

Targeted consultation

UNIFE – Summary

26 November 2020

On the types of subsidies granted, UNIFE observed that the most predominant types of subsidies are tax deductions, grants and export finance supports. As regards non-EU countries granting subsidies, UNIFE gave as examples China (CRRC, CRSC, CCC) and South Korea (support of train builders, through development programmes, KRRI). UNIFE stressed that China is not the only source of concern, and that the Commission should be aware of other cases and other countries.

UNIFE underlined that in addition to the types of subsidies discussed and listed in the presentation, there are other forms of “hidden” subsidies. In the rail sector, it is apparent that the strong concentration of domestic players on the Chinese market creates a significant price advantage for these operators when they enter foreign markets or export. Domestic dominance should therefore also be considered as a criterion in the legal instrument for the assessment of distortions.

UNIFE pointed out that any quantification of distortive effects is very difficult, especially with regard to public procurement, as the real effects of contract awards can often only be fully appreciated in the long term.

On policy options, UNIFE reiterated its view (already outlined in its previous written submissions made in the public consultation on the White Paper and on the Inception Impact Assessment) that legislative action at EU level is preferable, but that providing further guidance on the existing legal tools could nevertheless be useful for Member States’ authorities. UNIFE also supports the option of strengthening of international rules for the granting of subsidies both at the level of the WTO and in FTA, but UNIFE expressed concerns that this option would be a long-term task with uncertain results.

On administrative burden and public procurement, UNIFE laid out its proposal for a double-sided approach, including (1) a systemic approach addressing structural distortions in procurement independently of a specific procedure as well as (2) investigating specific procurement procedures.

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