

## **PRESS RELEASE**

### **Public Consultation on Europe's Trade Defence Instruments**

Trade and the application of defence mechanisms have a widespread effect, particularly as they involve manufacturers, importers and ultimately consumers. In December 2006, the European Commission published a Green Paper entitled '*Global Europe - Europe's Trade Defence Instruments in a Changing Global Economy*', which raises a series of questions on trade defence mechanisms. One of the more interesting aspects involves the identification of what can be considered as a European interest. This Green Paper seeks to gather reactions from the various stakeholders.

Because of its direct relevance to the local business community and consumer representatives, *Forum Malta fl-Ewropa*, together with the European and Economic Affairs Division within the Ministry of Foreign Affairs and the Economic Policy Division within the Ministry of Finance held an Information & Consultation Seminar on the subject.

In his welcome address, the Minister of Foreign Affairs, Dr Michael Frendo, said that Malta has the sixth most open economy out of all EU member states and its exposure to international trade

is one of the highest in the world. In 2005 our imports to GDP ratio was 68.5% in 2005 while exports to GDP ratio reached 40.5% in the same year. It is thus clear that increased trade liberalisation in the EU market and enhanced opening of third countries' markets are essential for Malta to be competitive, lower input prices and gain, maintain and expand those much needed new and often niche-export opportunities.

Minister Michael Frendo insisted that in the face of these realities, while it is of utmost importance to defend Europe's interest from unfair trade, it is equally important to ensure that Europe's markets remain open to a wide choice of lower priced but fair and legitimate imports from third countries.

The trade defence instruments are not protectionist tools for uncompetitive EU industries but legitimate measures which should serve to correct the injury caused by trade distortions and which will enable EU companies to compete under fair conditions.

Trade defence instruments play an important political and economic role in the stand against unfair trade. Effective action against dumping has helped safeguard tens of thousands of European workers and helps maintain the public's belief in fair trade.

Minister Frendo said that as an EU member state, Malta has also the responsibility to safeguard the interest of EU manufacturers when there is concrete evidence of unfair trade practices. Cheap dumped imports into Europe might result in negative repercussions on the competitiveness and export sales performance of our export industries producing the same products but at real market cost prices.

On the other hand, insisted the Minister, it is essential, especially for a small country like Malta that depends on its imports for all its raw materials and consumer goods, that more consideration will be given to the needs of community traders and consumers alike.

In fact, European rules already on anti-dumping already require that the Commission must weigh the potential costs to consumers, traders in downstream industries, importers and retailers in acting to address dumping.

Minister Frendo encouraged participants in the consultation process and all traders to participate in the reflection of the review of these trade defence instruments. Through participation in the Anti-Dumping Advisory Committee and in subsequent Council meetings, the Government

ensures that Malta's interests are safeguarded whilst taking also into consideration the overall Community interest.

In his concluding remarks, Minister Frendo commended Forum Malta fl-Ewropa for having organised yet another successful session with a view to linking developments taking place in the European Union to Maltese civil society and stakeholders.

Minister Frendo's address was followed by that of Dr Joe Bugeja and Ms Natasha Barbara from the Economic Policy Division who explained trade defence instruments (TDIs), these briefly being anti-dumping, anti-subsidy and safeguard measures. The common commercial policy is based on uniform principles, in regard to changes in tariff rates, the conclusion of tariff and trade agreements, the achievement of uniformity in measures of liberalisation, export policy and measures to protect trade such as those to be taken in the event of dumping and subsidies. By having a common trade policy, the 27 Member States can speak with one voice at an international level. In today's ever more globalised world, this is of paramount importance, given that economies tend to cluster together in large regional groups. The Green Paper covers all the main aspects of trade in goods and services.

These interventions were followed by keynote speaker Mr Andreas Schwarz from the DG Trade within the European Commission who further expanded on the Commission's trade defence services. Mr Schwarz explained that these trade defense measures must serve the overall economic interest of the EU, including that of producers, workers and consumers. EU rules need to continue to address situations in which lower import prices are not driven solely by true comparative advantages in labour and production costs in third countries but reflect the fact that those advantages are topped up by unfair competitive conditions such as subsidies or other state induced distortions. Mr Schwarz said that one instant which triggered the Green Paper TDIs was the outsourcing and development objectives on the production of footwear.

Meanwhile, small and medium sized enterprises are being invited to contact the European Commission's DG Trade to present comments and views on issues related to trade defence actions. Deadline for contributions is the 31 March 2007.

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## **STQARRIJA GĦALL-ISTAMPA**

### **Konsultazzjoni Pubblika dwar il-Green Paper rigward l-Istrumenti għall-Ħarsien tal-Kummerċ ta' l-Ewropa**

Il-kummerċ u l-applikazzjoni ta' strumenti ta' ħarsien għandhom effetti wiesgħa, partikolarment għaliex jinvolvu lil dawk li jimmanifatturaw, l-importaturi u fl-aħħar mill-aħħar lill-konsumaturi.

F'Diċembru 2006, il-Kummissjoni Ewropea ppubblikat *Green Paper* bl-isem '*Ewropa Globali – Strumenti għall-Ħarsien tal-Kummerċ ta' l-Ewropa, fil-Kuntest ta' Ekonomija Globali li Tinbidel*', li tqajjem diversi mistoqsijiet dwar il-mekkanizmi għall-ħarsien tal-kummerċ. Wieħed mill-aspetti l-aktar interessanti jinvolvi dak li għandu jitqies bħala interess Ewropew. Din il-Green Paper għandha l-għan li tiġbor ir-reazzjonijiet tal-partijiet ikkonċernati.

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Minhabba r-relevanza diretta ta' dan id-dokument għall-komunità kummerċjali Maltija kif ukoll għar-rappreżentanti tal-konsumatur, *Forum Malta fl-Ewropa*, flimkien mad-

Diviżjoni ta' l-Affarijiet Ewropej u Ekonomiċi fi hdan il-Ministeru ta' l-Affarijiet Barranin u d-Diviżjoni tal-Politika Ekonomika fi hdan il-Ministeru tal-Finanzi organizza laqgħa ta' informazzjoni u konsultazzjoni dwar is-sugġett.

Is-*seminar* infetaħ b'indirizz mill-Ministru ta' l-Affarijiet Barranin Michael Frendo. Huwa saħaq li dwar l-importanza li dawn l-istrumenti ekonomiċi ikunu mgħarbla minn dawk kollha interessati u jsiru sugġerimenti biex ikunu jistgħu jaslu għand l-Unjoni Ewropea qabel tittiehed deciżjoni finali dwarhom. (ara diskors sħiħ tal-Ministru fil-verżjoni bl-Ingliż)

Huwa faħħar lill-*Forum Malta fl-Ewropa* ta' l-inizjattiva u rringrazzjah għall-hidma tiegħu sabiex iressaq l-iżviluppi li jkunu qed isehħu fl-Unjoni Ewropea eqreb lejn is-socjeta` ċivili Maltija.

Il-Ministru Frendo gie segwit minn preżentazzjoni minn Dr Joe Bugeja u s-Sinjorina Natasha Barbara mid-Diviżjoni għall-Politika Ekonomika li spjegaw l-Istrumenti għall-Harsien tal-Kummerċ. Dawn huma miżuri ta' *anti-dumping*, *anti-subsidy* u *safeguard*. Il-politika kummerċjali komuni hija bbażata fuq prinċipji uniformi, fejn jidhol tibdil fir-rati ta' tariffi, il-konklużjoni ta' ftehim fuq tariffi u kummerċ, il-kisba ta' uniformita' f'miżuri ta' liberalizzazzjoni, il-politika ta' l-esportazzjoni u miżuri li jharsu l-kummerċ bħal dawk li jittiehdu f' kazijiet ta' *dumping* kif ukoll sussidji. Permezz ta' politika ta' kummerċ komuni s-27 Stat Membru jistgħu jikkellmu fuq livell internazzjonali b'vuċi waħda. F'dinja dejjem aktar globalizzata, dan huwa ta' importanza kbira, minhabba li ekonomiji diversi qedghin dejjem aktar jingħaqdu fi gruppi reġjonali kbar. Il-*Green Paper* tkopri l-aspetti prinċipali tal-kummerċ fi prodotti u servizzi.

Segwiet imbagħad preżentazzjoni mill-kelliem ewlieni, is-Sur Andreas Schwarz mid-Direttorat Ġenerali għall-Kummerċ fi hdan il-Kummissjoni Ewropea, li spjega s-servizzi għall-harsien tal-kummerċ kif imħaddma mill-Kummissjoni Ewropea. Is-Sur Schwarz saħaq li dawn il-miżuri għall-harsien tal-kummerċ għandhom iservu l-interess ekonomiku globali tal-UE, inkluż dak tal-produtturi, haddiema u konsumaturi. Ir-regoli ta' l-UE għandhom ikomplu jindirizzaw sitwazzjonijiet fejn prezzijiet orħos ta' l-importazzjoni mhumiex immexxija biss minn vantaġġi komparattivi ta' spejjeż ta' xogħol u produzzjoni

f' pajjiżi terzi. Is-Sur Schwarz kompli jgħid li l-kwistjoni tal-produzzjoni taż-żraben kienet waħda mir-raġunijiet li qanqlet din il-*Green Paper*.

Sadanittant, intrapriżi u organizzazzjoniet oħrajn huma mistiedna biex jikkuntatjaw lid-Direttorat Ġenerali għall-Kummerċ fi hdan il-Kummissjoni Ewropea sabiex jipprezentaw kummenti relatati ma' kwistjonijiet ta' harsien ta' kummerċ. Dawn il-kontribuzzjonijiet jintlaqgħu sal-31 ta' Marzu 2007.

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