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# The Future of UK Trade Remedies

*Position Statement - General Election 2017*

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As the UK leaves the European Union, it will need to develop its own independent trade policy that fits with a wider industrial strategy. This includes developing a system of trade remedies, the instruments that are used to combat market distortions (such as dumping and subsidised exports) that disrupt genuine free trade and that are economically devastating. In early 2017 a group of trade associations came together with trade unions with a shared interest in shaping the UK's new trade remedies system.

The next Parliament must legislate to provide a legal framework for the UK's future trade remedies and the next Government will be responsible for determining the UK's post-Brexit 'trade philosophy'. Trade remedies must therefore form part of the election manifesto commitments. Our organisations require the next Government to:

1. Include in the first Queen's Speech a bill to adopt all of the trade remedies allowed by the WTO: anti-dumping measures, anti-subsidy measures and safeguarding measures.
2. Ensure that new UK trade remedies are adequate to fully alleviate market injury to UK manufacturing, are available from the day 1 after Brexit and are supported by the appropriate government infrastructure.
3. Promote genuine global free trade by ensuring that UK manufacturing can easily access the full range of remedies to harmful trade distortions.

A number of factors around how the new trade remedies system is set up and administered will determine its adequacy in defending UK manufacturing jobs, businesses and investment against unfair, free-trade-disrupting distortions. Therefore, we call for:

- Basic provision for trade remedies to be set out in primary legislation and for the bill and all its related statutory instruments to be subject to affirmative resolution procedure in Parliament to ensure appropriate scrutiny.
- A well-resourced single unit within the Department for International Trade (DIT) to investigate trade complaints. Separate teams within this unit to deal with different aspects of cases concurrently and quickly.
- Ongoing engagement between DIT, UK manufacturers and trade unions including the facility to discuss prospective complaints informally.
- A simple complaint process that is accessible for UK manufacturers and therefore inexpensive when needed.
- UK investigations to be quicker than under the EU system, with provisional measures available within 60 days of the start of an investigation and retroactive application of duties to cover the investigation period.
- Prospective adoption of adequate duties when investigations do reveal distortions, to cover a five year period and act as a dumping deterrent; no adoption of a lesser duty rule.
- Anti-circumvention provisions to maximise the effectiveness of the UK's new trade remedies.
- Any political/economic test following the technical investigation must be more holistic than the EU's consumer-focused approach, recognising the economic impact of dumping on UK jobs and therefore spending power.
- Inclusion in the anti-dumping measures of a special methodology to determine 'normal value' where the country under investigation does not behave like a market economy e.g. state control of industry in China.
- A clear plan to set out the smooth transition to the new trade remedies system, and for this to be well communicated to stakeholders.

The UK's world-leading manufacturing sectors are a vital part of our economy that provide highly skilled, well-paying jobs. In many cases, manufacturing employers are the heart of the communities in which they are located and have many supporting UK indirect and supply chain jobs. Their success is integral to our country's success outside of the EU. Trade distortions, however, adversely and severely damage domestic manufacturing as lucidly demonstrated in the recent steel crisis. Free trade must be on fair terms, and distortions such as subsidised exports and dumping must always be addressed for our sectors to thrive. Our organisations are calling on politicians to commit to strong trade remedies as part of an industrial strategy to do just that, UK manufacturing deserves no less.

