

# POSITION PAPER

January 2017

## EURATEX POSITION PAPER ON THE COMMISSION'S PROPOSAL TO CHANGE ANTI-DUMPING & ANTI-SUBSIDY LEGISLATION

Euratex welcomes the reflection process carried out by the Commission over the last months to address the needs of the European industry and to tackle unfair trade practices.

Further to its letter to Commissioner Malmström in January 2016, Euratex reiterates that China does not meet the 5 criteria required to qualify as a market economy.

However, Euratex is aware that the Commissions put efforts to tackle overcapacities and to strive for preservation of European jobs by proposing to change the anti-dumping and anti-subsidy legislation.

In a globalized world, the European textile & clothing industry struggles for competitiveness thanks to continuous innovation and through the development of front-runner specialities. Above all, our industry needs fair trade in order to grow and create job. We thus welcome the improvement of the anti-subsidy proceedings allowing to take into account the new subsidies in the course of an investigation. Euratex is also looking forward for the Council and Parliament's approval of the withdrawal of the Lesser Duty Rule.

Nevertheless, Euratex would like to point out some questions deriving from the Commission's proposal and to draw attention on the necessity to focus on sectoral needs.

The Commission's proposal to change the AD-AS legislation by creating a new methodology for the calculation of the anti-dumping and introducing the concept of "significant distortion" may open a lot of uncertainty for the European companies. There are a number of questions revolving around the WTO compatibility, the drafting of the reports, the burden of proof, the management of the transition period, the timetable for adoption of this proposal and the subsequent reaction of China. Euratex joins its voice to that of the European business community to urge the Commission to strongly act and clarify these points.

Finally, Euratex highlights the necessity to address sectoral problems through dedicated initiatives. Tackling barriers to trade in China, protecting IPR, ensuring stability of raw material prices and addressing overcapacities remain our priorities.

To respond to the latter, Euratex asks DG Trade for setting up **a specific task force on overcapacities in man-made fibres and yarns**. Euratex and its concerned members are committed to working with the Commission on the specific challenges faced by the sector. We believe such initiative beneficial to strengthen the future of the European textile industry.