



The Antwerp Declaration for a European Industrial Deal

Antwerp Dialogue on Trade

Brussels, 4 July 2024

The meeting took place at the invitation of Marco Mensink (Cefic), Inès Van Lierde and Renaud Batier (AEGIS Europe), and Judith Kirton-Darling (industriAll), and was chaired by Hervé Jouanjean

The Antwerp Dialogue participants met on 4 July to discuss challenges and opportunities in EU Trade policy, in line with item 5 of the Antwerp Declaration.

The discussions confirmed that there is a need to rebalance the current EU trade policy considering various geopolitical and economic challenges. Some sectors are more impacted than others due their position in the global market.

The importance of ensuring fair and sustainable international trade was also highlighted, with industriAll Europe noting the new trade and development chapters (TSD) in EU trade deals but insisting that more is needed to ensure fair international trade, as well as a level playing field for all. It is crucial to achieve the right balance to meet the overarching policy goal of an Open Strategic Autonomy for a competitive and resilient EU and to safeguard EU industry and millions of industrial jobs.

Participants agreed that while the EU trade policy should remain open, it should also become assertive. EU needs to balance the three pillars of its economic security strategy: protect, promote and partner, and needs an assertive trade policy that can create a level playing field, secure access to key materials and technologies, and attract foreign direct investment. In addition to strengthening the global rules-based trade system and increasing the diversification of the EU's trade relationships through trade agreements and other suitable instruments, existing trade defence instruments (TDI) should be reinforced in terms of process and effectiveness.

Most participants expressed concerns about **unfair competition and overcapacities, particularly from Chinese companies operating both within China and abroad**, which threaten competitiveness of the EU's industrial base and jobs.

During the dialogue, participants made following observations and proposals:

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- On the requirements side, various participants suggested a WTO-compatible relaxation of the injury requirements in TDI investigations into sectors with proven global overcapacities.
- Most participants called for methodologies to measure overcapacity and instruments to address the issue.
- Some participants called for cooperation at bilateral and WTO levels to address these issues, promoting multilateralism, including with China.
- Regarding the effectiveness of the measures taken, particularly the level of the duties, various participants stressed that in comparison to the US, the EU approach is leading to systematically lower duties which has economic implications for the sectors.
- Other participants suggested that TDI procedures should be reviewed to identify areas for simplification and optimisation of existing legislation aiming to implement measures more swiftly. More human resources should be allocated to DG TRADE's AntiDumping Services.
- The discussions on electric vehicles will be an important indicator of the EU capacity and willingness to counter this new competitiveness threat but also of the willingness of China to contribute to a more balanced trading system.
- Specifically for shipbuilding, it was highlighted that the current stalemate is untenable and that the European Commission should modify the current relevant legislation, in order to make it applicable, irrespective of the situation at the OECD.
- Need for a European industrial deal from a trade policy perspective for the life sciences sector, which is facing intense pressure from geopolitical challenges that have brought issues of resilience and diversification of supply chains into sharp focus.
- Need to combat the trend of decline of Europe's share in global R&D investment, innovation and clinical trials in the past two decades, other regions such as US and Asia have become more attractive for innovators.
- Various participants also shared their experiences about challenges in the implementation of TDIs and upholding the level-playing field:
 - I. Circumvention of TDI measures, reducing or severely undermining the effectiveness of trade defence measures.
 - II. Address economically irrational and non-market excess capacities
 - III. Non-compliance with EU standards by some imported products, causing market disruption.

To address these issues, participants emphasised the need to enhance EU enforcement instruments and human resources to improve border controls.

- Some participants asked the Commission to develop **methods of cooperation both bilaterally and at the WTO level** to effectively engage with the countries



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at the origin of the problem so that they take swift remedy actions. This would help rebuild the “spirit” of multilateralism, including towards China, via e.g. setting up dialogues among “friends of fair trade” etc. who would exchange experience, analyses and would support each other in specific cases.

- Other participants urged the Commission to swiftly implement effective measures to address the surge in imports on the EU market caused by overcapacities.
- Some participants noted that tools like the Foreign Subsidies Regulation (FSR) and the International Procurement Instrument (IPI) have contributed to rebalancing the relationships to a certain extent, but this needs confirmation over the medium to long term.
- Participants highlighted that adopting measures to **ensure the resilience and diversification of the EU’s supply chains** is crucial.
 - I. For example, China is increasingly controlling the market of rare earth minerals and some processed materials, which are essential in several EU strategic sectors.
 - II. Strategic sector-specific open trade agreements with trusted partner countries to enhance supply chain security, strategic autonomy and competitiveness, address upstream dependency on raw materials and equipment for biomanufacturing. Moreover, trade agreements are fundamental for export diversification as we are extremely reliant on two export markets (about 27%) namely US and China and this could jeopardise our economic security and make the EU a target of economic coercion.
 - III. Participants also raised concerns about the Carbon Border Adjustment Mechanism (CBAM) and other sustainability-related issues. While European industry and industryAll Europe support initiatives to mitigate climate change, ensuring a proper level-playing field at the global level is essential. CBAM focuses on imports, but an effective solution is urgently needed for exports. Otherwise, export-oriented industrial sectors will not be able to compete in the third country markets which will eventually undermine the overarching climate goals that are at the heart of the CBAM initiative.

More generally, **participants insisted on the strong need to ensure much greater coherence between trade policy, industrial policy, and environmental policy.** Participants also stressed the bureaucratic processes imposed by several recently adopted measures, which put the EU’s industry in a less favourable situation compared to non-EU partners. It was agreed that the new EU mandate 2024-2029 must take swift action to ensure a sustainable future for EU industry and industrial workers.



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