



Brussels, 6.9.2023
COM(2023) 506 final

**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND
THE COUNCIL**

**41th Annual Report from the Commission to the European Parliament and the Council
on the EU's Anti-Dumping, Anti-Subsidy and Safeguard activities and the Use of Trade
Defence Instruments by Third Countries targeting the EU in 2022**

{SWD(2023) 287 final}

EXECUTIVE SUMMARY

This is the 41st Report of the European Union's (EU) trade defence activity. It covers the EU's anti-dumping (AD), anti-subsidy (AS) and safeguard (SFG) activities, trade defence activities of third countries with respect to goods imported from the EU as well as the activities of the Hearing Officer in 2022. It is accompanied by a Commission Staff Working Document, together with annexes, providing more detailed information and statistics.

The report highlights the fact that in 2022, casework remained important with the highest number of cases initiated over the last five years, mainly comprised of reviews of existing measures. The year saw a return to pre-pandemic working methods for many cases, as travel restrictions began to lift, allowing more on-spot verification visits. The number of *new* cases was lower than previous years, reflecting a lower number of complaints received from industry. This is most likely due to less injurious import competition either in terms of lower volumes or higher prices in 2021 and 2022 during the post COVID recovery period which may have allowed the EU industry gain market share as well as high profits. A similar drop in new cases was seen with major users of trade defence worldwide¹. On the other hand, the imposition of *definitive* measures during the year mean that 177 measures were in place at the end of 2022, protecting almost half a million jobs. These include manufacturing jobs in the renewables sector (such as wind towers and solar glass) and in the digital sector (such as optical fibre cables), which are important for the achievement of the EU's green deal and digital objectives.

Throughout 2022, the Commission also focussed on ensuring that measures remain effective. Risk based monitoring and swift action to address any instances of measures being undermined, is reflected in the fact that over a fifth of current measures have resulted from action against circumvention practices.

Despite the lessening impact of, and increased recovery from, the COVID-19 pandemic, the year brought new challenges for global trade following Russia's unprovoked and unjustified military aggression against Ukraine. Among the many steps taken to help Ukraine also through trade measures, the EU suspended all import duties and all trade defence measures on goods imported from the country to help mitigate the severe damage to their economy and support Ukrainian producers and exporters. Additionally, the EU suspended the application of the steel safeguard measure with respect to goods imported from Ukraine.

There was a significant drop of 73% in the number of third-country trade defence investigations opened against EU exports, reflecting a global drop of fewer new cases in 2022. The Commission's interventions in such cases remains important by helping EU exporters to defend themselves against unfair trade measures, ensuring that access to export markets is not thwarted by unjustified trade defence measures.

¹ WTO Statistics show a drop of 47% in new AD/AS initiations between 2021 and 2022

PART 1 - APPLICATION OF TRADE DEFENCE INSTRUMENTS (TDI) IN 2022

1. INVESTIGATIVE ACTIVITY

1.1. General Overview

At the end of 2022, the EU had 177 definitive trade defence measures in force: 117 definitive anti-dumping (AD) measures (extended in 34 cases following anti-circumvention investigations (AC)), 21 anti-subsidy (AS) measures (extended in 4 cases) and 1 safeguard (SFG) measure. This is an increase of 14 measures in comparison to 2021. These measures protect over 494 000 direct jobs in the EU.

The level of investigative work during 2022 was in line with previous years with 99 investigations taking place, comprised of 21 original investigations and 78 Reviews, compared to 87² in 2021. At the end of 2022, 48 investigations were ongoing.

In 2022, the Commission dealt with several calls for the suspension of certain trade defence measures. Continued disruption to supply chains, caused originally by the COVID-19 crisis and exacerbated by Russia's military aggression against Ukraine, prompted some economic operators to seek a suspension of certain existing measures. However, no measures were suspended in 2022 under Article 14(4) of the basic anti-dumping regulation³, as the legal requirements were not met. Furthermore, in July 2022, the Commission lifted the suspension on anti-dumping measures on aluminium flat products from China, in place since October 2021.

A Commission Staff Working Document (SWD), providing more information and statistics accompanies this Report and includes annexes for the sections below.

1.2. Anti-dumping and Anti-subsidy investigations (see Annexes A to I)

In 2022, the Commission initiated 5 new investigations (4 AD and 1 AS) compared to 14 in 2021. While this is a drop, it reflects the fact that the trade defence instruments are complaint driven and, in 2022, the number of complaints received from EU industry was lower than in previous years. This drop in cases may be explained by a decrease in imports in 2021 and 2022, partly due to high transport costs, resulting in higher market share for EU industry and high prices. Also, post-COVID-19 rebound, which generated high profits, may have meant industry suffered less injury in this period.

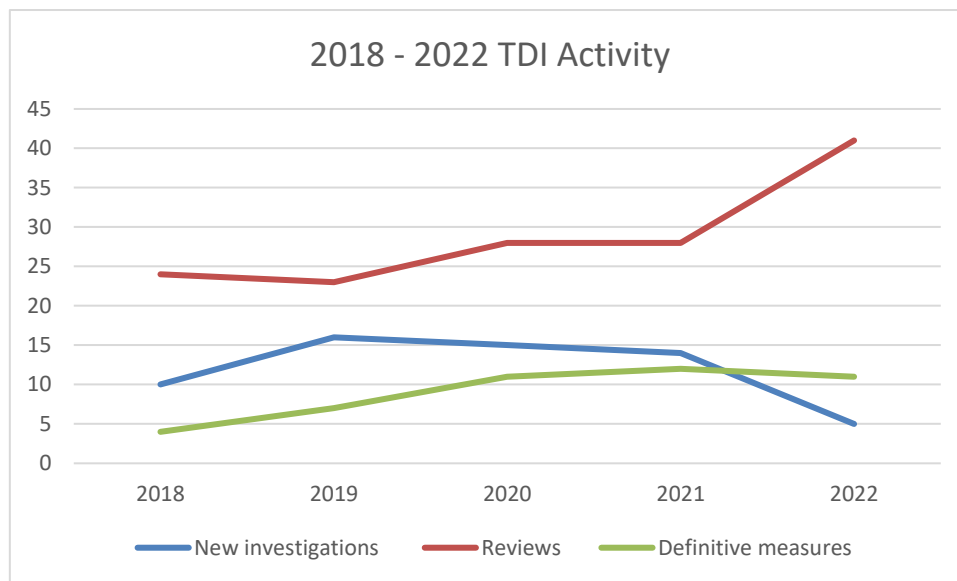
On the other hand, the number of reviews initiated in 2022 increased significantly with 41 initiations compared to 28 the previous year. These included, among others, 27 expiry reviews of the existing measures and 4 interim reviews to revise/adjust the level of measures in place.

The total number of AD and AS initiations of all types of investigations was 46, the record high in the last five years.

The Commission imposed provisional duties in 3 AD investigations and concluded 11 investigations by imposing definitive duties (8 AD and 3 AS). The Commission terminated 1 anti-subsidy investigation without imposing measures as the complaint was withdrawn. 18 expiry reviews were concluded with a confirmation of the duty in 2022.

2 Incorrectly reported as 88 in the 40th Annual Report from the Commission to the European Parliament and the Council on the EU's Anti-Dumping, Anti-Subsidy and Safeguard activities and the Use of Trade Defence Instruments by Third Countries targeting the EU in 2021.

3 Regulation (EU) 2016/1036 of the European Parliament and of the Council of 8 June 2016 on protection against dumped imports from countries not members of the European Union (OJ L 176, 30.6.2016, p. 21)



1.3. Safeguard investigations

In March 2022, the Commission adjusted the EU's safeguard measure, imposed in 2019, on imports of certain steel products to take into account an import ban on steel from Belarus and the Russian Federation because of the EU restrictive measures (sanctions)⁴. As a result, the country-specific quotas of these two origins were re-allocated to other suppliers subject to the measure⁵. In April 2022, the Commission again adjusted the measure to incorporate certain countries with which the Union has signed an Economic Partnership Agreement (EPA) into its scope as they were previously excluded due to provisions of the EPA.

In June 2022, the Commission made several technical adjustments to the functioning of the steel safeguard measure following the third functioning review⁶. These adjustments included an increase in the level of liberalisation from 3% to 4%, an update of the list of developing countries subject to the measure, an adjustment to some quotas to avoid undue crowding-out effects, and the globalisation in the quota administration of two product categories. Furthermore, the Commission suspended the application of the measure vis-a-vis Ukraine as a result of the EU unprecedented trade liberalisation measures to support Ukraine's economy.

In April 2022, the WTO Dispute Settlement Body issued its Panel report in the dispute EU — Safeguard Measures on Certain Steel Products (DS595), which had been instigated by Türkiye against the EU in March 2020. While the Panel report was overall satisfactory for the EU, it identified a limited number of inconsistencies with WTO rules in the EU's safeguard measure. These pertained to the reasoning provided by the Commission in the original determination regarding the finding of a threat of serious injury and regarding the link between unforeseen

⁴ Council Regulation (EU) 2022/428 of 15 March 2022 amending Regulation (EU) No 833/2014 concerning restrictive measures in view of Russia's actions destabilising the situation in Ukraine (OJ L 87 I, 15.3.2022, p. 13).

⁵ Commission Implementing Regulation (EU) 2022/434 of 15 March 2022 amending Regulation (EU) 2019/159 imposing a definitive safeguard measure against imports of certain steel products (OJ L 88, 16.3.2022, p. 181).

⁶ Commission Implementing Regulation (EU) 2022/978 of 23 June 2022 amending Implementing Regulation (EU) 2019/159 imposing a definitive safeguard measure on imports of certain steel products (OJ L 167, 24.6.2022, p.58).

developments and increased imports. On 13 January 2023, the Commission implemented the Panel's ruling, thus bringing the steel safeguard measure into conformity with WTO rules.

The bilateral safeguard measures imposed in 2019 on imports of Indica rice from Cambodia and Myanmar, under the Generalised Scheme of Preferences (GSP) expired in January 2022. There is an ongoing proceeding regarding the measures, opened in January 2023, to implement a General Court judgment⁷ in this case.

There were no new safeguard investigations initiated in 2022.

1.4. Verifications in investigations

While 2022 saw a major return to on-spot verification visits, the Commission was obliged to still carry on with remote cross-checking in certain investigations due to continued risks and travel restrictions related to COVID-19.

In 2022, the Commission verified data from 178 companies. Of these, 129 involved on-spot visits while data from 49 companies was verified by remote crosschecking. This is a significant change from 2021 where there were only 12 on-spot visits, signalling a welcome return to pre-pandemic practice.

2. EFFECTIVE APPLICATION AND ENFORCEMENT OF TDI

2.1. Monitoring, surveillance and enforcement of measures (see Annexes J, K, M, Q)

To ensure an effective and credible trade defence policy, it is essential, where measures are imposed, that they be respected and achieve their intended purpose. For this purpose, the Commission has the tools to monitor the impact of anti-dumping and countervailing duties on import flows of products covered by measures, as well as legal mechanisms to act where the measures are being absorbed or circumvented.

Monitoring of measures aims to tackle such practices and to pre-empt fraud, by defining risk-related areas, analysing trade flows and market developments; providing information to take any actions necessary (e.g. anti-circumvention and anti-absorption investigations, interim/new exporter reviews, contact with national administrations) as well as alerting customs authorities and assessing the feedback from customs and economic operators, and co-operating with enforcement services (OLAF and national customs). Conscious of the potential for duties to be evaded, the Commission prioritises those cases presenting a higher risk. In such cases, special monitoring provisions are already included in the Regulations imposing measures with the aim of minimising the risks of circumvention through company channelling. In 2022, all the Regulations imposing definitive measures included such monitoring clauses. At the end of 2022, the imports of 58 products subject to measures were covered by monitoring clauses.

Also in 2022, the Commission continued surveillance on steel, aluminium and bioethanol imports, which had been introduced in 2020. The surveillance data was published monthly on the 'surveillance/ monitoring of imports' public page⁸ of DG Trade's website.

⁷ Case T-246/19 Kingdom of Cambodia and Cambodia Rice Federation v Commission

⁸ <https://webgate.ec.europa.eu/siglbo/post-surveillance>

These monitoring exercises can contribute to identifying circumvention practices. Circumvention takes place when, following the imposition of trade defence measures, a change in the pattern of trade for the products in question is found, which stems from a practice for which there is insufficient due cause or economic justification other than the imposition of the measures. This practice may include shipping the product through a country not subject to duties (transshipment), slightly modifying the product so that it does not fall under the duties or exporting through an exporting producer with lower individual rates of anti-dumping or countervailing duties (company channelling). Absorption occurs when third country exporting producers decide to decrease prices to the EU to minimise or nullify the intended impact of duties imposed on their products.

Addressing precisely such activities prompted the Commission to initiate two new anti-circumvention and one anti-absorption investigations in 2022. The first anti-circumvention investigation concerned possible circumvention of AD measures on imports of stainless-steel tube and pipe butt-welding fittings from China via Malaysia. The second concerned possible circumvention of AD measures on imports of stainless steel hot-rolled sheets and coils from Indonesia via Türkiye. The anti-absorption investigation concerned AD measures on optical fibre cables from China. The request showed that a decrease in Chinese export prices was seemingly impeding the intended remedial effects of the measures in force. The decrease in export prices could not be explained by a decrease of the price of the major raw material or a change in the product mix.

During 2022, the Commission concluded anti-circumvention investigations relating to anti-dumping and countervailing measures imposed in 2020 on glass fibre fabrics originating in China and Egypt. Glass fibre fabrics are used, for instance, in the production of blades for wind turbines, in boat, truck and sports equipment production, as well as in pipe rehabilitation systems. The circumvention practices concerned an increase of imports of glass fibre fabrics from Morocco and Türkiye after anti-dumping and countervailing measures were imposed on these products. The investigations focused on imports of the main inputs for glass fibre fabrics from China to Morocco and Türkiye where these inputs were processed into glass fibre fabrics, and subsequently exported to the Union. The investigations confirmed the allegations of circumvention and, as a result, the Commission extended both the anti-dumping and countervailing measures to Morocco and to Türkiye. These cases are emblematic of the challenges posed by China's Belt and Road policy and the Commission's determination to take robust action against unfair trade resulting therefrom.

The Commission also concluded an anti-absorption investigation in 2022 on the measures on glass fibres from Egypt. It found that the Egyptian exporting producers had decreased their prices to undermine the effectiveness of the anti-dumping duties imposed in 2020. Following the anti-absorption investigation, the Commission recalculated the dumping margins accordingly, which resulted in an increase of 13,1% in the measures imposed. These actions show the Commission's determination to tackle all forms of unfair trade, including circumvention and absorption of trade defence measures.

In 2022, the Commission reviewed more than 10 price undertakings in force on Citric Acid from China and Polyethylene terephthalate from India/Indonesia, to ensure that the duty suspensions granted to the exporters were indeed justified. There were no irregularities found to cause the undertakings to be withdrawn.

2.2. Protecting European small and medium sized enterprises

Small and medium sized enterprises (SMEs) face greater challenges than larger companies do to avail of the trade defence instruments. Considering the important role that these companies play in the economy and their increased vulnerability when facing unfair competition from imports, it is a priority for the Commission that they can avail of the rights and benefits of trade defence, if warranted. As a result, the Commission has continually supported such companies by providing guidance through its SME helpdesk, reducing the amount of information required in questionnaires and, aligning, where possible, investigation periods with their financial year.

In 2022, the Commission made available its on-line information package, which previously was available only in English, in all other EU languages. These were downloaded 250 times in 2022 while the SME TDI webpage was consulted almost 800 times. The Commission also explored with industry representatives how to further improve access to the trade defence instruments for SMEs.

Despite SMEs having resource limitations, it did not prevent them from being involved in trade defence activities in 2022. Notably, in the new investigations initiated on steel bulb flat originating in China and Türkiye, the Union industry is comprised exclusively of SMEs. Steel bulb flat is a key component in the shipbuilding industry. Also in the refillable kegs' investigation, the complainants included several SMEs. Furthermore during 2022, the Commission continued the anti-dumping investigations on imports of ceramic tiles from Türkiye and India. This sector, despite being comprised of SMEs, is well organised which enables ceramic producing companies address unfair competition from dumped imports.

2.3. Social and environmental standards in TDI

Changes made to the basic anti-dumping regulation in December 2017 saw the introduction of social and environmental standards being considered in anti-dumping investigations. Specifically, in the EU, for investigations concerning imports from countries with significant market distortions, the Commission must select an appropriate representative country to construct a non-distorted normal value. The differing levels of social and environmental standards may become a decisive element where there is more than one possible representative country with suitable data available. However, in the four investigations where this could have been an issue in 2022, it was not a consideration given that, in each case, only one representative country with suitable data pertinent to the specific product was available. Hence there was no need to evaluate the level of social and environmental standards in that context.

Further changes to the basic anti-dumping legislation in June 2018, following the modernisation of the trade defence instruments, again showed the EU's commitment to high social and environmental standards. One of the changes introduced, at the time, meant that the calculation of the target profit price can now reflect the cost of compliance with the social and environmental standards within the EU. In investigations, the cost of production of Union producers may also include costs incurred when complying with multilateral environmental agreements and with important International Labour Organisation conventions. Not only the actual costs incurred but also future costs, during the lifetime of the measures resulting from compliance with these standards, are taken into account. In such cases where measures are imposed at the level of injury margins, the inclusion of these costs results in higher protection. In three of the eight anti-dumping investigations where definitive measures were imposed in 2022, there were no claims made for costs relating to social and environmental standards (iron

and steel fasteners from China, calcium silicon from China and superabsorbent polymers from the Republic of Korea). In the remaining five cases, various amounts were added to the costs of production thereby increasing the target profit level. The cases concerned were graphite electrode systems from China, corrosion resistant steels from Russia and Türkiye and electrolytic chromium coated steel from China and Brazil. Except for the corrosion resistant steels case from Russia, the measures were all based on dumping margins and hence the adjustments to the target price could have no impact on the final level of measures imposed. However, in the Russian case, for two exporting producers and the ‘all others’, the measures were based on the injury margin as the lesser duty rule was applicable resulting in a higher level of protection had the costs not been taken into account.

Finally, social and environmental standards can be considered in decisions on undertaking offers. However, this did not arise in any cases in 2022.

2.4. Judicial review by EU Courts (Annex S)

In 2022, the General Court (GC) and the Court of Justice (CJ) rendered 44 judgments and orders in TDI cases. The GC handed down 35 rulings whereas the CJ decided on nine appeals. 16 new TDI cases were lodged in 2022 - 9 before the GC and 5 appeals and 2 requests for a preliminary ruling before the CJ.

The jurisprudence in 2022 provides interesting insights into several aspects of the price effects analysis, in particular undercutting, as well as the underselling; the admissibility of legal actions against TDI measures, particularly into the question of standing and ability of importers and their associations to launch court proceedings in such cases; implementation of court judgments, interpretation of the basic anti-subsidy regulation⁹ and procedural rules applicable to the initiation of anti-circumvention investigations.

3. ACTIVITIES OF THE HEARING OFFICER

In 2022, the Hearing Officer received 25 intervention requests and held 8 hearings related to the TDI activities.

The Hearing Officer continued the established practice that the interested parties should first address their concerns to the Commission services responsible for the investigation. Especially, in cases when interested parties had submitted their request for an intervention simultaneously both to the Commission services and the Hearing Officer, the Hearing Officer would only intervene when a mutually acceptable solution could not be reached. In most such cases, interested parties resolved the issues directly with the investigation teams.

The main issues raised at the hearings concerned requests for additional disclosure or objections to the facts and findings. On one occasion, the Hearing Officer extended the deadline for comments upon request of the party concerned. In all cases, agreement was reached with the services to review the issues at hand and/or provide further clarifications. All hearings were held in remote mode due to the continuing COVID-19 context that proved efficient and simpler with the elimination of travel.

⁹ Regulation (EU) 2016/1037 of the European Parliament and of the Council of 8 June 2016 on protection against subsidised imports from countries not members of the European Union OJ L 176, 30.6.2016, p. 55)

4. THE IMPACT OF RUSSIA'S WAR OF AGGRESSION AGAINST UKRAINE ON TRADE DEFENCE PRACTICE AND POLICY

Following, Russia's unprovoked and unjustified military aggression against Ukraine, the EU decided, in June 2022, to suspend for one year the import duties on all Ukrainian exports to the EU as well as the collection of all EU trade defence measures in force with respect to imports of goods from Ukraine. The extension was approved by another year on [05/06/2023]. This suspension is an important measure to support Ukraine's exporting producers and its economy and help the country maintain its trade position with the EU. With respect to trade defence measures, the suspension concerns anti-dumping duties on two products: hot-rolled flat products of iron, non-alloy or other alloy steel and certain seamless pipes and tubes, of iron or steel. The EU's safeguard measure on steel was also suspended as regards imports from Ukraine.

The suspension impacts *the collection* of anti-dumping duties but the measures remain technically in force in accordance with the basic anti-dumping regulation. This aspect was relevant in the context of the expiry review of the measures on hot-rolled flat products of iron, non-alloy or other alloy steel where, subsequent to the initiation of the expiry review, Eurofer, the applicant, withdrew the request as regards Ukraine. Eurofer considered that, given the overall geopolitical context and developments that had taken place since they lodged the original expiry review request, namely the destruction of a major part of hot rolled flat capacities in Ukraine as well as the Ukrainian energy infrastructure, it was no longer appropriate to pursue an expiry review against Ukraine. Furthermore, Eurofer considered that the consequences of Russia's war of aggression against Ukraine would be of a lasting nature and that steel capacities in Ukraine are not expected to return to normal operations in the short-medium term. On this basis, the Commission terminated the expiry review on the measures on Ukraine in February 2023. As a result, the anti-dumping measures in place on those products from Ukraine expired. The other anti-dumping measures concerning Ukraine on imports of seamless pipes and tubes, of iron or steel are normally due to expire in October 2023.

As regards anti-dumping measures on imports from Russia and Belarus subject to restrictive measures (sanctions), the Commission duly considered, in the context of ongoing investigations and reviews, whether these measures should remain in place regardless of the impact the sanctions have on trade. The Commission concluded that they should remain in place. Indeed, while sanctions that restrict or prohibit imports affect the import volumes of the products in question, this aspect alone does not impact findings in investigations which demonstrated the existence of injurious unfair trading practices.

As regards safeguards, mentioned under Section 1.3, the quotas previously assigned to Russia and Belarus under the steel safeguard measure were redistributed to other exporting countries proportional to their share of overall imports in 2021. This redistribution meant that EU steel quotas could be used to the maximum, thus ensuring that the needs of EU steel users are secured.

5. DEALING WITH TRADE DEFENCE ACTIVITY AGAINST THE EU

In cases where EU exports become subject to a TDI proceeding in a third country, the Commission's TDI services provide support. In such cases, the Commission services, in cooperation with the industry and often the Member States concerned, devise a strategy of defence and intervene in the framework of third country TDI proceedings.

The objective of such interventions is to avoid the imposition of unwarranted and unfair trade defence measures. While all WTO members have the right to conduct trade defence investigations and impose measures, it is of the utmost importance that such investigations and measures conform to the relevant multilateral and bilateral rules. Trade defence investigations that breach these rules create undue obstacles to trade and, in certain cases, annul any benefits from preferences granted under Trade Agreements.

On average, the Commission services intervene in around 40 to 50 third country cases each year. Depending on the economic and systemic importance of a case, written or oral interventions may be made at technical and political levels in the framework of the proceedings. The Commission also raises important investigations during various trade committee meetings or other high-level discussions, when appropriate.

Particularly resource intensive and systemically important are anti-subsidy proceedings that target EU subsidy programs, where the Commission, as interested party, actively participates in the investigations. In 2022, there were cases by the US on olives and pasta, by Canada on refined sugar and by China on potato starch.

When the Commission considers that measures imposed are incompatible with multilateral or bilateral obligations, it may resort to challenging such cases at the WTO or in a bilateral dispute settlement (under an FTA). These proceedings can be challenging not only in terms of investment of resources but also in view of the possible consequences of an unfavourable result.

In 2022, the Commission continued to participate in the WTO dispute settlement proceeding regarding the AD measures on frozen fries by Colombia, which started in January 2020 with WTO consultations. The outcome, in December 2022, was largely in favour of the EU. The Commission is now engaging with Colombia regarding the implementation of the ruling.

In the WTO case on the US Anti-dumping and countervailing duties on ripe olives from Spain, the WTO Dispute Settlement Body adopted in December 2021 the final panel report declaring these duties inconsistent with WTO rules. Despite the favourable panel report, measures remain in place. In July 2022, the US started a procedure to implement the WTO Panel ruling. The agreed period for this implementation expired on 14 January 2023.

On the bilateral front, in the dispute settlement proceeding concerning safeguard measures by South Africa on EU exports of frozen chicken (originally imposed in 2018), the Panel issued its report in summer 2022, which upheld most of the EU's claims. Although the measures had expired before the report was issued, the victory is of systemic importance and sets a strong precedent for future safeguards. The panel found that the safeguard measure was not proportionate, going beyond what was needed to remedy or prevent any serious injury. Moreover, the Panel found the delay between the investigation and the adoption of the safeguard measure was excessive and not in line with the EU-South African Development Community (SADC) Economic Partnership Agreement (EPA). While safeguard measures can legally be adopted in exceptional circumstances to temporarily counter surging imports that threaten domestic industry, they must comply with the legal requirements set out in the agreement.

Various trade defence cases were discussed in regular or ad hoc trade committee meetings e.g., the Gulf Cooperation Council, Korea, as well as in the WTO AD, AS and SFG Committees – see section 5.

Interventions by the Commission in third country TDI proceedings, highlighting legal inconsistencies and systemic flaws have played an important part in preventing the imposition, or

reducing the negative impact of measures. In 2022, some of the Commission's successful efforts are highlighted here with more cases described in the accompanying SWD:

- In March 2022, Canada informed interested parties about its intention to initiate an expiry review of measures on imports of fabricated industrial steel components (FISC) from, inter alia, Spain. The Commission successfully argued against the initiation of this expiry review highlighting that Spanish imports were very low and had no correlation with the alleged injury of the Canadian industry. As a result, in May 2022, the measures expired as scheduled. The EU economic interest was around EUR 150 million.
- In April 2021, the Golf Cooperation Council initiated an AD investigation against imports of electric accumulators (vehicle batteries), inter alia, from Spain. Following the Commission's interventions, in August 2022, Spanish imports were excluded from the scope of the investigation due to a de-minimis dumping margin. The EU economic interest was around EUR 40 million.
- In July 2022, the US International Trade Commission terminated the AD investigation concerning imports of acrylonitrile-butadiene (AB) rubber from, inter alia, France following a determination that imports of AB rubber from these countries did not injure the US industry. No measures were imposed on the EU exports with the EU economic interest of EUR 37 million.

At the end of 2022, there were 170 trade defence measures in force affecting EU exports, which is 8 less than in 2021. The total number of measures in force has declined for the first time since 2012. The AD instrument remains the most frequently used trade remedy tool. At the end of last year, 126 AD duties were affecting the EU or certain Member States' exports (129 in 2021), followed by 37 SFG measures (compared to 39 in 2021). While the 2022 trends confirm a decline of AD and SFG measures in force, the number of AS duties affecting EU exports remain the same as in 2021 (7).

As regards new investigations opened against the EU/Member States, there was a notable drop in 2022, as only 7 new investigations were initiated comprised of 3 AD and 4 SFG proceedings, compared to 26 in 2021. This is also one of the lowest numbers of new investigations opened in the last decade. This decreasing trend was also evident in new measures imposed by third countries. In 2022, 12 new measures were imposed, a sharp decrease compared to 30 in 2021. Out of 12 newly imposed duties, 10 were AD (18 in 2021), and 2 were safeguards (11 in 2021).

The most frequent user of the trade defence instruments against EU exports is the US with 38 measures in force. This is followed by China, and Türkiye with 18 each, then Brazil with 11, as well as Canada and Indonesia with 9 measures in force. Completing the list of regular users of trade defence instruments are Australia, India, and South Africa, as each had 7 measures in place affecting EU exports in 2022.

6. ACTIVITIES IN THE FRAMEWORK OF THE WTO

Every year, the WTO holds meetings of the Subsidies and Countervailing, Anti-dumping and Safeguards Committees in spring and autumn. In addition, in the context of the Anti-dumping Committee, there are also meetings of the Working Group on Implementation. Though the meetings were in hybrid format in April and October, most delegates attended in person.

The work of these Committees is important in reviewing the functioning of the various Agreements allowing WTO members to exchange views and information of a general nature, as well as highlighting individual trade defence cases of concern.

In the WTO Safeguards Committees, the EU was very active defending its safeguard measures against criticisms from Brazil, Japan, China, Türkiye, Japan, Switzerland, India, Korea and Russia. Many claimed that the measures should have been terminated after the Panel report in the dispute; European Union — Safeguard Measures on Certain Steel Products was issued. The EU also raised concerns about the safeguard practices of other Members including Indonesian investigations on cigarette paper and apparel and clothing, Morocco's investigation on coated wood panels, Türkiye's investigations on yarn of nylon and Grinding balls and similar articles for mills and US investigation on silicon photovoltaic cells.

In the AD Committee, the EU highlighted concerns about investigations on imports of frozen fries from Belgium, Netherlands and Germany and on frozen poultry from Poland, Spain, Ireland and Denmark by the South African Customs Union (SACU). The EU also defended its investigations into grain oriented electrical steels, fatty acids, aluminium wheels and fasteners from criticisms by Japan, Indonesia, Morocco and China respectively.

In the Special Committee on Subsidies and Countervailing measures, review of the Subsidy notifications made in 2021, continued. The level of notifications remains low with 95 out of the 164 WTO members not notifying under the last exercise in 2021. The EU encouraged greater compliance with transparency obligations under the ASCM crucial to understand the impact of subsidies in global trade.

In the regular Committee on Subsidies and Countervailing measures, the EU responded to complaints from both China and Indonesia, by explaining the justification for countervailing financial support provided by China to companies located in Indonesia. The EU raised concerns on China's potato starch anti-subsidy case against the EU as well as the US' countervailing measures on olives from Spain, particularly the implementation of the WTO panel report. Discussions continued on the impact of subsidies creating overcapacities and the IMF, OECD, World Bank and WTO presented a report on Subsidies, Trade and International cooperation¹⁰.

The EU participated in the Anti-dumping Working Group on Implementation where the participants discussed the determination of the viability of domestic sales in dumping margin calculations; the treatment of affiliated parties for duty assessment, defining the product under investigation and like products; product comparisons in dumping margin calculations and sunset review investigations. These discussions help understand the practices of other investigating authorities.

The new WTO Agreement on Fisheries Subsidies was concluded at the 12th Ministerial conference in June 2022 to end unsustainable fisheries subsidies in line with UN Sustainable Development Goal 14.6¹¹. The WTO negotiations will continue on the outstanding issues to achieve a comprehensive agreement. Also in 2022, the WTO co-sponsor members started subsidies related work under the Ministerial Statements on Fossil Fuel Subsidy Reform initiative¹² and on Trade and Environmental Sustainability Structured Discussions¹³.

Trilateral cooperation with US and Japan continued throughout 2022 focussing on tackling market-distortive policies and practices, including subsidies that currently are not sufficiently addressed by WTO rules. While there were limited exchanges on coordination of tools and the rule-making side, it was acknowledged that the current ASCM rules are not well suited to capture all subsidy practices, particularly in China. The partners concentrated on identifying

¹⁰ [Subsidies-Trade-and-International-Cooperation-April-19-ci.pdf \(worldbank.org\)](https://www.worldbank.org/publications/subsidies-trade-and-international-cooperation-april-19-ci.pdf)

¹¹ https://www.wto.org/english/tratop_e/rulesneg_e/fish_e/fish_e.htm

¹² https://www.wto.org/english/tratop_e/envir_e/fossil_fuel_e.htm

¹³ https://www.wto.org/english/tratop_e/tessd_e/tessd_e.htm

concrete examples and exchanging information on non-market behaviour across various sectors.

CONCLUSION

2022 saw a decrease in the number of new investigations opened as a result of the lower number of complaints received from industry, in line with a global drop reflecting particular market conditions in the most recent period. At the same time there was a high number of reviews initiated contributing to a high caseload for the year. The imposition of measures during 2022 meant that as many as 177 trade defence measures were in place at the end of the year. Ensuring the effectiveness of these measures remained a priority for the Commission, with much attention given to monitoring of high-risk measures and action to address any activity designed to undermine the impact of the EU's trade defence remedies. The Commission also continued to successfully intervene in several trade defence cases against the EU or its Member States by third countries.