)
  - EC Regulation 519/94 (Non market economies)

# Type of bilateral clauses

- *WTO “plus”* provisions
- **Bilateral preferential measures:**
  - Transitional safeguards
  - Special agricultural safeguards
  - Infant industry
  - Industry restructuring

# WTO “plus” provisions

Typically, they may include additional constraints regarding:

- Transparency and consultations
- Type and level of measures
- Trade compensation

Caution: MFN cannot be derogated

# Bilateral measures

Typically, they include:

- **Criteria:** increased imports, infant industry, sectors restructuring, injury market disturbance,
- **Scope:** preferential trade
- **Procedures:** transparency, due process consultations
- **Measures:** level, duration, review
- **Trade compensation**

# Regional (EU,CARIFORUM) dimension

- Measures by Member Countries:
  - vis-à-vis other member countries
  - vis-à-vis non-member countries
- Measures by the Customs Union/Regional block
- Measures to protect (ultra-peripheral) sub-regions

**More information on EU trade  
defence policy on our website:**

**[http://europa.eu.int/comm/trade  
/issues/  
respectrules/tpi\\_en.htm](http://europa.eu.int/comm/trade/issuess/respectrules/tpi_en.htm)**