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Opinion

Title **Impact Assessment of the Communication on Europe's Trade
Defence Instruments in a changing Global Economy**

(draft version of 26 September 2007)

Lead DG **DG TRADE**

1) Impact Assessment Board Opinion

(A) Context

The review of Trade Defence Instruments (TDI) is one of the key themes of the "Global Europe" strategy of 2006, which aims at increasing the global competitiveness of the EU economy. The last review of TDIs was undertaken in 1994. Following an external evaluation of the EU's TDI in 2005, in December 2006 the Commission adopted a Green paper on the functioning of the EU's TDI, to which this communication is a follow-up. It builds on extensive stakeholder input, collected in the context of and since the publication of the Green Paper. The Communication announces an adaptation of TDI, both through legislative and non-legislative action.

(B) Positive aspects

The IA builds on extensive stakeholder consultation that can usefully feed into the assessment of the various options.

(C) Main recommendations for improvements

The recommendations below are listed in order of descending importance. Some more technical comments have been transmitted to the author DG.

General recommendations: The IA report needs significant improvement in key aspects. Rather than presenting the proposed measures, the underlying options for action and alternative (sub-)options should be identified and analysed. If alternative options have already been discarded as a result of prior analysis, the results of this analysis should be presented in the IA report. For all analysed options, it should be made clearer how they respond to general and specific problems necessitating this TDI review and to its specific objectives. In addition, an indication of the character and size of their *concrete* impacts on the EU economy should be given. Given the extent of recommended revisions, the IAB recommends to resubmit a revised version of the report.

(1) The definition of options should be extended so as to allow for an assessment of real alternative courses of action and their potential impacts. The "mainstream" of responses from stakeholders to the Green Paper and other consultations can contribute to the assessment of different options but it should not be the focal point of the analysis and the only determinant of the preferred option. The report should clarify which options for action emanating from the stakeholder consultation or other considerations have been discarded prior to the impact assessment and on what grounds (for example, environmental impacts as a criterion). For this purpose, the report should give a more differentiated presentation of stakeholder feedback and differences of interests/opinions reflected therein. The use of the word "proposal" for analysed options should be avoided.

(2) The specific problems, their size, and why they require concrete action now should be better described, and corresponding specific objectives should be identified that can be used to assess the effectiveness of each of the analysed options. The analysis should clearly show why the proposed measures represent the right instruments and the right level of ambition to best meet the objectives. Also, potential synergies or tradeoffs between the individual elements of the preferred package of measures should be analysed. The results of the evaluation of existing TDI in 2005 should be used for this purpose.

(3) The analysis should be clearer about what and how significant the concrete impacts of the preferred option "on the ground" will be. This analysis should include the expected economic, social and employment impacts, including on SMEs. The relationship of these impacts to other EU policies (such as industrial policy, competition policy, environmental policy or consumer policy) should be clarified. In this context, more information should be given about the interests of the various stakeholders in trade defence investigations. The report should also specify for relevant measures (such as "Clarification of the justification for TDI actions"), whether administrative burden for economic operators and /or public administrations will increase/ decrease and, if this change is significant, quantify it using the standard cost model.

(D) Procedure and presentation

The IA report should give clear information if an inter-service steering group has accompanied the impact assessment work, and, if yes, which Commission services had been invited and which were participating. If no steering group was formed, reasons should be given.

2) IAB scrutiny process

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