

REPORT OF MEETING WITH CLEPA

Place and date: Brussels, 9 June 2016

Participants:

- European Commission: [redacted] (G3), [redacted] (B3), [redacted] (B2).
- CLEPA European Association of Automotive Suppliers: E. M. Wessman, Legal and Trade Director, and Trade Working Group (*see* Annex 1).

On 9 June 2016, we met with CLEPA's legal and trade director, Ms. Wessman, and the members of the CLEPA Trade Working Group to discuss their concerns regarding the Chinese market. We were invited to comment specifically on foreign investment, market barriers and IPRs (*see* Annex 2) in light of the current investment negotiations with China.

We (B2) addressed the foreign investment concerns, noting that we are aware of the 50% foreign equity cap and the joint venture requirement. We briefly discussed the state of play of the EU-China investment negotiations.

The Trade Working Group highlighted difficulties in transferring funds from China and the country's Compulsory Certification legislation which does not allow for equivalence, resulting in duplication of work to obtain approvals and often obliges investors to purchase locally instead of importing their equipment and know-how. We explained the limits of addressing some of these issues in a stand-alone investment agreement. Members also enquired about timeline and potential launching of negotiations with Taiwan and Hong Kong.

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