

PRESS RELEASE

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FTA
Foreign Trade Association

Introduction of Retroactive Duties: A Step Backwards

Brussels, 04 August 2016. Following the European Commission's decision to introduce retroactive anti-dumping duties against cold rolled flat steel from China, Christian Ewert, FTA Director General said *"I am disappointed that the Commission appears to have given in to pressure from EU producers. Imposing anti-dumping duties retroactively does not benefit those calling for duties any more than imposing duties prospectively in the normal way. It only serves to punish importers, by causing greater uncertainty and financial damage."*

Anti-dumping duties, when imposed by the EU, have always been applied prospectively. After an initial nine-month investigation provisional duties are imposed, via a Regulation published in the Official Journal. Importers pay those duties (actually in the form of a guarantee) from that point forward. After a further six months, if definitive duties are imposed the provisional duties are collected and definitive duties are then payable by the importer from that point forward – normally for a maximum five year period.

However, Article 10(4) of the EU's Anti-Dumping Regulation allows duties to be retroactively imposed up to three months before provisional duties. There are three conditions for this: i) a history of dumping, or that the importer was aware of the dumping; ii) a substantial rise in imports; iii) that imports are registered. Although the principle has existed since 1979, it has never been applied.

FTA, like many economists, believes that the rationale for imposing anti-dumping duties is questionable but accepts that currently it is the only viable method for combatting unfair trade. However, when an anti-dumping investigation is opened, FTA members are already faced with the uncertainty of knowing if, when and what level of duties will be imposed (although there is a deadline of nine months for provisional duties). Now that duties have been applied retroactively – a possibility not known when the investigation was announced – there is an even greater level of uncertainty placed on importers who rely on a predictability for their business.

FTA is concerned that the introduction of retroactive duties against cold rolled flat steel sets a dangerous precedent. Christian Ewert said, *"I should like to receive assurances from the EU Commission that such cases are isolated examples and that retroactive application, or the threat of such, will remain exceptional and not become the norm."*

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About the association: [The Foreign Trade Association](#) (FTA) is the leading business association for global commerce that promotes the values of international trade and sustainable supply

chains. FTA represents over 1,800 retailers, importers and brands to promote and defend international trade and supports their business by providing information and practical solutions towards sustainability in the global supply chain. The association provides the [Business Social Compliance Initiative](#) (BSCI) to support participants to improve working conditions in factories and farms worldwide. It also provides the [Business Environmental Performance Initiative](#) (BEPI) to facilitate improved environmental performance in global supply chains.

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