European Economic and Social Committee
Press Release

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**EESC against granting market access to China - Europe's industry needs protection against unfair competition practices**

**The European Economic and Social Committee (EESC) warns against granting China market economy status (MES) and calls on the European institutions to promote fair international competition and actively defend European jobs and European values with efficient trade defence instruments (TDIs).** [**In its opinion**](http://www.eesc.europa.eu/?i=portal.en.ccmi-opinions.38329)**, adopted at its 514th plenary session on 14th July, the EESC points to the disastrous impact a possible granting of MES to China would have on Europe's industry and consequently on Europe's labour market. The EESC insists on China's fulfilment of the five EU criteria for achieving the MES.**

*"Europe's industry needs a level playing field and it is the EU's responsibility to ensure it by providing the necessary trade defence instruments,"* said **Andrés Barceló**, rapporteur of the EESC opinion **"Market economy status for China".**  *"Granting unconditional market economy status to China would seriously jeopardise Europe’s industry, kill off jobs and damage SME’s local production."*

Industries which would particularly be affected are aluminium, bicycles, ceramics, glass, motor vehicle parts, paper and steel.The EESC is also concerned about the impact on innovation and consequently Europe's competitiveness. *"The whole industrial value chain would be imperilled and Europe would risk losing countless jobs, including highly specialised jobs. Our competitiveness would be at stake, as only a strong industry is able to invest in research and development",* underlined **Gerald Kreuzer**, co-rapporteur and member of the CCMI, talking about the consequences for Europe's economy.

The EESC opinion takes into account the effects on jobs and growth, regardless of the legal and political side of granting MES to China which is still being discussed by the Commission, with a decision expected after 20 July.

***"The EESC position in this question is unambiguous: "As long as China does not meet the*** [***EU five criteria***](http://trade.ec.europa.eu/doclib/docs/2009/june/tradoc_143599.pdf) ***it does not qualify as a market economy",* underlined both rapporteurs expressing the EESC's position.** In the meantime, the EESC advises the Commission to use a non-standard methodology in anti-dumping and anti-subsidy investigations into Chinese imports under the China WTO Accession Protocol. It also calls for a simplified approach for those sectors where SME participation is relevant in order to allow them to participate in antidumping files.

**Protecting people and environment**

Apart from jeopardising the slow recovery of Europe's industry and its impact on jobs, growth and innovation, granting MES to China would also be a serious setback for Europe's ambitions for sustainable development and fight against climate change. Furthermore, only a strong European industry can maintain healthy R&D networks, which are the basis for Europe's competitiveness and crucial for future growth and for finding ways to tackle the great societal challenges, including ageing, energy, climate, healthcare and mobility.

The EESC will set up a dedicated project to monitor the issue on market economy status for China on behalf of the organized civil society.

**Background:**

Between 2000 and 2014, European industries lost 6.7 million workers, which is 12% of the initial figure of 56.3 million. Over the same period the import volume index increased by 144%.

In China, the combination of overcapacity and weak domestic demand has been leading to an excess production, which now tries to find its way into international markets at dumping prices. An analysis of the period 2010 – 2014 shows that China's exports increased by 49%, twice the figure of the rest of the world. Granting unconditional economic market treatment for China would endanger Europe's aluminium, bicycle, ceramic, glass, motor vehicle parts, paper, and steel industries, while mobile telephone industry or photovoltaic panel production already disappeared in Europe.

China is also the country most affected by anti-dumping measures. While the EU counts for 7% of the anti-dumping measures, China is the target of 47% of these measures worldwide.

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*The European Economic and Social Committee is an institutional consultative body established by the 1957 Treaty of Rome. The Committee has 350 members from across Europe, who are appointed by the Council of the European Union. It represents the various economic and social components of organised civil society. Its consultative role enables its members, and hence the organisations they represent, to participate in the EU decision-making process.*

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