



Trade Negotiations between the European Union and the Philippines

EU Proposal for Provisions on Trade Defence Instruments

Explanatory note - February 2017

This explanatory note gives a general overview of the European Union's (EU) proposal on Trade Defence Instruments in the Free Trade Agreement (FTA) envisaged between the EU and The Philippines. The text of the EU proposal was presented to the Philippine Government experts shortly in advance of the negotiating round and is now available on the [website](#) of the European Commission.

Why do we negotiate rules on Trade Defence Instruments?

The use of Trade Defence Instruments (TDI) in the FTA is based on rules set out by the World Trade Organization (WTO). It includes:

- anti-dumping,
- anti-subsidy,
- safeguard measures.

These instruments allow the EU and The Philippines to defend their producers against price distortions caused by dumped or subsidised imports and, in the case of safeguard measures, against dramatic shifts in trade flows.

Main objectives

Some of the provisions of the Trade Remedy Chapter of the future agreement go beyond WTO standards. The EU proposals focus on:

Transparency

The EU and the Philippines should agree to ensure adequate right of defence to the parties.

Efficiency

All investigating authorities should use the English language for bilateral communications and exchanges of documents.

Lesser duty rule

The EU and the Philippines shall try to apply the so-called lesser duty rule. This means the amount of duty imposed on imports should not exceed the duty necessary to remove the injury caused by dumping.

Also, the EU and the Philippines should consider the interests of various parties before imposing measures. They should do a public interest test for:

- users,
- consumers,
- importers.

Global safeguards

The EU and the Philippines should give priority to measures that are least disturbing for bilateral trade. They may consider including a temporary bilateral safeguard mechanism that can be used by either party in the Trade Remedy Chapter.