

# Position Paper

## **UEAPME<sup>1</sup> position on the possible change in the methodology to establish dumping/subsidisation in trade defence investigations concerning the Peoples' Republic of China**

As a preliminary comment UEAPME would like to stress that trade defense issues both at European as at WTO level are very complex issues. In general our national and sectoral organisations do not have the means to follow the developments in this field very close. Therefor UEAPME insist on support from the European Commission on capacity building activities in this field for our organisations.

- UEAPME underlines that Market Economy Status should be treated in accordance with WTO AND EU Rules and based on the factual circumstances and situation in China. The EU is therefore bound by the 5 technical criteria as set out in the Basic Anti-dumping Regulation 1225/2009, which China is currently not fulfilling. There exists no legal obligation to automatically grant MES to China as a direct consequence of the expiry of Art 15 (a) (ii) of China's Protocol of Accession.
- It is in the interest of all businesses that the EU maintains fair and balanced relationship with Republic of China. UEAPME and its members consider the Peoples' Republic of China a strategic player and market at the Global level hence is of utmost importance to support a strong and comprehensive EU position. Stable and balanced relations with China are in the interest of the whole European economy. We therefore welcome any measures taken by the EU, also on a bilateral level, which aim at achieving an acceptable solution with China.
- We stress also the necessity to maintain effective trade defense instruments (anti-dumping and anti-subsidy measures) as means to protect against unfair trade practices, also with regard to imports from China. These instruments shall reflect the factual situation in China and be in line with EU and WTO rules.
- The European Commission should come up with a thorough legal analysis of the above mentioned WTO provisions as swiftly as possible and to make its results available to the stakeholders.

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<sup>1</sup> UEAPME subscribes to the European Commission's Register of Interest Representatives and to the related code of conduct as requested by the European Transparency Initiative. Our ID number is [55820581197-35](#).

UNION EUROPEENNE DE L'ARTISANAT ET DES PETITES ET MOYENNES ENTREPRISES

EUROPÄISCHE UNION DES HANDWERKS UND DER KLEIN- UND MITTELBETRIEBE

EUROPEAN ASSOCIATION OF CRAFT, SMALL AND MEDIUM-SIZED ENTERPRISES

UNIONE EUROPEA DELL'ARTIGIANATO E DELLE PICCOLE E MEDIE IMPRESE

- UEAPME welcomes the fact that a comprehensive impact assessment, which evaluates the production-, trade- and investment interests of the national and European economy, is being carried out. The objective has to be to safeguard effective and WTO compliant trade defense instruments against China and to maintain fair and functioning economic relations with China. However UEAPME insist that these impact assessment should also deal with the sectoral, regional and micro-economic level. Our SMEs members perceive indeed the lack of any general and sector specific impact assessment of the effects on businesses (notably SMEs in the manufacturing and support services) and jobs.
- UEAPME calls upon the Commission to quickly come up with concrete proposals, together with its most important transatlantic trading partner, in order to avoid diverging decisions leading to transshipments to the EU.
- The EU should take the lead of talks towards key partners (USA, India, Canada, ...) in order to achieve a more coordinated approach for joint positions and assess an impact on EU Trade negotiations and to elaborate concrete proposals together with its most important transatlantic trading partners.
- According to UEAPME a solution could be found by amending or replacing the existing rules for the calculation of the normal value and to accompany them by mitigating measures (so called option 3). However, it must be made sure that these measures do in fact guarantee a level of protection against unfair trade practices that is comparable to the current one. At the same time these measures also have to comply with WTO rules. Concerning the rules related to the “burden of proof” when determining the Market Economy Status, UEAPME is in favor to maintain the status quo.

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**For further information on this position paper, please contact:**

Luc Hendrickx  
Director Enterprise Policy and External Relations  
[l.hendrickx@ueapme.com](mailto:l.hendrickx@ueapme.com)