

BUSINESSEUROPE



EU-China Commercial Relations

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Seminar organised by:

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Why this strategic debate on China?

- China – the rising giant
 - Tripled export market share in 15 years
 - “Factory of the world”
 - Competitor key sectors (chemicals, cars, machinery, steel, textiles, etc.)
- Impacts on European business
 - Changes to the global economy
 - China’s state-dominated economic policy
 - Influence on Europe
 - Competition on third markets



China: Many opportunities...

- Huge and expanding market
- High growth rates
- Availability of raw materials (if access granted)
- Low cost / skilled labour
- Business partnerships



...but also some significant risks

- Forced technology transfer
- State interference in the market & discriminatory treatment
- Weak IPR enforcement
- Subsidies
- Retaliation



Current & future EU-China relations

- Weaknesses of current EU approach towards China
- Need for more coherent EU strategy on:
 - Technology transfer
 - Chinese subsidies
 - Real market access in China
 - Retaliation
- Advance multilateral & bilateral negotiations
 - WTO (Doha Round, Government Procurement Agreement)
 - UN Climate Negotiations
 - Potential bilateral investment agreement



SWOT analysis

Strengths of the EU

- Technology / know-how
- Strong presence in China
- High quality of products & services
- International experience
- European standards

Weaknesses of the EU

- Strong currency
- High risks for SMEs
- Export power of China
- Lack of EU diplomatic support
- State-dominated economy

Opportunities in China

- Huge and expanding market
- High growth rates
- Availability of raw materials (if access granted) and low-cost / skilled labour
- Business partnerships possible

Threats in China

- Technology transfer
- Strong state influence
- Discriminatory treatment
- Weak IPR enforcement / counterfeiting
- Retaliation
- Subsidies
- Restrictions on raw materials

