

Economic Security is a Union Interest

First time inclusion in an anti-dumping investigation

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In January of this year, the European Commission implemented economic measures after an anti-dumping investigation against fused alumina imported from China through the [Commission Implementing Regulation \(EU\) 2026/114](#). This specific anti-dumping procedure includes for the first-time considerations regarding economic security in the anti-dumping investigation and ended up combining anti-dumping duties with tariff rate quotas to balance the diverging interests of producers and users of fused alumina.

Antidumping Procedure Against Fused Alumina

In order to impose anti-dumping duties, the Commission must demonstrate four requirements at the end of the anti-dumping investigation: The presence of dumping, the presence of injury, a causal link between those two, and a Union interest in the imposition of duties.

In the case at hand, the determination of Union interest was unusual. The Union interest is to be determined based on an appreciation of all the various interests taken as a whole, including the interests of the domestic industry, users and consumers. While the Commission routinely took these positions into account during this investigation, for the first time, the Commission also included considerations of economic security when determining the Unions interest.

Fused alumina is an essential product for refractory materials, abrasives and advanced ceramics, which in turn are crucial for critical sectors such as the production of metals and glass. These are especially seen to be sensitive and of strategic importance due to their military and dual-use applications. Therefore, disruptions could directly affect the economic security by impacting this critical infrastructure and by threatening the resilience of supply chains.

At the same time, it was stated that the imposition of duties could harm the users of fused alumina. Users already observed negative effects after the imposition of the provisional duties. Many companies are already operating at a loss, which would be increased after the implementation of antidumping duties. The increased costs cannot be passed on further down the production chain. Thus, the imposition of duties would likely lead to plant closures, loss of skilled employment and a greater reliance on imported products.

Furthermore, the Commission determined, that around 50% of the fused alumina in the abrasive sector and 65% in the refractory sector is imported from China, signifying a strong dependency of the downstream industries. The Commission recognized that while there are alternative sources, the reliance on low-priced and dumped imports does remain significant, especially for users that heavily rely on the dumped imports. It therefore conceded that user industries are especially affected and vulnerable.

At the same time, the Commission found that the Union industry is capable of supplying the Unions market in the required quantities, however it decreased its production as a result of the dumped imports. After the implementation of provisional measures, the Commission could even see a slight increase in domestic production.

Surprising Outcome?

Consequently, the non-imposition of anti-dumping measures would have negative and irreversible consequences for Union producers, which in turn could jeopardise the continuity of the production of fused alumina in the EU, as an essential product for strategic and sensitive sectors.

To find a balance between these two positions, the Commission decided to impose definitive anti-dumping measures, while also implementing a duty-free tariff-rate quota, operating on a first-come first-serve basis. The combination of these two measures results in a quota of imports being able to enter the EU duty-free, while all imports beyond this quota are subject to the imposed anti-dumping duties of between 88.7% and 110.6%. These duties will apply for an initial period of five years; the quota will gradually decrease over this time period.

The combination of these methods is quite unusual. Generally, the goal of the anti-dumping procedures is to eliminate trade-distorting effects and to restore fair competition through the tool of antidumping duties. Antidumping duties work in a punitive manner, attempting to compensate the injury to the Union industry caused by dumping. In this case, however, the Commission attempted to implement measures that help the union producers of fused alumina as well as the downstream industries reliant on Chinese imports, all while slowly reducing the industry's dependencies on China.

Commission officials were quick to state that this was a singular case and that it would remain to be seen if this new approach will be used in the future as well. The inclusion of economic security considerations follows the "[Joint Communication to the European Parliament and the Council on Strengthening EU Economic Security](#)" from 3 December 2025 (see our briefing [here](#)). In the case of anti-dumping procedures, the Communication sets forth that the economic security shall be reflected in the conduct of the investigation and in the design of possible measures.

Outlook

In light of the EU's new focus on economic security, as shown by the existence of the aforementioned Communication, we may indeed see an increase of inclusion of this factor in European trade defence activities. This focus will not only be seen in trade defence instrument considerations but is likely to impact various economic tools explicitly and implicitly, both on an EU level and on the level of the Member States.

BLOMSTEIN will closely monitor further developments and keep you informed. If you have any questions on anti-dumping and economic security considerations Leonard von Rummel and the entire team is ready to assist you.

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