



Ms Cecilia Malmström
Commissioner for Trade
European Commission
Rue de la Loi 200
BE – 1049 Brussels
BELGIUM

25 November 2015

Dear Commissioner,

The debate on the interpretation of China's Protocol of Accession to the WTO has intensified and there are deep concerns within major parts of the European business community on what the expiry of Section 15 subparagraph (a)(ii) means and what will be the impact on the EU's anti-dumping procedures and industrial competitiveness.

As we know that the European Commission is currently working on this topic and is involving the Parliament and the Council, there are a number of points we would like to flag to you:

- The question of Market Economy Status (MES) should be separated from the expiry of subparagraph (a)(ii). In our view there is no obligation for the EU to grant MES to China after 11 December 2016 as a direct consequence of this expiry. Whether or not China should be granted MES is therefore a decision that should be based on its own merits. The last assessment made by the European Commission in 2011 showed that China did not meet all criteria to automatically receive MES;
- The decision-making process should be transparent and involve the European business community. China has emerged as an important player on the world scene and it is a key trade and investment partner of the EU. Any decision should therefore be based on a solid and comprehensive impact assessment (e.g. economic, legal aspects) which takes into account China's policies and their impact on EU interests. The decision should also be in line with the WTO;
- There is an evident need for the EU to maintain effective anti-dumping instruments that take the real market situation in China into account;
- The EU must coordinate with and take into account the positions of other major WTO members, in particular the United States. It is especially important that the EU avoids trade diversion of Chinese exports towards Europe as a consequence of differing views.



We are preparing a more detailed position which we will share with you within the next few weeks. In the meantime, we thank you in advance for taking our views into consideration and remain at your disposal should you wish to discuss this further.

Yours sincerely,



Emma Marcegaglia
President



Markus J. Beyrer
Director General