



EU-China Trade relations

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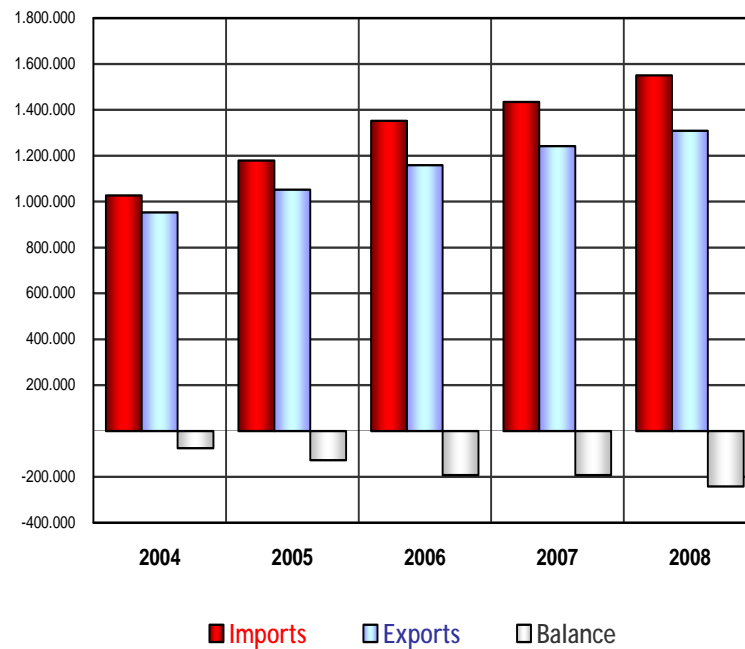
Quick reminders on China...

- ...China is world's 3rd largest economy and 3rd biggest trader
- ...opening up policy of China lifted several hundred millions out of poverty
- ...China became our largest source of imports in 2006
- ...China is EU's 2nd trading partner; EU is China's biggest trading partner and export market
- ...the EU's trade deficit with China 164 bn. euro in 2008

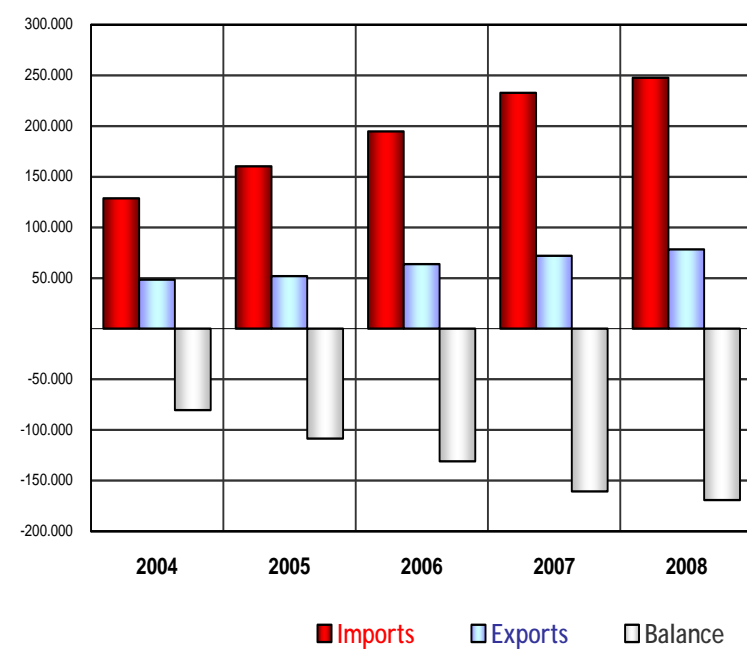
EU trade: The world and China



European Union, Trade with the World



European Union, Trade with ... China





China - a main trading partner

(2008)

The major imports partners

Partners	Mio euro	%
World	1.550.276	100,0
1 China	247.595	16,0
2 USA	186.245	12,0
3 Russia	173.210	11,2
4 Norway	91.851	5,9
5 Switzerland	80.005	5,2
6 Japan	74.702	4,8
7 Turkey	45.899	3,0
8 Korea	39.383	2,5
9 Brazil	35.459	2,3
10 Libya	34.161	2,2

The major export partners

Partners	Mio euro	%
World	1.308.960	100,0
1 USA	249.186	19,0
2 Russia	105.142	8,0
3 Switzerland	97.568	7,5
4 China	78.361	6,0
5 Turkey	54.239	4,1
6 Norway	43.579	3,3
7 Japan	42.319	3,2
8 United Arab Emir.	31.659	2,4
9 India	31.506	2,4
10 Brazil	26.298	2,0

The major trade partners

Partners	Mio euro	%
World	2.859.236	100,0
1 USA	435.430	15,2
2 China	325.956	11,4
3 Russia	278.353	9,7
4 Switzerland	177.573	6,2
5 Norway	135.430	4,7
6 Japan	117.021	4,1
7 Turkey	100.138	3,5
8 Korea	65.010	2,3
9 Brazil	61.756	2,2
10 India	60.886	2,1

EU has a wide range of interests



- Mainly related to Market Access barriers and Intellectual Property Rights (IPR).
- Prominent Market Access issues include:
 - Investment restrictions (e.g. automobiles, petrochemicals, telecom...)
 - Non Tariff Barriers (e.g. licensing requirements in telecom and insurance, "China only" standards)
 - Discriminatory practices against foreign operators.

Possible focus areas under new EU Commission



- How to reengage China in economic reform and openness? (EU Chamber of Commerce 2009 reported backsliding economic reforms)
- IPR (protection and enforcement of IP, a robust new Chinese patent system that is internationally compatible, IPR Task Force)
- Procurement (indigenous innovation, Buy Chinese)
- Investment
- Implementation of a green economy (... and IPR, procurement and investment)
- General challenges for China relationship: Human rights, currency, climate change

China in WTO



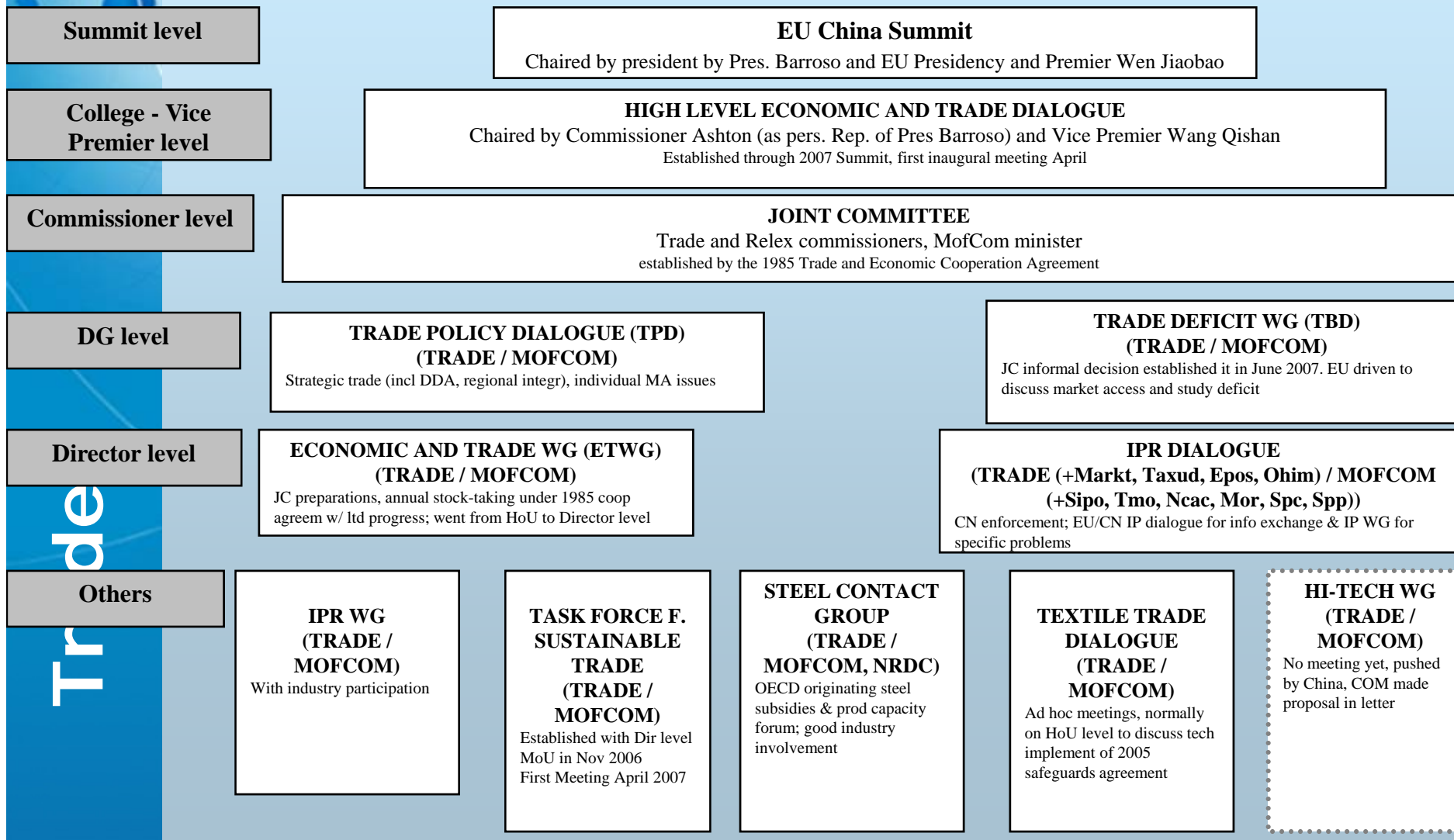
- WTO member 2001: Used membership preparations to reform China's economy in 1990s. Used membership after 2001 to integrate China in global economy as major actor.
- Beyond comparison, China's has had larger benefits from participation in WTO's rules-based trade system over the last decade than any other major economy (tripled GDP, exports etc.)
- EU can go to WTO dispute settlement when dialogue fails. EU has brought 3 cases (two won, one ongoing):
 - Auto parts (2006, EU, US, Canada)
 - Financial information services (2008, EU, US, Canada)
 - Export restrictions on raw materials (2009, EU, US, Mexico)

China's interest



- Market Economy Status
- EU restraints on TDI
- Few regulatory issues (e.g REACH)
- Few SPS issues
- Limited services requests (e.g. mode 4, banking, satellites)
- Increasing awareness of merits of investment protection as Chinese outgoing FDI develops (Africa)

EU – China Dialogues with DG Trade involvement



Trade



High Level Economic and Trade Dialogue

- **Objective:** strategic discussion and forum to resolve frictions.
- **Broad range of economic and trade issues addressed.**
- **Strong political commitment:** Co-Chairs Commissioner De Gucht and Vice Premier Wang; broad participation from EU Commissioners and Chinese Ministers.
- **2nd meeting in May 2009. 3rd meeting in Beijing, May 2010?**

EU China Summit

- trade achievements



EU-China Summit 30 November, Nanjing

- launch of negotiations on GI agreement
- set up IPR Task Force
- determination to conclude WTO/Doha negotiations in 2010

Next EU-China Summit in 2nd half 2010 in Belgium



Thank you!

For more information:

http://ec.europa.eu/trade/issues/bilateral/countries/china/index_en.htm