



Malta-EU Steering & Action Committee

COMPETITIVENESS AND CONSUMER AFFAIRS

Sectoral Committee
Weekly Update
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COM (2010) 77 - COMMISSION WORKING DOCUMENT The future of 'Duty Drawback' in the rules of origin of EU's Free Trade Agreements

The Commission following a meeting between the EU and Korea invited DG Trade and DG Taxud to draw up a common reflection on the future of Duty Drawback.

Duty Drawback (DD) is the refunding, remission or non-payment - partial or complete - of customs duties or equivalent charges on foreign inputs that are used in the production of a final product which is exported to a third country.

Allowing DD is problematic in the context of a free trade area, as it introduces the possibility of competitive distortions between the participating countries, whereas goods and services should be traded on their respective markets on the basis of comparative advantages. There are thus good reasons in favour of seeking, as a matter of general policy, to prohibit DD in free trade areas.

However, since the prohibition of DD may also create problems in its application for the EU's partner countries, some limited concessions to this general policy line may be considered in exchange of adequate concessions from the other party, and on the condition that 'rules of origin' (RoO) would fulfil the needs of the EU industry. Thus, a limited possibility for exceptions can be envisaged, based on a comprehensive assessment.

http://ec.europa.eu/prelex/detail_dossier_real.cfm?CL=en&DosId=199077

Anti - Dumping

COM (2010) 80 - Proposal for a Council Regulation amending Regulation (EC) No 452/2007 imposing a definitive anti-dumping duty on imports of ironing boards originating, *inter alia*, in the People's Republic of China

This proposal concerns the application of Council Regulation (EC) No1225/2009 (the basic Regulation) on protection against dumped imports from countries not



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members of the European Community in the proceeding concerning imports of certain ironing boards originating in China.

On 8 January 2009, the European Commission initiated a partial interim review limited to dumping aspects of the anti-dumping measures applicable to imports of ironing boards originating in China imposed by Council Regulation (EC) No 452/2007 of 23 April 2007.

The request for the review was lodged by a Chinese exporting producer, namely Power Team Houseware Co. Ltd., Guangzhou (the applicant). In its request the company claimed that the circumstances on the basis of which measures were imposed have changed and that these changes are of a lasting nature. The applicant provided prima facie evidence that the continued imposition of the measure at its current level is no longer necessary to offset dumping and notably that it operates under market economy conditions.

The review investigation showed that the applicant did not fulfil the relevant provisions of the basic Regulation to be granted market economy treatment and its individual margin of dumping had to be revised. Additionally, the residual rate applicable to all non-cooperating producers had to be revised. Therefore, the Commission has adopted this draft Regulation to amend the anti-dumping duty applicable to Power Team and the residual duty.

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2010:0080:FIN:EN:PDF>

Reducing Red tape for Small Firms

Very small companies could be exempted from having to draw up annual accounts, after MEPs approved changes to EU accounting rules in Strasbourg on the 10th March 2010. It would be up to each Member State to grant such exemptions, depending on the impact the directive would have in that country. Companies would in any case still have to keep records of their business transactions and financial situation.



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About 7.2 million EU companies are subject to reporting rules under EU accounting directives. Some 5.4 million (around 75%) of these are "micro-entities", for example flower shops or local bakers. They are primarily engaged in business at local or regional level, with little or no cross-border activity. This proposal would allow Member States to simplify the business environment for micro-companies by waiving the usual reporting requirements, thus boosting their competitiveness and growth potential.

A study cited in the Commission's impact assessment concluded that the average cost per company of complying with the requirements of the accounting directives is €1,558. Of this amount, the administrative burden (i.e. collecting and processing information purely to satisfy legal obligations, without a real business need) is €1,169. If all Member States were to exempt micro companies and did not impose additional requirements, the proposal could save an estimated at €6.3 billion.

http://www.europarl.europa.eu/news/expert/infopress_page/042-70330-067-03-11-907-20100310IPR70329-08-03-2010-2010-false/default_en.htm

State aid: Commission approves €30 million German support for "Top Gas Recycling" project

The European Commission has authorised under EU State aid rules an investment aid of €30.18 million granted by Germany towards ArcelorMittal Eisenhuettentstadt GmbH's "Top Gas Recycling" (TGR) project. TGR is an innovative process that enables the separation of CO₂ from other emission gases as they come out of the furnace and recycles the CO₂-free emissions for the production of steel. The use of TGR will reduce CO₂ emissions by 16% as compared to existing state-of-the-art technology, as steel makers use less coal. This is the first ever application of TGR technology on an industrial scale. The Commission concluded that the environmental benefits triggered by the aid would largely outweigh potential distortions of competition.

<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/10/254&format=HTML&aged=0&language=EN&guiLanguage=en>