AEGIS Europe calls on EU Trade Ministers to step-up to the plate on trade enforcement and push for crucial WTO reforms

Brussels, 18 September 2020 – AEGIS Europe, an industry alliance, calls on EU Trade Ministers and the Commission to intensify the EU's efforts in reforming the rules of the WTO and its functioning. This work should focus on strengthening industrial subsidy discipline and enforcement. To defend EU manufacturing against third country actions and programs that are not effectively addressed by the current WTO rules, the EU must enact firm countermeasures.

“Erosion of the WTO is threatening European manufacturing and wealth, undermining a key pillar of Europe’s prosperity and values”, said Ines Van Lierde, Chairperson of AEGIS Europe.

The open, fair market orientation of the WTO rules is being profoundly undermined by rising state-led economies exploiting WTO openness. Other important EU trade partners are deliberately stepping outside the international trade rules, and are taking glaring unilateral actions. AEGIS Europe manufacturing sectors, plagued by the impact of state-led and supported massive excess capacities, market-disrupting subsidies and other support measures in third countries, are the first victims of this development.

“The status quo is not an option anymore”, emphasised Ms Van Lierde. “Reform is needed, with real progress in a short timeframe with strong measures defending European manufacturing taken in the meantime.”

Most important among potential WTO reforms, industrial subsidy disciplines need to be strengthened. AEGIS Europe welcomes the EU-US-Japan statement on industrial subsidies (January 2020) as a first, important step in addressing the subsidy problem at its root. A broader alliance of like-minded economies needs to be formed pushing this critical topic as a reform priority.

In parallel, existing WTO rules should be applied with more vigour. Massive evidence and information on China's subsidies and SOE non-market behaviour in several AEGIS Europe sectors are available that can be challenged under China's WTO Accession Protocol.

“If the current WTO rules are not contributing to the solution, they are part of the problem – a problem that needs to be addressed immediately”, concluded Ms Van Lierde.

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