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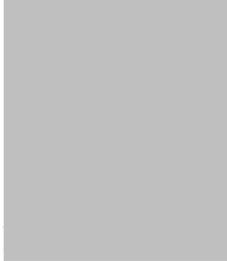
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REACTIONS PUBLIC CONSULTATION CHINA

PRIVATE COMPANIES	
1. Bertelsmann	<p>Opportunities for cultural media market, hampered by massive piracy and market access barriers. Strong Chinese IPR legislation required / enforcement and compliance with WTO/TRIPS. Also strict ownership rules/Joint Ventures (JV) prevents FDI. Censorship is considered as a disguised trade barrier</p> <p>Action: more EU pressure, WTO compliance and join US on DS case.</p>
2. Clifford Change	<p>Law firm can expand their services due to the growth of the Chinese economy. However, law firms are hindered by Chinese legal restrictions and limit contribution to development of China's legal infrastructure and its legal services industry</p> <p>Action: EU should promote the development of international standard, legal infrastructure and legal services in China. EU law firms are well placed to do this and provide legal services. EU should emphasise benefits already achieved by international firms and encourage further opening of the legal services market to international firms. Try to address protectionist demands from local law firms.</p>
3. DLA Piper Rudnick Gray Cary	<p>Employment standards to be addressed, is of concern for every investor. In favour of changing the AD system, improving IPR and abolish double taxation. EU should guarantee a safe and secure investment environment. AD Chinese enterprises would benefit from a more transparent, balanced and fair investigation process. Finally, harmonisation on standards is highly desirable.</p>
4. ASDA – Wal-Mart	<p>Benefits of trade liberalisation Ch (industry + consumers) EU should seize them.</p> <p>Action: Against protectionism, rebalance trade defence policy.</p>
5. Ferrometa	<p>Suffered considerably by dumping prices. SMEs hard hit by globalisation.</p> <p>Action: limit volume of imports in certain sectors, act against counterfeiting and export subsidies by Ch, AD measures if required.</p>
6. Esselte Business	<p>Government rules, bureaucracy problematic. IPR & Counterfeiting hampers transfer of technology. High import tariffs.</p>
7. Otto International Asia China	<p>Economic developments inside China favourable for retailer. Against protectionism, review MES. China should live- up to its WTO commitments, IPR and give better market access</p> <p>Action: positive about free trade, against unproven AD duties. No subsidies for Chinese exporters. In favour of textile quotas in order to protect other countries and Europe should avoid being too dependent on China.</p>
8. Kverneland Group	<p>Agricultural machinery market great opportunity. Food supply and better food quality big issue in the future. EU has a lot to offer with their expertise also on tourism.</p> <p>Action: support programmes, financing schemes, exchange programs, IPR protection and set up tourism promotion. Strengthen EU R&D.</p>

	Learn Chinees.
9. CBC Banque (Succursale)	China is menace for industry, so more protectionism is needed. On the other hand, opportunity for trading via SMEs.
10. Direct Personnel International	<p>Opportunities in high technology manufacturing and service providers. Furthermore lower costs by delocalisation to China. EU should maintain competitive. Trade balance should be looked at carefully. IPR also big issue.</p> <p>Action: encourage trade missions from MS at a high level and educate companies about Chinese cultural differences and business realities. On IP, EU should be attentive and vigorous. Finally required: further democratic reform, improvement of human rights and labour standards (EU companies should take a clear stance against bad track record of Chinese companies).</p>
11. Fiberpool Internacional	<p>Complaint about IP case (polyester filters for swimming pools) Not only falsification of product but also of the quality mark. Disappointed that Chinese authorities don't defend the rights of EU companies. Chinese market potentially very interesting. However, at this stage SMEs suffer due to the massive imports from China. Also put in question the positive effects of delocalisation for Europe.</p> <p>Action: EU producers should be well protected on the Chinese market (regulations) EU should help Chinese authorities to address internal problems (infrastructure, social policy, access to modern technology, improve quality of goods) Especially with regard to the production of quality goods, the EU should be more outspoken that it is of the interest of both parties that imported goods are high quality products.</p>
12. AIG Companies (US)	<p>Financial services will be the most promising sector for the EU who has a competitive advantage and this sector should redress the growing imbalances of trade with China.</p> <p>Action: best way to tap this potential is by enhancing China's participation in the WTO by fully engaging in the WTO process and open its financial services sector under favourable conditions to foreign participation.</p>
13. Lagermetall	<p>Rise of China is to be accepted. EU should focus on China both for imports and exports.</p> <p>Action: many challenges e.g. human rights, environmental issues, labour standards. By being an important trading partner the EU can influence piracy. EU companies should be aware to be too greedy (make certain key components in Europe) EU should not be naive faith. Trading must be balanced.</p>
14. [REDACTED] (Small Business man)	<p>Encountered wide spread copyright theft by Chinese factories.</p> <p>Action: EU should address IP and piracy.</p>
15. CABA	<p>Facing unfair competition from the influx of small metallic parts, containing dangerous metal, from China</p> <p>Action: what can the EU do to prevent economic damage and protect the health of workers?</p>
16. DSM Deretil (DSM Group)	Unfair competition. EU and China import duties conditions should be identical. Access to Chinese markets is therefore hampered.
17. Alpen-Maykestag	In favour of globalisation and free markets, however level -playing field. If not, loss of work in EU

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	Action: introduce regulative custom barriers measures like in the US.
18. Busch & Müller	<p>Bicycle components sold at dumping prices. However, AD duties would be at the detriment of EU manufacturers of bicycles. Products are being copied. Taking counter measures is costly and often not effective.</p> <p>Action: EU should address these issues.</p>
19. Tesco	<p>EU should maximise opportunities that China's rise offers. China imports machinery and high-tech products. EU consumers profit of low prices and wider choice of quality products. With regard to challenges: adjustment of industries and workers required. Assistance of MS and EU essential. Against AD measures; increases uncertainty for EU retailers.</p> <p>Action: EU citizens should be informed on the above advantages for EU citizens and review AD and safeguard. I regulations. Please permanent channel of dialogue with EU retail and consumer communities. Cut red tape and emphasis on market access and better regulation in trade negotiations. (use MES as a carrot) funding support for those investing in China.</p> <p>Finally. EU companies should help to improve labour and environmental standards and offer expertise.</p>
20. Philips International	<p>EU has much to gain, they benefit from China's economic growth (deflationary effects) Market is becoming more open to foreign competitors. Positive about China's role in the WTO. High-tech manufacturing can gain market shares. However adaptation to local cultural environment is important. China a great opportunity both as a production site and as a selling market. (e.g. healthcare and medical technology products) Philips seized the opportunity to build a strategic partnership with Chinese leadership.</p> <p>Action: innovation needs protection through strong IPR rules; China needs to comply with WTO commitment. Use international standards and avoid creating its own. Recognise ISO certificates and no double testing. Not opposed to MES and support new policy orientation of PM. Support accession to the WTOs GPA. <u>Risks for the EU:</u> Acquisition of EU brands by Chinese companies, technology transfer and Chinese competition in third countries.</p>
21. Research & Knowledge Management Intellectual Management	<p>Europe should foster integration of China into world trade (as a partner) European technology important for Chinese economy. Establish fair trade relations (IPR) Results of R&D for the sake of Chinese Industry?</p> <p>Action: EU is asked to analyse demand and supply and to steer this strategic process. EU should be more vigilant on IPR. Support SMEs in suing Chinese offenders. EU should develop a common policy to protect IPR (establish a EU IPR protection agency).</p>
NGOs	
22. Global Witness	<p>Important to promote principles of good governance, transparency and accountability in natural resource management around the world. Special attention is drawn to illegal logging by China as one of the largest importers of illegal timber. In general EU has the opportunity to share its experience and best practices with China</p>

	<p>Action: EU should take above into account in the new EU-China Framework Agreement. The EU should promote regulations for transparent and accountable natural resource management and address these issues if need be.</p>
23. OXFAM	<p>Trade should serve to increase human well-being. Two key issues in EU-China trade should be addressed: labour and the environment. Wage and labour conditions should improve. With regard to the environment, there are large opportunities for European-friendly technologies to be used.</p> <p>Action: address labour and environmental issues. At EU level: promote corporate social behaviour in China. Challenge for the EU is not to rely on the use of safeguard mechanisms and NTBs. Will not integrate China into the global market. Also important is to avoid global environmental degradation and general degradation of labour conditions.</p>
24. Respect for Animals	<p>Strongly in favour to ban all fur from China due to living conditions of animals and the cruelty subjected to.</p>
25. World Society for Protection of Animals and Eurogroup for Animal Welfare	<p>Concerned by the spread of factory farming in China. Import in the EU can endanger our existing higher standards in animal welfare and environmental protection. Also concerned about the use of animal for fur and finally trade in fur.</p> <p>Action: Commission should pay serious consideration to animal welfare in bilateral trade negotiations. Animal welfare should be taken into account</p>
26. WWF	<p>Rise is opportunity to tackle a number of global challenges related to the environment and also address social inequalities. Action: Joint programme to find out how trade and foreign investment can help achieve the objectives related to the global challenges. The new EU-China Agreement should also focus on sustainable trade, production and consumption patterns. EU could help China in this respect. Main challenge for the EU is to ensure that China catches-up asap in order to minimise the shocks for the EU economy. IPR issues to be solved in order to allow the spread of modern technology (environment) New Agreement should also take into account the impact of bilateral trade on countries that provide natural resources. Massive FDI in China should not result into social and environmental dumping. EU & China should share resources.</p>
27. RSPCA (animal welfare)	<p>Factory farming is increasing at lower standards than in the EU. Organic production is being encouraged. Concerned about the use of animals for fur (dogs and cats)</p> <p>Action: EU should not allow external trade to undermine the progress on animal welfare. Encourage in economic relations with China organic and enhanced-welfare production.</p>
28. Vier Pfoten / Four Paws International	<p>Animal welfare should be a priority of the EU and an element in bilateral treaties. Citizens want animal welfare to be included in agreements</p>
29. Compassion in World Farming	<p>Concerned about the spread of factory farming in China the effects this has on local populations and the environment as well as animal welfare. This process could threaten progress made in the EU. Action: trade and economic relations should be developed in such a way that it encourages high-value organic and enhanced-welfare animal</p>

	production.
30. Humane Society International	EU should ban trade in dog and cat furs and skins from China.
ACADEMICS	
31. University of Navarra	Critical about the use of Trade defence mechanism. In most of the AD cases it is often difficult to proof the Chinese dumping. Moreover AD measures are very expensive.
32. INTRAC	Now the EU is on the losing side. The EU introduces environmental standards to protect our own products.
REGIONAL GOVERNMENTS	
33. Gijon Port Authority (GPA)	GPA cooperation framework agreement with Port of Ningbo. Opportunities: coal, steel and maritime transport (technology transfer) Have to accept the rise of China. Deliver quality products and services and cooperate with them. Action: EU should invest in R&D, gather knowledge on safety and security. Make use of their environmental knowledge and Galileo.
34. Fundacion Andaluze	EU disposes of the potential and resources to cope with the rise of China. Opportunities should deliver jobs. Action: learn to know China better via exchange of programmes and promote the richness of EU. Identify our strengths/specialisation. Stimulate growth of EU population. EU must fight for its jobs and maintain the social welfare state.
35. Government of Catalonia	<p>EU should stand at the forefront of Globalisation and therefore adopt new initiatives to face it. EU should accept rise of China. Action: Protectionism is not an option. Invest in R&D, focus on creativity training, quality and excellence Build a good infrastructure and promote the impetus of entrepreneurs and aid in the reconversion of sectors affected by Chinese competition. Recommendations:</p> <ul style="list-style-type: none"> • institutional cooperation between EU-Chinese cities en regions and improvements in the governance; • environment, transport and territory. Focus on renewable energies, transfer of environmental management. Opportunities for EU of creating all types of new infrastructure; • human dimension and training. Human contacts in order to strengthen economic partnership (e.g. closer cooperation at EU-China university level; knowledge of each other languages and Chinese-European study networks) Try to involve local Chinese communities in the EU to play a more active role in contributing to partnership. Visa, more differentiation; • Trade relations: China is attractive market for Catalonia business. Export booming due to its capacity for innovation, contribution of quality products, brand potential and contribution of technology. However, short term gains not to be expected. Careful preparation before entering the Chinese market is important; • Tourism: Spain/Catalonia has a lot to offer to Chinese tourists; • Agriculture: EU has enormous potential with regard to quality products (Catalonia: meat & fruit) Requirements should be reciprocal.

Opportunities: China will become an important consumer by 2014. EU companies should jointly enter the Chinese market.

CONSULTANTS

36. Consultant for International Business
Addresses the issue of Banking system in China. Bad dept not only issue. Improving management quality and training also important.
Action: due through early retirement in EU, plenty of banking staff is available to provide training in China. Result: EU can help China in a major sector of their economy and enhance its own profile vis-à-vis the competing Americans and Japanese.

CITIZENS

37. [REDACTED]
Networks of personal contacts and friendships are needed in order to develop good trade relations between the EU and China.

38. [REDACTED]
Only opportunity for EU is investing in the Chinese environment. Alternative energy is engine of future growth.

39. [REDACTED]
No respect of human rights, neither respect of labour rights. Critical about the EU who fought harder for the Singapore issues than the social norms in the WTO.

40. [REDACTED]
China has no respect of human rights at all. **Action:** EU should demand change of China in their attitude on human rights. If no progress will be made than no trade with the EU.

41. [REDACTED]
Action: replace tax on income by tax on consumption. Cost of labour thereafter no longer the main disadvantage vis-à-vis China. Also in favour of improving the educational system, as a basis to reinforce R&D. Finally more strict control on health and safety regulations.

42. [REDACTED]
Action: EU should adopt a free trade policy towards China to ensure that the country becomes more democratic. EU should focus on goods and services with high added value and shut down industries that produce only low added value goods. Keep pressuring the Chinese on human rights.

43. [REDACTED]
EU based values should be shared by China too. China is still a dictatorship

TRADE UNIONS

44. ICFTU (International Confederation of Free trade Unions)
The new communication should address explicitly how to promote the creation of decent work in both the EU and China (productive employment, rights at work, social protection and social dialogue) China violates a series of core labour standards.
Action: EU should deliver it commitments as expressed in their recent communication on Decent Work.

45. ETUC (European Trade Union Cooperation)
General line to take: EU in the area of trade is asked to promote social progress. ETUC is not protectionist, but aims at promoting human and trade rights and sustainable development all around the world.
Action: labour standards in EU should be maintained. If China evolves in the future and introduces a decent labour-market regulation to protect workers it needs a civil society, including civil liberties. EU should promote its social model vigilant. EU companies should behave themselves outside the EU as they supposed to do in Europe. Health

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	<p>and safety situation in China is very bad. Issue on human rights is important in relation to trade and should be incorporated in that context. MES; unfortunately interference in trade union affairs and the lack of free collective bargaining is not part of the criteria to judge China whether it fulfils the MES criteria and can be graduated accordingly.</p>
BUSINESS ASSOCIATIONS AND INDUSTRY FEDERATIONS	
46. Amcham EU	<p>China offers major opportunities as an export market and low-cost base for production. Main challenge is securing China's compliance with it WTO commitments to be achieved by a constructive engagement at all levels.</p> <p>Action: establish a new and enhanced China-EU relationship. The EU should e.g. focus on IPR, regulatory barriers, services liberalisation and, standards. Reinforce existing acts vis-à-vis China. Medium-term goal: new Trade & Investment agreement</p>
47. Handelskammer Hamburg	<p>China very important for Hamburg (Container terminal) They are in favour of improving economic relations and reducing barriers.</p> <p>Action: no protectionism. On AD, German companies are afraid about the confidentiality of the information they hand over to the Chinese Authorities. They should take the international rules into account. Revision of AD regulation requested.</p>
48. Britisch Chamber of Commerce in Belgium	<p>In favour of principle of progressively freer trade and the creation of a level playing field for inward and outward investment. In favour of limited use of safeguard measures. Welcomes EU's focus on enforcing IPR, standards and conformity and labour standards.</p> <p>Action: in-depth discussion with EC officials is requested.</p>
49. WKO (Wirtschaftskammer Österreich)	<p>Vast majority of EU companies are SMEs. Envisage a strategy for manufacturing and/or selling their products or services in China. Tendency in China is towards protectionism. China should play a more constructive role in the DDA negotiations.</p> <p>Action: training of China specialists already at school level; various activities of MS should be better coordinated, encourage joint actions and information exchange. EU trade and economic section of Beijing delegation should be strengthened. Please envisage regular meetings of MS, EU institutions and Industry. Make full use of working groups and dialogue to identify and resolve problems related to IPR, standards, barriers illegal subsidies etc. EU should fully protect EU companies in their IPRs conflicts and injurious dumping. Share knowledge to solve problems in China. Competition for raw materials should take place in a fair way.</p>
50. Chambre de commerce et d'industrie de Paris	<p>Business dialogue important and firmness required whenever necessary, as the textile crisis showed. Firmness is also required to improve market access. Improvements were lately made on market access, although still too restricted. Different treatment of national and foreign companies. Local authorities dispose of a relatively great autonomy to interpret government policy. There are certainly investment opportunities in China. However issues like IPR and piracy should be addressed as should essential questions with regard to energy supply, protection of the environment and brands. Convinced that dialogue is the best solution to solve outstanding issues. Action: establish a business dialogue on e.g. standards, norms technical rules. Such a forum could inform and enhance mutual cooperation. In favour</p>

	also of new EU-China agreement in order to obtain better market access. This new agreement should i.e. address: clearer information on custom procedures, simplify sanitary and phytosanitary procedures, and facilitate procedures linked to certification of products.
51. Unioncamere/ Mondimpresa	China's rise offers tremendous opportunities in every sector of production and should not been seen as an threat. Enormous market for consumer and capital goods. China has to respect the rules of international trade. SMEs ask foe help; community programmes to stimulate export (and remedy the EU-China trade balance) EU should implement a trade policy which takes account of the specific features and differences of the production systems in the various MS.
52. EUCCC (European Union Chamber of Commerce in China)	<p>Both China and the EU will profit of growth of the Chinese economy. Concessions from both sides are required; Partnership in the spirit of reciprocity. Prevent friction. China still needs technical assistance to fully integrate in the global economy. Action: EU to steer course between applying firm pressure to implement its WTO commitments and establish partnership. On WTO commitments:</p> <ul style="list-style-type: none"> • on track. However, not with regard to GPA; • local content legislation not always applied; • banking sector faced with obstacles (excessive capital requirements and a restrictive foreign debt policy) <p>EU needs to convince China of its role to play in the WTO, to give greater market access and create an open investment climate. Greater market access should be created by China by better coordination, transparency and by increasing public consultations. Furthermore EU should identify NTB barriers and take <u>a firm position in negotiations</u>. (address: setting of its own standards, registration requirements, overly bureaucratic and slow and unpredictable business license application processes) Support China to secure an open investment environment where government interference will be reduced. EU should discuss: limitations on investment, IPR and protectionism of local market.</p> <p>MES should not become a political issue. Finally, the EU should become a true partner through strategic collaboration:</p> <ul style="list-style-type: none"> • strengthen the EU - China Dialogue; • Support each dialogue with its technical assistance program; • Publish yearly report on the status of EU-China trade; • Increase service support resources; • Strengthen Commission resources in China;
53. Hong Kong General Chamber of Commerce	Hong Kong important intermediate between China and the rest of the world. . In China varying levels of economic development to be identified. Strong regional discrepancies and varying interpretations of government policy and WTO commitments across the country. China remains difficult market especially for the SMEs. Hong Kong companies could be good partners for EU firms, what apparently is the case. On the contrary, Hong Kong is also helping Chinese companies to expand onto EU markets.
54. Ireland China Association	Actions: Support of training programmes, including scholarship and exchange programmes, research and innovations schemes. Review of immigration/visa limitations, in order to address certain skills shortages. Results of the above: good for the development of future trade, cultural

	and diplomatic links.
55. BAK (Bundesarbeitskammer-Wien)	<p>Challenge: how to deal with the huge volume of imports from China of mainly labour-intensive products. In the near future new wave of more sophisticated products e.g. motor vehicles and motor vehicle spares parts to be expected..</p> <p>Manufacturing conditions in international trade should be fair.</p> <p>Action: in favour of introducing quotas in branches which have excessive quantities of imports and where jobs in the EU are in danger. Furthermore, compliance with international recognised core labour standards as a prerequisite for closer trade relations.</p>
56. Eurochambres	<p>Opportunities: large market, domestic demand and thus a growing potential market for imports. China good geographical position to be used as an export platform for third countries markets. China offers low labour costs and a huge potential market. EU offers: management expertise, brands and technology. Rather than fighting the import of goods better to focus more on support of EU exports and investment in China, thereby focusing on the needs of SMEs. On challenges: market access remains difficult, rise in NTB, lack of enforcement of WTO obligations. These developments can provoke negative protectionist measures. Eurochambres in favour of fair trade (playing by the rules) In favour of MES, once all criteria are fulfilled.</p> <p>Action: In favour of constructive measures rather than defensive measures to protect our market. Example which may be followed: EU gateway to Japan programme. Also: stimulate knowledge of Chinese language, business and cultural environment and finally recommends more systematic cooperation between representatives of business organisations of the EU and China. Sectors that offer challenges: technology transfer (to help solving China's problems) take advantage of rise of tourism (good visa policy) and ask China to improve the access for foreign fair organisers to Chinese markets. Finally in favour of intensifying the dialogue between experts of the EU institutions, MS and the business environment in various sub-sectors. Dialogue and cooperation can help overcome the difficulties which arise from regulatory barriers. Other issues to be addressed: access and compete in the Chinese market at equal footing with Chinese companies. Access to public procurement. No different standards, elimination of all trade barriers (quotas, tariffs and excessive import duties) Much work needs to be done on Chinese regulatory framework to attract increased FDI from Europe. Very important: IPR law should be enforced as well the obligation for foreign companies in certain sectors to agree to technology transfer or to setting up joint ventures. On R & D important to keep it in EU as well as marketing and management. Job loss in EU should be countered with programmes encouraging EU companies to create jobs with a higher added value (innovative products with a high standard of quality) Cooperate with China to open and exploit new resources.</p>
57. CEPS (European Spirits Organisation)	<p>China increasingly important market for our industry. Potential remains enormous. Little risks and plenty of opportunities. Nevertheless to take full advantage of this potential a number of regulatory constraints need to be overcome, in the form of several non-tariff barriers. Action:</p> <ul style="list-style-type: none"> • actively engaging with China and promoting regulatory convergence; • act against tendency of local governmental authorities to set

	<p>their own interpretation of national rules. EU needs to spend more resources into more concrete actions which would directly reduce counterfeiting activity;</p> <ul style="list-style-type: none"> • AQSIIQ should start systematically requiring presentation of certificates of age & origin for spirits bearing GIs as part of their label approval mission, in order to help detecting counterfeit products.
58. IFPI (representing the Recording Industry Worldwide)	<p>Piracy levels recording industry among the highest in the world, with over 85% of the units sold in the market being pirate. Apparently China is willing to address this problem. Anti-piracy action recently increased (closure of CD plants, closure of websites etc) Nevertheless Chinese Government has yet to adopt meaningful reform of its enforcement practices and rely on administrative measures that have proven to be unsuccessful in deterring in certain sectors or addressing piracy. Penalties are often too low. Action: the EU must continue to insist that China fully implements the commitments it made in the WTO – especially to significantly reduce piracy.</p>
59. CIAA (Confederation of food and drink industries of the EU)	<p>China is one of the fastest growing food and drink export markets. They see a lot of opportunities and encourage the EC to negotiate a new agreement, which ensures: non-discrimination, increased regulatory cooperation and recognition of intellectual property rights. Action: promote market access for EU food and drink exports. Access could be improved by :</p> <ul style="list-style-type: none"> • Chinese authorities accepting international standards at all levels and implementing food and wine laws/regulations according to EU or international standards; • improving infrastructure; • opening of distribution/logistics sector to foreign capital; • tariff levels should be looked at <p>Also address NBT, including SPS. Food safety in China concerns pose problems for EU companies that import their products. Exporters need better access to information on SPS measures and on third country import guidelines for operators. CIAA suggests starting with an improved market access database. Finally, issue that needs to be addressed: brand registration and protection and IPR.</p>
60. FESI Federation of the European Sporting Goods Industry)	<p>China is a fast growing market for them. In favour of a new Free Trade Agreement to ensure that EU exporting interests can be pursued. EU/China should promote reciprocal trade and economic investment and refrain from unnecessary additional burdens on manufactures and importers. Fully committed to reducing import and export barriers that will stimulate economic growth and employment. Main concerns FESI are: IPR, market access and the use of trade defence instruments. In order to profit from opportunities in China, please substantial tariff reductions. In favour of recognition of China as a market economy asap. Avoid the use of trade defence instruments. FESI believes that compromise and constructive dialogue is important. Therefore it urges EU and China to consult with stakeholders on a regular basis.</p>
61. CECE (Association of the European Construction Equipment	<p>On construction Equipment China has become the fourth largest global market and is still growing fast due to massive investment into heavy infrastructure. Demand is for 95% met by domestic manufacturers.</p>

<p>Industry)</p>	<p>Only very small part of the market is open to EU manufacturers. However, local products offer low quality. Keen to buy imported components. <u>Problem:</u> tariffs for imported equipment and components are not properly implemented. The Chinese themselves are starting to penetrate the EU market. Traditional EU market leaders in this product are therefore concerned about reductions in sales volumes. Opportunities: large domestic market, also for niche products, training, distribution, service and support opportunities. International manufacturers in China demand top products what the local producers cannot offer. Challenges and risks are: Chinese manufacturers have ambition to export at low prices, legal framework is not secure in China and IPR abuse is very common.. Action:</p> <ul style="list-style-type: none"> • protection of IPR. Abuse is massive (Chinese partners running parallel factories) Contracts should be outspoken about IP rights. China should implement its commitments on IP. Current practice no basis to establish good relationships; • Enforcement of Standard/ Legislation (ISO and EU standards) including after market surveillance in China. Mutual recognition of testing and certification; • fairness and elimination of red tape; • control of Chinese machines on CE compliance in order to prevent entry of machines, which don't comply with our rules, into the EU and surveillance of EU regulations; • Improve contacts with Chinese officials on procurement for major infrastructure projects and improve EU information on EU companies operating in China; • Establish European testing laboratories to be accredited by Chinese authorities to avoid Chinese Certification Scheme; • EU financial support at trade fairs; • counter undue and sudden interference in trade matters by the central authorities.
<p>62. BDI (Asia-Pacific Committee for German business in China)</p>	<p>Chinese German business relations have developed very successfully. Nevertheless they encounter new impediments and barriers in trade and investment. Following (most important) remarks:</p> <ul style="list-style-type: none"> • Chinese government should abolish rules and regulations which stipulate transfer of technology to enterprises, so that on a voluntary basis can be decided when and how to transfer it; • IPR main problem in trade relations with China. Most of the Chinese counterfeited goods are exported to the Middle East. Chinese government should clearly act, including border controls. Registry Office should be better staffed to speed-up registration; • raw materials; abolition of restrictive quantities and export taxation; • TBT: new standards should be considered as technical requirements to the detriment of EU companies. This creates uncertainty. Accept test certificates on the basis of internationally accepted standards; • public procurement: encounters many restrictions for foreign companies; no fair competition. China should join GPA-WTO Agreement;

	<ul style="list-style-type: none"> • legal aspect: no manipulation of laws, respect arbitration clauses; • automobiles: the scope for participation by foreign investors should be considerably expanded. Identical competitive conditions should exist for all producers; • in many sectors obstacles, which are often discriminatory vis-à-vis EU companies, hinder potential of EU companies. Red tape is everywhere. Non-respect of national treatment. Moreover not always identical obligations regarding e.g. environmental and safety technology. Service market is heavily regulated and trade in services restricted in addition service providers are discriminated or are submitted to burdensome capital requirements (e.g. free professional practice is not allowed, no JV of law-firms etc).
63. ESF (European Services Forum)	<ul style="list-style-type: none"> • Access for world class services infrastructure will be important. EU services industry can play a major role. However, this development could be hampered by lack of respect of multilateral rules or a failure to establish business-friendly regulatory environment. China should play by the rules. EU offers China access to their markets. Expect the same. A level-playing field is crucial. Action: • use the WTO to full advantage, so that China accepts all its obligations and open up wholesale services, insurance, telecommunications, legal services, retail sectors and tourism (and banking this year) on a non-discriminatory basis. Still faced with major barriers which need to be addressed. EC should increase pressure on China to: remove limits of FDI, eliminate discriminatory capital requirements, soften the obligation to enter the market through a JV, eliminate requirements for local input, ease visa requirements and quotas, remove regulations and make them more transparent; • intensify EU- China dialogue to promote regulatory cooperation and transparency to foster an investment friendly regulatory environment. The Chinese authorities must increase their efforts to establish a stable, predictable, reliable and transparent framework which fosters investment and business environment. All EU-China policy dialogues should aim at achieving concrete progress in removing regulatory obstacles and facilitating two-way trade and investment. China should recognise the existing international standards in many services sectors. This will provide transparency and a level playing field for all investors. Finally ensure access to public procurements projects, China should sign GPA and effectively enforce IPR • reinforce Beijing Delegation and open offices in the main Chinese provinces in order to implement its new strategy on China. Reinforce section dealing with EU Market Access Data base.
64. ASSOCIAZIONE NAZIONALE ITALIANA INDUSTRIE GRAFICHE, CARTOTECHNICHE E TRASFORMATRICI	To be translated
65. CEFIC (European	China is an important supplier/customer. China also producer in the

<p>Chemical Industry Council)</p>	<p>fine and speciality segment. CEFIC thinks that cooperation can lead to a win-win situation. CEFIC is in favour of free trade</p> <p>Action:</p> <ul style="list-style-type: none"> • EU should create the right framework conditions in Europe so that the chemical industry can compete with its Chinese counterparts. EU should remain a leading chemical producing area; • urges the EC to strongly promote on the overall tariff reduction formula. China should participate in a sectoral chemical tariff elimination agreement; • chemical industry is facing an increasing number of NTBs. EU should take corrective measures into consideration. China should eliminate the worst ones, particularly the elimination of export taxes; • chemical industry relatively hard hit by AD proceedings brought by third countries. Against misuse of AD instrument. Supports the amendment of WTO rules to ensure a more harmonized implementation of these rules world-wide • MES, CEFIC recognizes progress made, only grant MES when certain conditions are met • effective enforcement of IP. Use WTO dispute settlement system whenever proof that China violates TRIPS obligations
<p>66. EICTA (European digital technology industry)</p>	<p>For the EU ICT industry business in China and with Chinese partners is very important. However, NTBs represent a strong deterrent for trade and investment activities. Rise of China also means increasing competition within the Chinese and EU market. IT & telecommunications sectors had strong impact on the Chinese economy (mobile telephone network) China should live up to its WTO commitments, in particular liberalization of services and elimination of the national treatment principle. Actions: follow-up of China's WTO commitments, trade obstacles should be removed. Tackle issues that are adding costs, delaying or preventing market access and favouring the local competitors</p> <ul style="list-style-type: none"> • Chinese Compulsory Certification system; The list of products, for which CCC certificate and CCC label are required, is often modified unexpectedly. Non transparent and costly process; • use and development of national standards, when international standards exists, features Chinese technologies and excludes technologies of foreign origin. EU industry cannot fully participate in standardization activities the same way as the Chinese industry. Future use of Chinese standards should be minimized • ensure IPR, although significant progress is made. Concerns on the following issues: clarify IP laws and remedies it. Increase amount of criminal enforcement against counterfeiting & piracy in a systematic way. On regulatory issues: EU should ensure that China's standards provisions should not mandate <u>compulsory</u> licenses for patented technology used in national standards • closely follow-up on development of Chinese procurement regime and practices and the negotiations with China to join the GPA;

	<ul style="list-style-type: none"> • Solid Waste Legislation (China RoHS) Chinese laws should remain in line with EU laws and requirements, in particular on product design on RoHS; • Chinese 3G licensing and technology selection. Intervention by the EU to establish one common agreed standard for mobiles; • market access limited due to restrictive regulatory environment.
67. UIT (L'Union des Industries Textiles)	<p>UIT in favour of a strategic partnership with China given the level of trade relations between EU & China. Representation in China should be at the high level ("Haut représentant pour la Chine") Export of French textile companies is growing, but still relatively insignificant. Trade fairs were established in China in order to increase export as were partnerships/cooperation with Chinese associations. Trade missions are also deemed useful. China offers opportunities for specialised textile products of high quality.</p> <p>Risks: EU market risks to be dominated by Chinese textile. Export of certain products, not covered by the 2005 agreement, increased exponential.</p> <p>Action: defend interests of (French) textile companies. (USA is doing more) IPR is big issue (design & models). Better criminal enforcement is necessary. Simplification of registration procedure of design & models by SIPO. Also massive dumping. WTO Accession has not changed this practise. UIT deems that China is not a MES. EU should help us (SMEs) to better penetrate the Chinese market.</p>
68. CCCMC (China Chamber of Commerce of Metals & Chemicals)* * Chinese organisation	<p>Rapidly developing trade relations. 3 issues raised:</p> <p>Action:</p> <ul style="list-style-type: none"> • EU should evaluate the impact of REACH (regulation that will set obstacles for the chemical products originating from developing countries) Implementation of REACH will negatively affect EU trade relations with China on chemicals and will have negative consequences for the Chemical industry; • Trade Defence Measures should be used cautiously. In favour of granting MES to China. TRM not only unfair restriction on China's export to the EU but also harms EU consumers and users. MET should be more widely given; • EU should improve the transparency of their market access? Current visa application policy of EU countries obstacle for the bilateral trade.
69. INTA (International Trademark Organisation)	<p>Very interested in IPR. INTA has worked closely with the EU in monitoring and promoting the implementations of TRIPS standards within and outside Europe. Also intensive contacts with Chinese on this issue in order to promote international standards of trade law and practice. Their report only focused on trademarks. INTA is in favour of adopting a pro-active and positive outlook on IPR protection. Now the economic role of China is growing they will better understand their responsibilities to adhere to international principles of economic and political activity. As a consequence, higher standards of IPR protection should be feasible. This will benefit EU, international and Chinese brand owners alike. INTA has noticed willingness of Chinese authorities to share information on best practices and to learn about possible ways to improve practice and legislative frameworks. Deeper understanding of the political economic and cultural climates in each other's markets will help to reduce trade friction.</p>

70. EUROCOTON	<p>Chinese textile industry uses all means to promote their textile industry. As a consequence, they can offer lower prices than its competitors. Once quotas will be removed EU & USA will be the greatest recipients of their exports.. Against monopoly by China. Action:</p> <ul style="list-style-type: none"> • extension for one further year (2008) of the EU-China MOU; • EU should deny any requests for tariff reductions at the very least until major trading partners agree to lower their tariffs to levels equivalent to ours; • better enforcement of IPR and identify and eliminate NTBs; • designate China, India and Brazil as developed countries; • Chinese currency should float with the free market; • extend textiles specific China Safeguards or any similar mechanism beyond 2008; • address extensive use of state subsidies; • made-in origin for imported products; • reinforce customs controls and border management.
71. J-F GRIBOMONT (EURATEX/PROMPTEX EUROCOTON/ FEBELTEX and UTEXBEL- Board – Member, Honorary President etc)	<p>Disappearance of industry in EU/US caused by China not playing by the rules. Long term aim of China is to become "The monopolistic factory of the world" All means are used. Example: manipulation of Yuan. Well planned elimination at an early stage of competitors in selected sectors. To achieve their aim they make use of low labour costs, dumping, violation of IPR, local subsidies of e.g. energy costs and finally no proper respect of WTO rules.</p> <p>Chinese trade relations should be balanced. This is currently not the case. EU should be more assertive vis-à-vis China. Not respecting of playing by the rules could finally affect the geopolitical situation</p>
72. EURATEX (European Apparel and Textile Organisation)	<p>Considers China also as an opportunity, provided that it can access freely and on fair ground that market. China not playing by the rules. Against conferring MES to China Likelihood of deviation of textile products during 2008 to the EU. Nevertheless opportunities, provided better access to Chinese market. EU mostly exports semi-finished products, while final products represent a fraction of what China is importing from the EU Household consumption of textiles in China is increasing yearly. The EU however, can not profit from this situation due to exchange rate, counterfeiting and over-capacity on the local market. Also strong focus on investments in textile industry and subsidies. China not in respect of international health and safety standards of their products. Moreover, abnormal certification procedures are costly and create delays. Finally well known that fundamental ILO rights are neglected.</p> <p>Action:</p> <p>IPR:</p> <ul style="list-style-type: none"> • EU should pay a lot of attention to IPR Revise Chinese legislation in order to recourse against infringements and clarify the terms "counterfeiting" and "imitation"; • red tape should be diminished and trade mark registration is too cumbersome; • design and models important. Ways should be found to better simplify and to have access for EU rights holders to registration of design in textiles; • improve implementation of WTO provisions specific to textiles

	<p>and clothing designs and models; will stimulate SMEs to focus more on Chinese market.</p> <p>Trade:</p> <ul style="list-style-type: none"> • help SME's to access the market by a EU export helpdesk and establish a EU program to promote knowledge of EU products in China • control borders more effectively <p>Standards and related issues:</p> <ul style="list-style-type: none"> • certification and conformity assessment important, especially in the market niches. There is a clear lack of guidance on products coverage, rules and procedures and on standards to be applied; • foster greater collaboration on standards to avoid the creation of undue barriers; • Products should be made in full respect of the environment. <p>Access to raw materials:</p> <ul style="list-style-type: none"> • set-up a bilateral textile EU-China table with a clear deadline to discuss in detail the best way to reduce the damage caused by Chinese measures/practices in this context.
<p>73. FFSA (Fédération Française des Sociétés D'assurances)</p>	<p>For insurances is China one of the most promising markets as it is an under-insured country. Chinese market is protectionist by their attitude to: 1. issue of number of licenses is limited 2. JV capture know how.</p> <p>Action:</p> <ul style="list-style-type: none"> • licences: establish standard regulations, identical and transparent for domestic & foreign assurance companies; • relations between cross sectors: Clarify the control of hybrid products and identify the principal regulator, clarify rules between bank/insurance companies and allow banks to sell their partners products; • pensions. Indicate clearly which conditions with regard to interest linked actions are required and also indicate all the limits of the number of licenses linked to each financial task with regard to live long insurances. Finally indicate all existing restrictions to practice role of financier of several financial activities and restrictions on deposits; • asset management: clarify legislation for assurance companies that diversify their activities on pension funds; • demand social capital for specialised assurance companies: limit the high amount of capital demand in order to obtain a license. <p>EU should allow insurance companies to get a foothold at this stage. Important to rapidly develop their future activities. Also need active support of the EC, their delegation and EU Chamber of Commerce in China for the Chinese based insurance companies by all means.</p>
<p>74. ETRMA (European Tyre & Rubber manufactures association)</p>	<p>Strong increase of tyre exports over the last 5 years and manufactures have increased their presence in China. By their presence in China (R&D) overall quality of tyres went up substantially. Problems: increasing Chinese competition, non-respect of intellectual property rights. In addition access difficult and costly due to local certification system and discriminatory treatment of foreign investors. Requesting for tyre only certification as per international rules to enter onto the</p>

	<p>Chinese market. EU and China should be treated as equal in bilateral relationship.</p> <p>Actions: no longer privileges. ETRMA needs a clear and stable regulatory framework with China to achieve a level playing field to expand its markets and allow Chinese Industry to become a player in the global scene. EU should strengthen its coordination and capabilities to negotiate with China. Specific needs improving access and business environment:</p> <ul style="list-style-type: none"> • CCC system; burdensome, lengthy and expensive. Administrative burden; • implementation of Chinese regulation removing the request of Import License for Automotive components; • foreign Investment: eliminate discriminatory treatment, remove limits on foreign investment; • no consistency in implementation of regulations in different parts of the country. No compatibility with international standards; • absence of reliable and transparent administration; • Yuan: adjustment to market forces; • respect of IPR <p>Above should be addressed by: EU developing a programme of regulatory cooperation, assist China to progress on transparency, predictability and effective implementation of international rules. MES only when it fulfils the established criteria and ensuring EU AD policy provides relevant tools to properly defend the EU industry</p> <p>Risks: increasing demand for raw materials, might endanger sustainable supply of rubber in coming decades?</p>
<p>75. SITEL – Syndicat des l'Industrie des Tubes Etirés et Lamminés</p>	<p>China has produced a lot of tubes of low quality. Restructuring is now imperative. Market access severely hampered (strategic industry for the Chinese) No majority share allowed. Action:</p> <ul style="list-style-type: none"> • foreign knowledge could improve quality of products and modernise production capacity. If no restructuring and stop of investments then massive exportation by Chinese; • low quality of Chinese products entails safety risks. International standards should be respected; • uniform fiscal policy is required; • corruption should be addressed; • against MES at this stage. <p>Opportunities: need of these products of high quality. Huge Chinese market very interesting;</p>
<p>76. ERRT (European Retail Round Table)</p>	<p>Opportunities: China major supplier of non-food goods. Consumers can buy better goods at lower prices. EU retailers therefore more competitive. EU suppliers should be more innovation driven and oriented to 'value-added goods' Trade with China should develop in a fair transparent and consistent manner. This requires:</p> <ul style="list-style-type: none"> • limited use of trade defence mechanisms; • when ever used, transparent and allow for equal treatment of producers, retailers and consumers (in favour of reviewing the

	<p>AD mechanisms)</p> <p>Growth of China must be seen as an opportunity to develop new business models which make the best use of Europe's knowledge economy. EU retailers invest a lot in China. Action:</p> <ul style="list-style-type: none"> • EU should work to easier market access for EU retailers through the WTO process; • avoid any risks of discrimination of EU retailers in China. <p>China should take up its responsibilities e.g. playing by the rules, application of the rule of law, without any discrimination. Respect WTO rules on market entry in the wholesale, banking and retail sector. Action: EU can do a lot at 'informal' level and help China itself in pursuing a business friendly regulatory environment, exchange of administrative know-how etc.</p> <p>General: please no protectionism. This will limit growth of trade between EU and China. It would also put EU firms at a real disadvantage compared to their American counterparts.</p>
<p>77. CBI</p>	<p>British companies very attracted by cheap labour, a skilled workforce and large markets. UK largest EU investor in China. Opportunities for EU in service sector, high technology, green technology and knowledge based sectors. EC should play an important role on capitalising opportunities. Challenges and issues for business:</p> <p>Trade regime: (key concerns)</p> <ul style="list-style-type: none"> • application of NTBs (notably relating to the areas of certifications and health and safety), restrictions in services sectors and obligation of JVs. Numerous distortions in the economy (No MES yet). Many developing countries are unwilling to commit tariff cuts in the current Doha round in face of the perceived threat of China to their domestic industries; • reform of state-owned enterprises: widespread inefficiency and low profitability in the state sector hamper the development of a more dynamic private sector; • reform of the banking system holds back an efficient allocation of resources and hampers development of credit culture; • the new five year plan tries to balance the interests of state-owned enterprises, fdi and the domestic private sector witnessing a climate of increasing economic nationalism. Foreign investors might be faced with increasing costs linked to environment and social policy; • IPR, remains the single most important issue for CBI; • red tape; formidable obstacles to foreign companies. Bureaucracy at all levels; • accounting and transparency, inequitable enforcement of environmental and health and safety standards. Accounting standards and international law need to be effectively enforced in order to create transparency; • energy demand will have impact on global commodity prices. Intervention of Chinese authorities to keep raw material prices low; • Chinese business in third markets. Many investments in natural resources. They should play by the rules.

Action:

- EC should take a long term view in respect of both its internal and external policies. EU's position as major trading partner gives scope for considerable influence over China's policies;
- EU should restructure their manufacturing base, in order to take account of China's natural competitive edge;
- EU should constantly adapt and restructure in order to stay competitive and promote the benefits of a more open economy, free and fair trade;
- internal market: avoid being not competitive (high taxation, regulatory costs etc) Regulatory environment should be flexible enough to replace the lost jobs;
- foster active labour market policies.

Externally, the EC should push for:

- structural reform in areas such as state-owned-enterprises and the banking system (to get better-functioning private sector) To cooperate with China to ensure that MES is granted as soon as criteria are met
- live-up to their WTO obligations;
- foster (existing) dialogues, remove regulatory obstacles and facilitate bilateral trade and investments;
- EC should push for more effective enforcement of IP rights;
- EC must work with Chinese on tackling the challenges of climate change;
- demonstrate to Chinese the value of established international standards.

78. EPPA (European promotional products association)

EPPA follows the EU legislation impacting on the industry, therefore EPPA directly concerned by vast range of EU legislation. They focus on 2 issues: free riders and IPR. Concerned by imported products that do not comply with EU legislation (cheaper, so unfair competition) Quality of many products could pose risk for consumers. **Action:** Stricter compliance of the applicable EU legislation. These free riders have a detrimental impact on the overall business climate and could impact on the consumers' health, safety and environmental rules. On IPR, EU should put a proper system in place, both on the administrative and legal level to guarantee an effective and efficient system of IP protection.

79. EUROMETAUX

China has always played an important role on the international market of certain metals and minerals. Recently China has also emerged as an important player on the base non-ferrous metals market (lead, zinc etc) To be imported in significant quantities. China leading producer and consumer of metals. EU non-ferrous metals industry is concerned by this evolution, as it competes with China as a buyer of raw materials, it competes with Chinese producers for supplies of Chinese raw materials and competes with Chinese exports of processed products and finally it strives to take its fair share of business opportunities in China. **EU future trade & investment relations should take the above into account.** Note that the Chinese non-ferrous metals industry does not respect market fundamentals and demonstrates a mercantilist attitude. The Chinese are disruptive on the commodity market.

Action:

- EU strategy must aim to restore free and fair terms of competition with the Chinese operators in access to raw materials on the international market as well as in China. Factors of distortion are manifold and must be tackled by all possible and relevant means;
- EU strategy should aim at sustainable integrating of the Chinese non-ferrous metals industry in the global market by promoting market economy, good governance and sustainability principles as well as by combating unfair trade practices that are causing injury to the EU non-ferrous metals enterprises. Efforts must be made to reduce the EU handicap vis-à-vis Chinese companies. It is justified to have in the EU an effective trade defence policy;
- EU companies must be provided with a predictable, transparent, non-discriminatory and rule-based environment for their investments in China, in order to enable them to seize their fair share of business opportunities.

80 FTA (Foreign Trade Association))

In 2005 imports from China (incl. HK) accounted for more than 50% of the imports by European retail traders from countries outside the EU. The different aspects of China's growing importance for the EU:

growth: growth of world economy;

competition: EU enterprises forced to adjust. Increased competitiveness;

Investments: better opportunities in China;

R&D: EU forced to drive forward research and development;

price development: competition and low import prices have had a positive development on the price within the EU;

political stability: as a rule, economic growth is also supporting the political stability of a country and supports transformation.;

Risks involved in relation with China: protectionism against China, growth of China's political power. Rise of prices on the raw material and energy markets, violation of IPR, loss of jobs, dependence on China which in case of a crisis may put into danger an adequate supply of goods in the EU.

Opportunities: China is one of the most important sourcing countries for EU retail. Strengthening of trade relations will support the expansion of business and help create new jobs. Retail trade is handicapped by numerous trade defence measures against consumer goods sometimes merely intended to shelter out-dated European industries from competition and structural change. On the contrary, a more open market for highly sophisticated textiles and clothing would give new opportunities for exports from the EU.

Increased competition would force manufacturers to innovate which would lead to growth and job creation in Europe. Artificial prevention of competition through protectionism prevents this mechanism. The more EU retailers get involved in EU-China trade the more they can and will contribute to the improvement of social standards in China. Finally EU retailers have developed efficient retail concepts which can also be

implemented successfully in China. Anyway, protectionism is not the right way. EU should adapt to the new market conditions. EU companies need new market opportunities and their IPR needs to be protected

Action:

General: EU should regard China's advancement as a positive challenge and make use of its existing potential instead of cutting off its markets and taking protective measures:

- improvement of market access (compliance of WTO rules, mutual recognition of testing results on the basis of well-established international standards and consistent application of Chinese laws must be provided for (also on local and regional level);
- protection of IPR – enforcement of claims for damages;
- liberalisation of the services sector – still many restrictions and burdensome requirements for foreign companies. China should implement its WTO commitments to open retail sector and wholesale services and complementary services industries (insurance, banking and telecommunications);
- raising of awareness for WTO rules, including possibility of dispute settlement;
- support of certain branches of industry. EU consumer goods industries that strive towards innovation, restructuring and an improved market access to China must be flanked by political support (e.g. The High Level Group on Textiles and Clothing);
- develop an Asia strategy (don't be dependant only on China);
- attach a lot of importance to good relations between China and the EU

81. AVEC (Association of Poultry Processors and Poultry Trade in the EU countries)

At this stage import of poultry meat from China is forbidden due to the current situation on animal health. Reliable system should be put into place and is functioning well in China. Challenging to build up this infrastructure in China. Issue of too high residue levels (and insufficient and inadequate control thereof) should be addressed. Poultry meat not complying with EU standards and level of veterinary inspection services is not efficient.

Action:

- EU should not too easily allow Chinese poultry meat to enter the EU. Health risk;
- promoting trade would be facilitated by an easy access database and a support/promotion budget.

82. EuroCommerce (The Retail, Wholesale and International Representation to the EU)

General: They see China as a big opportunity (export market) and imports provide substantial benefits to EU consumers. Trade policy should concentrate its efforts on enabling economic operators to seize the opportunities of market opening, rather than on restricting trade. Better reconciling the interests of EC producers and EC traders. Hesitant towards use of AD mechanisms, as a consequence more problems are likely to arise for importers and retailers.

Opportunities: major synergy effects can be created for producers and traders by improved market access for EC providers of distribution

	<p>services to the Chinese market; lower prices of goods. Finally trade facilitation of importance, i.e. simplification and harmonisation of customs procedures in the EC and China.</p> <p>Action:</p> <ul style="list-style-type: none"> • importers and retailers need predictability and legal certainty. If imposing AD measures, the date of entry must be chosen sufficiently late to leave enough time for importing business to adapt to changes. Option: early warning mechanism; • trade defence measures should be evaluated on their impact on competitiveness. Measures, if required, should least harm importing business and consumers; • grant China MES; • remove NTBs for both import and exports. Eliminate Red tape; • China should improve enforcement of laws on piracy and the protection of IPR
83. ABI (Association of British Insurers)	<p>EU should not lose sight of his own longer term objectives in his relations with China. Britain's services export has grown six-fold in 1994-2004. Success story needs however to be put in context. UK's trade deficit has grown eleven-fold. Important that level playing field is established, guaranteeing EU companies the same level of market access, legal certainty and business-friendly regulatory environment which Chinese companies enjoy in Europe. Point is not to protect existing goods markets through AD measures but to seek to improve market access in high growth sectors like services. Any future strategy should include greater market access and non-discriminatory, national treatment for foreign investors. <u>Opportunities:</u> JV at this stage far from profitable given China's high capitalisation requirements. Nevertheless attractive market. For a number of reasons: high personal savings, insurances play a role in channelling funds into state infrastructure projects, creating a viable pension system and total insurance penetration is still very low.</p> <p>Action:</p> <ul style="list-style-type: none"> • WTO did not show leadership on services liberalisation in the current Doha round. Sector continues to face significant barriers (non-discriminatory, national treatment from the regulator, lack of transparency) ; • Chinese authorities should adhere to international best practices in financial services regulation and supervision; • in support of review of the 1985 Trade and Cooperation Agreement and the opening of negotiations on a bilateral free trade agreement, which should contain a strong services component; • strengthen EU-China regulatory dialogue (EU-China Roundtable on Financial Services and Regulation is an excellent initiative!)
84.EFPIA (European Federation of Pharmaceutical Industries and Associations)	<p>Pharmaceutical industries are the leading high technology industries in Europe. However, losing competitiveness with respect to its main competitors and should therefore enhance it. China is important EU trade partner and one of the main investors in China, also R&D investments in China. This development has been positive for both competitiveness, increase in trade transactions and exchange of know how. However, remaining issues: implementation of new rules,</p>

adoption of non-discriminatory and international standards, particularly in the regulatory field. More reform is needed in some areas:

1. strong and efficient system to protect IPR is needed (could be achieved by introduction of a patent term restoration system that could promote domestic and foreign innovation to the benefit of Chinese patients and economy. Also needed stricter and more proactive attitude is needed in the fight against counterfeit, with more resources and legal instruments to ensure that counterfeiting is properly enforced;
2. pricing and reimbursement. Companies experienced many difficulties due to uncertainty and lack of transparency of the pricing and reimbursement systems (continuous changes in the pricing policy) Pricing and reimbursement should be based on transparent , predictable and non-discriminatory criteria;
3. improvements were made in the regulatory framework, however not sufficient enough. Procedures are too long compared to EU. Rules including monitoring period of 5 years is preventing the access of the originator's drugs to Chinese market. Furthermore concerned about introduction of Labelling regulation, which will restrict use of trademarks and – names and import restrictions on active pharmaceutical ingredients for local production by applying stricter standards to importers than to local producers.

Further regulatory reforms are therefore needed in order to achieve a level-playing field and an internationally competitive pharmaceutical industry.

Opportunities huge. China is expected to become the largest pharmaceutical market worldwide during the coming 15 years. Improvement of the current business environment would also be important for China, as it would bring modern medicines, high technology and drug development and research to the country, contributing to the economic growth and the improvement of the current healthcare system.

Action:

- achieve a fair and level playing field with a strong IP system and a regulatory system which ensures efficacy, safety and quality, but also fast access to innovative pharmaceutical products by Chinese patients;
- implementation of WTO commitments;
- continue with EU's current and constructive dialogue with Chinese authorities ;
- stronger cooperation with EU Member States, key Trade and Political partners;
- provide EC China desks and EU Delegation in Beijing with adequate resources;
- publication of Annual Report on China Trade Barriers;

85. European Printing Industry

They see hardly any opportunities for this sector. Export of printed products to China are bound to remain low (production costs in China much lower) Issues raised: production costs are low, China not a MES country, unfair commercial practices., environmental standards, health

	and labour standards much lower, imports of printed products expected to rise. Finally draw attention to trend of delocalization of printing work.
86. EUROALLIAGES (ferro-alloys producers)	<p>China most important threat for their industry. Rules are not respected (no fair trade) No respect at all of environmental standards and labour standards.</p> <p>Action:</p> <ul style="list-style-type: none"> • EU should keep strong trade defence instruments. Reform of these instruments should not weaken them; • introduce in legislation the concept of environmental and social dumping; • adopt an energy policy which ensures a stable and secure energy supply.
87. Assocomaplast (Italian plastics and rubber machinery and moulds manufacturers)	<p>For EU SMEs, industrial and trade cooperation with Chinese partners can open the large China market and the markets all over Asia.</p> <p>Action:</p> <ul style="list-style-type: none"> • improve knowledge of Chinese industrial environment, exchange of students via programmes
88. European Express Association (EEA)	<p>European Express Association (EEA) China immense opportunity for door-to-door service they provide. Members of the EEA have made an important contribution to China's economic growth as well as the development of European business. Chinese express delivery industry will enjoy a very high annual growth. China has become the focus of the world delivery industry. Recent measures of Chinese not in line with WTO commitments; concerns about new draft postal law (that could lead to a very difficult operational environment):</p> <ol style="list-style-type: none"> 1. definition of the postal monopoly. The foreign industry opposes any differentiation in the rules of international and national express operators; 2. universal postal service fund: draft legislation creates a new levy on express industry revenues to support China's post universal service; 3. lack of independent regulator; 4. new licensing regime. Draft legislation creates a new, unworkable licensing regime and provides new powers of supervision to the postal regulator.
89. UNICE	<p>Very important and rapidly growing market for EU business. China's integration in the world economy offers opportunities for EU business. However, competition from Chinese companies is putting new pressure on EU business.</p> <p>Action: EC must adopt a more resolute and coordinated strategy vis-à-vis China ensuring a level-playing field for EU companies. A new EU strategy should place the competitiveness of EU companies as its core objective in order to generate growth and jobs. EU should address the numerous challenges and solve problems the EU industries faced by:</p> <ul style="list-style-type: none"> • strengthening the EUs coordination capabilities to negotiate with China on economic matters (among its services with MS as well as EU business); • promoting access to Chinese market; EU should press Chinese authorities to increase their efforts to create a stable,

predictable climate, reliable and transparent legal and administrative framework which fosters investment and smooth business development and , apply legislation consistently at national and regional levels. Also important is liberalising the services sector on a non-discriminatory basis. Therefore EU should persuade China to implement its WTO commitments to open wholesale services, insurance, telecom retail sectors and banking sector during 2006))

- ensuring non-discriminatory treatment and effective protection for EU investment; (Chinese legislation is opaque and inconsistently enforced). To improve this situation China should take measures to reinforce legal protection of private property rights, continue its privatisation process, remove limits on foreign investment, eliminate requirements for local content, ease visa requirements and quotas and promote two-ways flows of investment. Moreover removal of discrimination against foreign companies is required and access should be ensured to GPA at all levels)
- encouraging China to implement its WTO commitments; (and monitor it more closely). Special attention should be paid to transparency, elimination of regulations and the dismantling of NTBs)
- increasing regulatory cooperation activities; (EU & China should eliminate NTBs and develop simplified, efficient and consistent customs procedures ailing at trade facilitation. Moreover, Chinese government should create a more transparent framework for technical regulations and standards and promote EU rules in China)
- pushing for effective enforcement of IPR; (54% of all counterfeited goods seized at EU borders in 2004 came from China)
- ensuring implementation of the reform criteria for MES; (matter should be dealt with according to its merits and avoid politicisation of the issue. MES remains a major policy goal of both China and EU business);
- supporting the adjustment of the Chinese currency to market forces;
- negotiating a new EU-China economic agreement based on reciprocity (new agreement should provide solutions to the problems faced by EU companies and should in particular address.

Liberalisation of trade and facilitation of investment flows; trade facilitation and regulatory cooperation and contributing to the enforcement of IPR and a level-playing field for domestic and EU companies.

- further coordinate approaches on resources and energy issues at bilateral and global levels EU and China must find solutions to ensure fair competitive conditions on international markets in accordance and spirit of WTO regulations. Also important is sustainable use of resources and to combat the risks of climate change

<p>90. ASCER (Spanish Ceramic Tile Manufacturers ' Association)</p>	<p>Given the weight of the Chinese economy, trade relations with China should be based on the principle of reciprocity. China is a protectionist country and maintains innumerable technical barriers to protect its domestic market. Despite being a member of the WTO, old trade practices still define how customs and other authorities operate which undermine the fulfilment of commitments as regards liberalising of its market. Legal uncertainty is still the norm. China is world leader in production of ceramic wall and floor tiles. Certification is used to protect the domestic market. Inadequate protection of brands and intellectual property rights limits the opportunities for direct trade. Opportunities to invest further reduced by the limited size of EU companies.. More and more cheap Chinese products are replacing EU products. Moreover tariffs imposed are higher in China than In Europe. Prices of Chinese products sold in EU have been kept artificially low due to government intervention, labour and environmental standards.</p> <p>Action: EU should adopt a trade policy firmly based on the principle of 'reciprocity', demand to liberalise its domestic market and protect the Community's own industry.</p>
<p>91. Fachverbandes der Textilindustrie Österreichs (Trade Association for the Austrian Textile Industry)</p>	<p>China interesting market that must do more to open its market and at the same time it must reduce the disadvantages and unjustified risks for European distributors. Level of export to China is still modest. <u>Opportunities:</u> deliveries of valuable, special textile materials. Risk will be that Chinese firms will copy designs, brands and other IP without authorisation. Action: IPR protection must be enforced by Chinese authorities at all levels. Measures must be implemented to deter potential offenders and legislation in China must be improved. Compliance with international standards and expensive certification procedures should be addressed. Finally EU should pay attention to minimum standards in the fields of social rights, health and safety at work, environmental protection and unfair subsidies to promote exports.</p>
<p>92. Cerame-Unie</p>	<p>Ceramic products with a high added value are sold world wide. The EU manufacturers of these products have to cope with fierce and often unfair competition from China. Import from China of ceramic tiles has tripled over the 2002-2004 period. Since 2005 quota system for imported table ware was abolished. As a result EU-15 tableware imports increased dramatically. Future of EU ceramics at risk. EU industry should given the means to face the Chinese challenge.</p> <p>Action:</p> <ul style="list-style-type: none"> • EU should be willing to use trade defence mechanisms in cases of serious injury. China to be treated as any other country; • origin marking. Fully support the proposal of the EC for a regulation introducing an origin marking requirement on ware imported from third countries. Protection, of design and brand names will then be better protected; • massive counterfeiting of designs and brand names. Positive about recent steps undertaken by the EC. However, in order to tackle this issue further steps, in particular a better and closer cooperation between the EC and industry are necessary; • trade barriers/distortion of competition. Introduction of Chinese certification requirements for porcelain tiles makes it almost impossible for EU companies to export to China. Cerame-Unie has made a complaint to the EC. China not playing in a fair way. Distortion of competition is furthermore enhanced by the

	<p>Chinese system of buying refractory minerals (tax-rebates and export license fees)</p> <p>If the above strategy is put into practice the EU industry would have the means to face the Chinese challenge</p>
93. ECSA (European Community Ship Owners Associations)	The more China produces, the more cargo potential there is. Their members have total free market access and also under a maritime bilateral are free to establish subsidiary/branch offices. However there are potential competent Chinese contesters.
94. EWI (European Wood Initiative)	<p>Action: medium term political and financial support to EWIs efforts to remove or relax technical barriers to trade on wood and wood products in the Chinese building and construction sector, including product standards, design codes, fire provisions and certifications and to implement the new product standards, design codes, fire provisions and certifications to the Chinese building and construction sector with focus on local authorities.</p>
95. Federation of German Chemical Industry	<p>With Japan, China is the most important market in Asia. More import than export from Germany to China. Several JV see opportunities. China's Accession to the WTO has diminished tariff barriers. Rise of China has created strong demand for industrial products. However, China produces itself more and more chemical products. Chinese chemical industry is nowadays already very competitive and is producing not only mass products but also products of higher quality. China is becoming an important competitor. Nevertheless, due to strong demand still chances in China for EU chemical industry, alone or in JV. China complied to their WTO commitment to lower their tariffs obligations. In the same period however, many NTBs were introduced, like AD and certification / registration of products (high costs involved, delivery of quite some sensitive information) Own standards hamper import. The above mentioned measures hinder more and more market access.</p> <p>Action:</p> <ul style="list-style-type: none"> • EU should in the WTO or bilateral address the issue on standards and the discrimination between local and foreign companies; • EU should ask in the context of the Doha development Round further tariff reductions; • Chinese AD regulations should be in line with WTO rules. Abolish use of Chinese lawyer and acceptance of anonymous list of clients; • on IPR better enforcement of claims for damages, improvement of border controls in the EU; • ensure that patent right protection is at least guaranteed for 15 years; • no obligation to use local undertakings; • market access is hampered by the Chinese discrimination between domestic and foreign goods. The "list of toxic chemicals" is a good example of a barrier. Registration is costly, time consuming and only applicable for foreign industry; • EU should also address the red tape with regard to registration of relatively very small amounts or samples of chemicals;

	<ul style="list-style-type: none"> • Environmental and safety standards should be the same for domestic and foreign companies; • EU should urge the Chinese to eliminate their export subsidies.
96. ACEA	<p>Strong growth of the automobile market since 2000. EU manufacturers have been doing business for a long time and quite some experience of the Chinese market.. Investments via JV. Competition is fierce and prices have gone down dramatically in recent years. China has become an important player in the ACEA members supply and production global strategy. <u>Challenges and risks</u>: close control by Chinese central and provincial governments of the development of industry, through investment and product plans. Development for the automotive Industry very ambitious. Government control of the market entrance will be more tightened. Market shares will limit down. Moreover, IPR often violated, China own standards increases cost of production. With regard to environmental issues, an integrated approach must be used to develop new regulations and lead time must be given to manufacturers to adapt their products. Also, risks of deficit of energy exists which might have a negative impact on the automobile market.. Finally regulatory Framework: industry needs more predictability and transparency of rules to implement legislation and a simplification of trade measures and procedures.</p> <p>Conclusions:</p> <p>The Chinese automotive industry is becoming one of the most important in the world China cannot be longer considered as an emerging industry in an emerging country. On the contrary the industry must integrate the global economy which requires that certain conditions are fulfilled for the auto industry:</p> <ul style="list-style-type: none"> - business develops in a genuine market economy; - fair competition with Chinese manufacturers; - better access is given to imported products and investments through multilateral trade approach, complemented if necessary through a bilateral EU-China Trade and Investment Agreement; - compliance with international technical standards, trade and customs regulations.
97. WIRTSCHAFTSVEREINIGUNG STAHL (German Steel Federation)	<p>China's future steel policy was described in 2005 in a guideline of the National Development and Reform Commission. This report also comments on aspects which are incompatible with the principles of MES:</p> <ul style="list-style-type: none"> • support of the state in buying raw materials for the steel industry; • attempt to restrict foreign investment; • future State aid policy unclear. <p>Action: put pressure on the Chinese to eliminate trade-distorting and competition-distorting state interventions in the steel trade.</p>

<p>98. VERBAND DEUTSCHER MASCHINEN UND ANLAGENBAU (German Engineering Association)</p>	<p>For many of the German capital goods industry, China is one of the most important export markets. Future trade outlook is optimistic. However industry encounters serious difficulties in trade with China.</p> <p>Action:</p> <ul style="list-style-type: none"> • IPR, better protection required. VDMA in favour of stronger presence of EC in Beijing to enforce IPR. A team of specialists should be available to provide EU enterprises with practical assistance. VDMA willing to support work of the EC in China as part of a private-public partnership. Follow the example of the US by putting pressure on Chinese to improve the IPR situation. EU is now too timid and VDMA urges the EU to adopt a common European position on IPR vis-à-vis China. IN order to support the SMEs An European Innovation Protection Agency should be set-up; • NTBs implementation of new technical requirements will lead to disadvantages and uncertainty in trade with China. Transparency is important. On RoHS (Restriction of the use of certain Hazardous Substances) little information is available. Benefit of all to reach agreement on international standards; • lead integration of China into the world economy, but on a partnership basis; • initiate a process of supply and demand mapping, and strategically manage this policy;
<p>99. AIUFFASS (International Association of Users of Artificial and Synthetic Filament Yarns and Natural Silk)</p>	<p>Action:</p> <ul style="list-style-type: none"> • recent AD case on polyester filament against China shows that China still has a long way to go in order to be considered a real MES. This implies no granting to China of MES; • EU should prolong the existing quota deal with China for one year (2008) in order to restore the worldwide quota symmetry; • IPR-agreements should be implemented. Their companies, mainly SMEs (textiles) can not be successful as long as the copy practices continue; • Within the regular EU-China textile discussions it would be appreciated by the silk industry to be able to communicate professionally with Chinese counterparts on common interests; • Reciprocal cancellation of silk duties (have no longer real effect given the different market positioning of EU and Chinese silk products)
<p>100. CLEPA (European Association of Automotive Suppliers)</p>	<p>Rise of China brings many uncertainties (rapidly evolving regulations, understanding of potential trade barriers) Great concern about Compulsory Certification System (CCC). CLEPA has concerns about protection of IPR, plant inspections carried out by Chinese inspection. CCC is considered as a NTB which involves substantial costs and risks for unwanted technology transfer. In support of requesting WTO consultations on the auto parts tariff.</p>
<p>101. ANDEMA (Spanish Association for the Trademark Defence)</p>	<p>China infringes IPR. Action: essential for the fight against counterfeiting and piracy is that the EU signs 'Commitment Agreements' with China in which the country undertakes to follow the international legal framework in force on IPR and develops a strong internal control..</p>

102.Member of the
External Trade
Committee of Austria's
Chamber of Commerce

Action:

- strong enforcement op IP;
- cooperate with the US;
- stronger EU presence at site (monitoring);
- give export aid.

Confidential