EUROPEAN TYRES INDUSTRY'S STATEMENT
EU Trade Defence and Industrial Competitiveness

As the European Council discusses economic security, competitiveness and the future of EU–China economic relations, Tyres Europe joins the growing number of European industrial sectors calling for a stronger and more responsive EU trade policy.

The European tyre industry supports about 500 thousand jobs across the Union, invests heavily in innovation and supplies a product that is essential for passenger mobility, freight transport, agriculture and defence. Its competitiveness depends on a level playing field throughout increasingly integrated global value chains.

Today, that level playing field is under growing pressure. Global challenges like structural overcapacity, state-induced market distortions and unfair trading practices are affecting a wide range of European industries simultaneously, from raw materials to finished products. These distortions do not remain confined to one sector: they cascade across value chains, weaken investment incentives and progressively erode Europe's industrial base. Addressing these challenges requires a coherent policy framework that combines effective trade defence instruments with broader measures to strengthen Europe's industrial competitiveness and resilience.

Trade defence instruments must remain effective in an increasingly agile global trading environment. In sectors such as tyre manufacturing, global supply chains can be reconfigured within months, while investigations and implementation take considerably longer. This allows exporters to anticipate measures by front-loading shipments during investigations and, once duties are imposed, by rapidly redirecting production and exports through alternative manufacturing locations. European manufacturers therefore continue to face unfair competitive pressure even after investigations have concluded.

Tyres Europe therefore fully supports the recent Joint Industry Statement, which calls for a more ambitious application of EU trade defence policy. Trade defence instruments are meant to ensure that European producers can compete on fair terms in a global economy that has fundamentally changed. More than ever, they need to play a role of re-establishing a level playing field and be used in the most effective way to ensure they have the expected impact at the right time.

In particular, we support:

- doubling-down on the resources dedicated to EU trade defence investigations;
- *ensuring a more proactive and strategic use of existing instruments, aligned with industrial policy and economic security objectives, to enable timely action before irreversible industrial harm occurs*;
- exploring additional WTO-compatible tools capable of addressing systemic state-induced distortions and their spillovers across value chains; and
- making more strategic use of the Foreign Subsidies Regulation to address patterns of distortive behaviour that cannot be captured through isolated case-by-case assessments.

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For the tyre industry, manufacturing decisions are long-term, investment-intensive and highly sensitive to market predictability. Once industrial capacity is lost, rebuilding it is extremely difficult. Preserving a competitive European manufacturing base is therefore not only an industrial objective but also a matter of economic resilience and strategic autonomy.

As Heads of State and Government define Europe's response to a rapidly changing global trading environment, we encourage them to ensure that trade defence policy evolves accordingly. Europe should remain open to trade, but openness must be accompanied by effective instruments that guarantee fair competition and safeguard the industrial capabilities on which Europe's prosperity, innovation and resilience depend.

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