Anti-dumping policy: how the EU fights unfair trade practices

Find out what measures the EU can take against dumped imports, how often it acts and how the EU’s anti-dumping policy is being improved.

Anti-dumping legislation is a trade defence instrument that the EU can use against unfair trade practices. This guide will explain the policy, which is key to protecting European jobs and firms.

Why does the EU apply anti-dumping measures?

The EU favours free trade, which creates jobs and wealth. However, trade can be disrupted when countries unfairly subsidise products or overproduce and sell at reduced prices on other markets.

That makes it difficult for other companies to compete and could lead to domestic firms closing and lay-offs. To protect companies and workers, the EU might need to resort to anti-dumping or anti-subsidy measures.

€1,858,257 million
EU imports in 2017

How can the EU fight dumped and subsidised products?
The EU can impose fines on non-EU countries if they have been found to be dumping products in Europe. The fine takes the form of anti-dumping duties or tariffs on the dumped products.

However, the EU must abide by World Trade Organization (WTO) rules.

**What is the role of the WTO?**

The WTO is a 164-member international organisation that regulates global trade. It sets the framework for negotiating trade agreements and has rules for settling disputes. EU countries are generally represented by the Commission.

When dealing with unfair trade practices, WTO members have agreed to follow the organisation’s procedures, making it easier to settle disputes. The rules include a procedure on how to respond if other countries dump products at artificially low prices on your market.

**How does the procedure for imposing anti-dumping duties work?**

Before the EU can launch an investigation, EU producers must lodge a complaint. Under WTO rules the EU must prove EU industry has been harmed because of products being subsidised or dumped.

**How are anti-dumping duties calculated?**

Calculating anti-dumping duties is a complicated business. Factors taken into consideration include the difference between the export price and the price in the country of origin.

**How often does the EU use anti-dumping measures?**
The EU uses trade defence instruments less than many jurisdictions: only 0.21% of EU imports are affected. But protection from dumped and subsidised products has proved vital for a range of EU industries.

**Which is the worst offending country?**

The main target of EU anti-dumping duties is China. In October 2016, there were duties against more than 50 different Chinese products, mainly aluminium, bicycles, cement, chemicals, ceramics, glass, paper, solar panels and steel.

**How is the EU improving the rules?**

In November 2017, MEPs adopted *tougher rules to fight unfairly cheap imports*. Improvements include:

- The impact of social and environmental dumping will be taken into account when deciding on anti-dumping measures
- The European Commission is to monitor circumstances in exporting countries. EU firms may use these reports when lodging complaints

MEPs approved additional *rules allowing the EU to impose higher tariffs on dumped or subsidised imports* in May 2018:

- The EU will be able to set higher tariffs on dumped and subsidised products
- Anti-dumping investigations will be significantly shorter
- A help-desk for SMEs will deal with complaints and investigative proceedings; trade unions will be involved in investigations and assess the duties to be imposed
- All products arriving in the EU will be strictly monitored from the moment an investigation is notified until its start and registered, to avoid stockpiling
- The rules will be extended to economic exclusion zones (mainly used for energy production)

Both proposals will enter into force once the Council has also approved them and they have been published in the EU’s official journal.
Briefings
Modernising trade defence instruments (May 2018)
At a glance: modernising trade defence instruments (May 2018)
Protection from dumped and subsidised imports (November 2017)
At a glance: protection from dumped and subsidised imports (November 2017)
The EU fights dumping to protect European jobs and firms © Photo by Tobias A. Müller on Unsplash

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