

15 JUNE 2020

To: Mrs. Margrethe VESTAGER, Executive Vice-President and Commissioner for Competition, European Commission

Re: White Paper on Foreign Subsidies: Eurometaux's call for ambitious and effective instrument

Dear Madam Vice-President,

In a view of the forthcoming publication of EU White Paper on Foreign Subsidies, Eurometaux, the European metals industry association, calls for an ambitious instrument that will effectively tackle distortions in the EU market and ensure a level playing field for all economic operators.

The World Trade Organisation currently is deep crisis, putting under threat the ability to tackle the growing issues of state intervention and excess capacities at the global level. While we urge the EU to push for improvements to the updated rules-based multilateral trade system, we believe the EU must combine global action with a strengthening of its own mechanisms. Thus, the new EU instrument on foreign subsidies is essential for the European Union to tackle the issue of industrial subsidies in third countries without relying on a global response in the framework within the World Trade Organisation.

In our view, the creation of such a mechanism will significantly contribute to Europe's economic recovery from COVID-19. This is particularly valuable for our sector, as we are threatened by global distortions from countries like China who have put subsidization of their materials producers at the heart of industrial growth strategies. Acquisition of EU companies by foreign subsidized entities, sales below production costs, abnormally low tenders in public procurement are all part of the same problem. As a consequence, our manufacturing base is now impeded by artificially depressed global prices and rising imports from China and other areas of the world.

Thus, we call for an ambitious instrument that will address the effect of foreign subsidies in the internal market.

Eurometaux also calls for the early adoption of measures by the European institutions, with an aim to put in place this instrument in the course of next year.

Our key concerns relate to the issues of methodology and the subsidization of input factors. We also stress the issues of shifting the burden of proof from the plaintiff to the accused as well as definition of public body.

Eurometaux and its members look forward to working closely with the EU institutions to build on this important initiative which is an important part of EU industrial strategy and will help to strengthen manufacturing value chains in Europe.

Yours sincerely,



Guy Thiran, Director General, Eurometaux


