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EU PET safeguard investigation and who pays if duties follow

November 2026

A new import duty does more than raise future prices. It can also wipe out the margin on orders you have already priced and sold. On 6 November 2026, the European Commission opened an investigation that could lead to exactly that for businesses that buy, import or use PET, or the chemicals used to make it. This post explains what has happened, how a safeguard works, when duties could apply and how your contracts are likely to allocate the cost.

What has happened

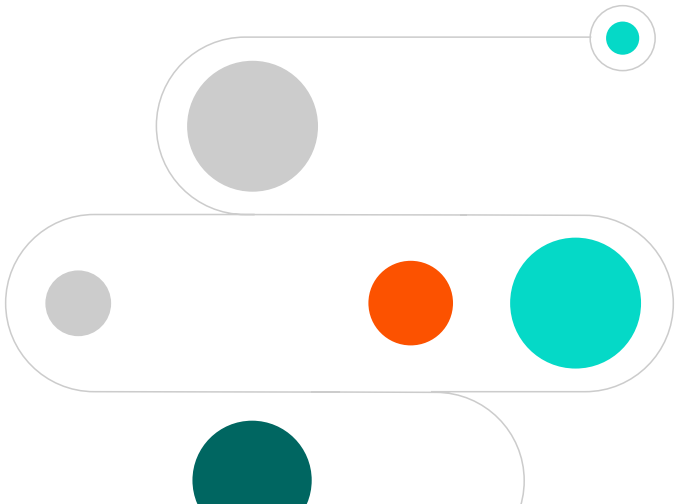
Following a request from Member States, the Commission opened a safeguard investigation into imports of certain polyethylene terephthalate (PET) resin chemicals.

The legal basis is Article 5 of Regulation (EU) 2015/478 and Article 3 of Regulation (EU) 2015/755, and the notice of initiation was published in the Official Journal (C/2026/5775) the same day.

According to the information in the request, imports rose from 2.12 million tonnes in 2021 to 2.70 million tonnes in 2025, an increase of 27%. Over the same period, imports grew from 27% to 40% of EU consumption. The Commission points to global overcapacity, putting worldwide spare capacity at around 67.84 million tonnes.

No duties have been imposed yet. The question now is whether they will be, when, and who in your supply chain will bear them.

The PET case is part of a wider trend. Safeguards are increasingly seen in the EU and its Member States as a World Trade Organisation (WTO)-compliant way of reducing imports and protecting the EU's industrial base. The Commission opened a safeguard investigation into grain-oriented flat-rolled products of silicon-electrical steel on 27 March 2026 and into certain new hybrid vehicles on 30 October 2026 (C/2026/5780).



What a safeguard is, and why it is different

Most EU trade defence cases are anti-dumping or anti-subsidy cases. They target imports from named countries, such as PET from China or India. A safeguard asks a broader question: are increased imports, from wherever they come, causing or threatening serious injury to EU producers?

The practical consequence is significant. Safeguard measures generally apply to imports regardless of origin. Switching from a supplier in one country to a supplier in another may therefore not avoid the duty, which is a common assumption under origin-specific measures.

Safeguard measures generally take the shape of tariff-rate quotas (TRQs): a set volume of imports may enter at the normal rate, with an additional duty applying once the quota is used up.

Safeguard investigations are also a different kind of exercise. Technically, they are generally less complex than anti-dumping and anti-subsidy cases, as they do not involve verification visits by the Commission. Politically, they are considerably more delicate, however: definitive measures require the support of a qualified majority of Member States (i.e. 15 Member States representing 65% of the EU's population) in the Commission's Safeguards Committee, and Member States generally vote in their own interest. Interested parties should therefore expect political dynamics to play a role alongside the technical evidence on import trends and injury.

The existing origin-specific measures in this value chain stay in place:

- anti-dumping duties on PET from China;
- anti-subsidy duties on PET from India;
- anti-dumping duties on terephthalic acid from Korea and Mexico; and
- anti-dumping duties on mono-ethylene glycol from Saudi Arabia and the USA.

Which products are covered

The investigation covers the whole PET resin value chain:

- PET with a viscosity number of 78 ml/g or higher (CN 3907 61 00). This includes virgin PET, recycled PET and PET glycol (PET-G).
- Terephthalic acid and its salts (CN 2917 36 00).
- Mono-ethylene glycol (CN 2905 31 00).
- Purified isophthalic acid (CN ex 2917 39 85, TARIC 2917 39 85 70).

PET is mostly used in packaging, especially bottles. These chemicals are also inputs for textiles, construction and advanced materials, so the effects could reach well beyond packaging.

Timetable: when could duties apply?

- Provisional measures may be imposed during the investigation if the Commission finds that the conditions are met. This is the main risk for orders already placed or in transit.
- If provisional measures are imposed, definitive measures must follow within 200 days.
- A final decision must be taken within nine months of initiation, which is around early August 2027. In exceptional circumstances this can be extended by up to two months, to around early October 2027.
- Any measures need the support of a qualified majority of Member States and must be in the EU's interest.

Who pays? Your contracts

These are general principles of English law, not advice on any particular contract.

Who carries the duty? Start with the delivery terms. Under DDP, the seller is responsible for import clearance and duties. Under terms such as FCA or DAP, the buyer usually is. In long supply chains, a business can be the buyer on one contract and the seller on the next, so check both.

Can you pass the cost on? That depends on drafting. Check whether your sales contracts contain a price adjustment, tax or duty change, or change-in-law clause. Then check whether it covers *provisional* duties as well as definitive ones, and whether it applies to orders already accepted or goods already in transit. A clause limited to "taxes in force at the date of delivery" may work differently from one tied to the date of the order.

Is there an exit? Probably not on cost grounds alone. Force majeure clauses usually require performance to be prevented or hindered, not just made more expensive. The UK courts rarely accept that higher cost frustrates a contract.

Notices and mismatches.

Where relief is available, notice requirements may be conditions precedent, and missing a deadline can lose an otherwise good claim.

The biggest disputes risk is a back-to-back mismatch: duty falls on you under your purchase contract while your sales contract gives you no right to pass it on.

Taking part in the investigation: deadlines

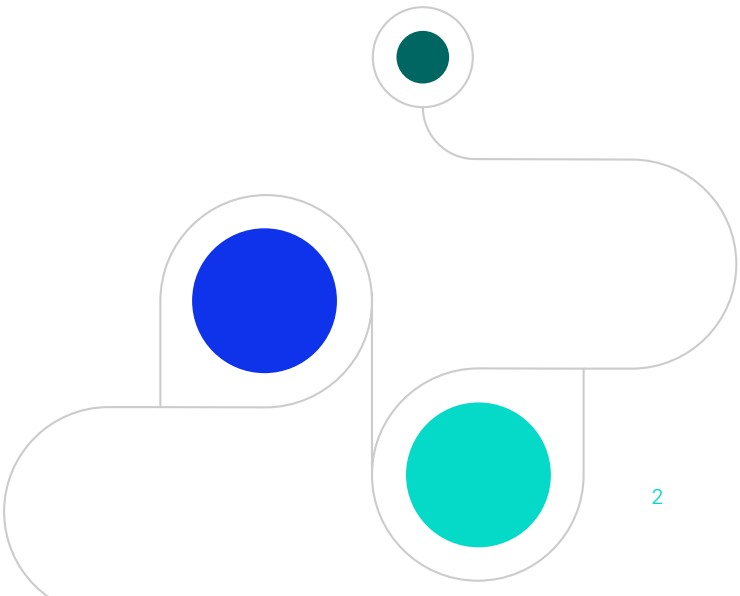
Importers and users can take part, not just EU producers and exporters. The deadlines run from publication on 6 November 2026:

- Make yourself known: normally within 15 days, around 21 November 2026.
- Questionnaires, written submissions and hearing requests: within 21 days, around 27 November 2026.

Submissions go through TRON.tdi or to TRADE-SAFEGUARD-PET@ec.europa.eu. If you do not cooperate, the Commission may make findings on the facts available, which are unlikely to favour you.

Practical steps now

1. Map the four CN codes against your open orders and goods in transit.
2. Review the purchase and sales terms for each affected order: delivery terms, price adjustment clauses and notice provisions.
3. Model your exposure if provisional duties are imposed on goods not yet cleared.
4. Price new orders with express wording that passes on any new duty, including provisional measures.
5. Decide quickly whether to take part in the investigation, put the deadlines in your diary and consider early engagement with Member States, given their role in approving any measures.
6. Keep contemporaneous records of pricing decisions and communications with counterparties.



How we can help

Squire Patton Boggs combines a leading international trade practice alongside EU public policy and product regulatory practices, allowing us to address both the legal and the political sides of a safeguard case.

We can:

- Represent you throughout the Commission's investigation, including written submissions, questionnaire replies, correspondence and meetings.
- Engage with decision-makers in Brussels (Member State Permanent Representations, industry associations, think tanks, media and the European Parliament) and in Member State capitals (relevant ministries and political parties) ahead of the Safeguards Committee vote.
- Coordinate with our colleagues in other jurisdictions, such as the United States, China, the UK and Japan, on third-country engagement with the EU on proposed measures.
- Advise you on any interaction of such safeguards with the import of PET for the attainment of the recycled content targets in the Single Use Plastics Directive and the Packaging and Packaging Waste Regulation.
- Represent you before the Court of Justice of the EU in any proceedings following the imposition of measures.
- Advise on possible WTO procedures, including dispute settlement and the WTO Committee on Safeguards.
- Review your supply contracts and advise on the allocation of any new duties.

Conclusion

The investigation does not change your contractual position today. What matters is what your contracts already say about who bears a new duty. Reviewing them now, while the investigation is at an early stage, is far cheaper than arguing about it after provisional duties have been imposed.

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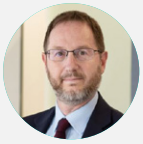
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