


**From:** Art. 4.1(b) (TRADE)  
**Sent:** 27 July 2016 10:41  
**To:**   
**Cc:** Art. 4.1(b) (TRADE); Art. 4.1(b) (TRADE)  
**Subject:** RE: EU-China Investment Agreement SIA sector analysis

#### Art. 4.1(b)

A sustainability impact assessment is a an assessment of the future agreement from an economic, social, environmental and human rights perspective that takes place during the negotiations in order to provide useful recommendations to the negotiators. That said the SIA is being conducted by an external contractor, i.e. not by the Commission in order to ensure the independent and objective character of the assessment and the ensuing recommendations.

I assume that the consultants would like to assess for instance a difference in investment flows in case the equity restrictions were lifted.

On your second remark: Indeed, what we explained also at the CSD is that for the time being we hold text based discussions that are not sector specific. This means that we are discussing for instance an horizontal obligation not to discriminate against foreign investors in all sectors. At the stage of sector specific negotiations (not yet happening at this stage), we will discuss with China sector specific exceptions to this rule, for instance we might agree that the obligation not to discriminate will not apply to X sector where both or one of the parties may maintain the right to impose foreign equity restrictions.

I hope this clarifies, but happy to discuss further in case of further queries.

Kind regards, Art. 4.1(b)

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**From:** Art. 4.1(b)  
**Sent:** 26 July 2016 15:44  
**To:** Art. 4.1(b) (TRADE)  
**Subject:** EU-China Investment Agreement SIA sector analysis

Dear Art. 4.1(b),

Hope you are well.

On July 5 2016, my colleague Art. 4.1(b) attended the *Transport Equipment* discussion of the Ecorys EU-China Investment Agreement SIA workshops.

According to her report, it appears that investment issues in China as described in our SEA Europe position paper are very difficult (if not impossible) to quantify.

We understand that it is important to attend these meetings and to deliver input, but we find it difficult to understand how the EC negotiators will use these statistics politically and how the statistics in this SIA report will influence the negotiations. What is the EC going to do with these statistics?

Would you please give us some insight on this?

In addition, you have said that the issues that our sector is facing in China (e.g. national treatment, shareholding restrictions, local content requirement) are also being addressed by other sectors. Therefore, these problems will be addressed at the horizontal level.

However, take shareholding restriction for example. It is sector specific. How can we make sure that such a restriction is removed for our sector if the issue is discussed at the horizontal level?

Looking forward to your advice.

With best regards,

**Art. 4.1(b)**

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