

## **EU and China need to advance talks on investment, overcapacity to benefit both economies**

*(Brussels, 16 July 2018)*

Today European Council President Donald Tusk, European Commission President Jean-Claude Juncker and Chinese Premier Li Keqiang meet on the occasion of the EU-China Summit, taking place in Beijing, China.

BusinessEurope calls on both sides to make progress on key issues during the summit, including the negotiations on the Comprehensive Agreement on Investment, reducing overcapacity, and progress on the agreement on Geographical Indications. China is an important market for European companies and it is important that the business environment keeps up with business needs.

**On China's business environment, Pierre Gattaz, President of BusinessEurope, said:**

“We recognise that China is making an effort to open more to foreign companies, but both, longstanding and new trade barriers prevent our companies from taking full advantage of business opportunities in China. Making substantial progress in the negotiations for the comprehensive agreement on investment is key to bring the relationship between the EU and China one step forward and would be an important signal for business.”

Flagship projects like Made in China 2025 and the Belt and Road Initiative should also be more inclusive. European business wants to contribute positively and is ready to engage with China and make these initiatives a win-win for European and Chinese companies. But China should involve European companies from an early stage, using transparent procurement processes and clear rules. Equal access and a level playing field are key to make these initiatives successful.

The EU and China should also cooperate to fight protectionism and maintain rules-based trade. Both economies have largely benefited from trade and open markets and have an interest in keeping a world trading system that is stable and predictable but also effective.

“There is a role for the EU and China to defend the system by proposing reform. For example, by delivering rules in new growth areas like e-commerce and being more effective in addressing market distortions created by state subsidies and state-owned enterprises. By working together and convincing other important trading partners that the system can be reformed for the benefit of all, we will be able to fight protectionism while promoting more modern and effective trading rules”, **Gattaz added.**

**ENDS**

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