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China's market economy status

Greens/EFA motion for resolution

Tabled by Reinhard Bütikofer, Yannick Jadot, Ska Keller, Philippe Lamberts, Claude Turmes, Bas Eickhout on behalf of the Greens/EFA Group The European Parliament, – having regard to the EU's anti-dumping legislation (Council Regulation (EC) No 1225/2009 of 30 November 2009 on protection against dumped imports from countries not members of the European Community(1)), – having regard to China's Protocol of Accession to the World Trade Organisation (WTO) of 11 December 2001, – having regard to its previous resolutions on EU-China trade and economic relations, – having regard to Rule 123(2) of its Rules of Procedure, A. whereas the European Union and China are two of the largest traders in the world, China being the EU's second trading partner and the EU China's leading trading partner, with a trade exchange standing at well over EUR 1 billion a day; B. whereas any decision on how to deal with imports from China after December 2016 must ensure the compliance of EU law with WTO rules; C. whereas, when China joined the WTO, a transitional arrangement for its accession allowed for a specific methodology for the calculation of dumping, which was provided for by Section 15 of the Accession Protocol, and a basis for different treatment of Chinese imports; D. whereas after 11 December 2016 paragraph (a)(i) and parts of paragraph (d) of Section 15 will remain in force; E. whereas, given the current level of influence of the state on the Chinese economy, firms' decisions on prices, costs, output and inputs do not respond to market signals reflecting supply and demand; F. whereas China's production overcapacities are already having major social, economic and environmental consequences in the EU, as has been demonstrated by their current detrimental impact on the EU steel sector, and whereas the social impact of granting market economy status (MES) in terms of EU jobs could be substantial; G. whereas 56 of the 73 anti-dumping measures currently in force in the EU apply to Chinese imports; H. whereas the recently concluded public consultation on the possible granting of market economy status (MES) to China could provide additional information which may be useful in addressing the issue; I. whereas the Commission communication of 10 October 2012 entitled 'A stronger European Industry for Growth and Economic Recovery' sets out the objective of raising industry's share of EU GDP to 20 % by 2020;

1. Reiterates the importance of the EU Strategic Partnership with China, in which trade and investment play an important role;
2. Stresses that China is not a market economy and that the five criteria established by the EU to determine such status have not yet been fulfilled;
3. Urges the Commission to coordinate with its major trading partners, including in the context of the upcoming G7 Summit, on how best to ensure that all the provisions of Section 15 of China's Protocol of Accession to the WTO other than subparagraph 15(a)(ii) are given full legal meaning under their domestic laws;
4. Calls on the Commission to take due account of the concerns expressed by EU industry, trade unions and other stakeholders as to the consequences for EU jobs and sustainable economic growth in all the affected manufacturing sectors and for EU industry as a whole, and to ensure the EU's competitiveness in a global context;
5. Considers

that merely relying on the standard methodology is not sufficient to protect EU industry from unfair trade practices; 6. Is convinced that, as long as China does not meet the EU's five criteria required to qualify as a market economy, the EU should be able to use a non-standard methodology, where appropriate, in anti-dumping investigations into Chinese imports for the purpose of determining price comparability; calls on the Commission to make a proposal in line with this principle; 7. Calls on the Commission to ensure effective trade defence instruments that guarantee a level playing field with China for EU industry in compliance with WTO rules; 8. Instructs its President to forward this resolution to the Council, the Commission and the governments and parliaments of the Member States. — (1) OJ L 343,

22.12.2009, p.
51.

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