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**EU-CHINA BUSINESS SUMMIT  
12 SEPTEMBER 2006**

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The Confederation of European Business, UNICE, is the voice of European business vis-à-vis the European institutions. It comprises 39 central industrial and employers' federations from 33 European countries and, through them, around 20 million companies. Its main mission is to promote the interests of European companies with a view to EU policy and legislation which contribute to their competitiveness.

- China is a huge opportunity for European business. It creates new trade and investment chances for EU companies. The EU is now China's largest trading partner and the bilateral trade is worth about 200 billion euros a year. The importance of EU-China trade is fundamental for the economic development in the two sides.
- UNICE acknowledges the success of China's economic reforms and encourages Chinese authorities to pursue them towards a more transparent business legislation and implementation.
- Bilateral relations are now mature enough to allow dealing with any possible disagreement in a very constructive and frank manner. This is UNICE's objective, as China and the EU will benefit for a more open trade and investment relationship.
- To tackle business concerns in China, the EU has to work with China to make sure that the many trade and investment obstacles faced by EU companies in China are effectively and pro-actively addressed.
- This should not lead, however, to adopt protectionist measures or developing economic nationalism. The EU and China have to commit to openness, and resist protectionist pressures, keeping commitments to open trade and freedom to invest.
- European companies are committed to China, but it is crucial that competition in your country is fair and based on the full implementation of economic and trade rules.

- Among the major issues for EU companies in China:
  - Increase efforts towards a transparent legal framework with consistent implementation of legislation at all levels;
  - tackle effectively market access barriers for goods (particularly non-tariff barriers) and services;
  - eliminate investment restrictions and non-discriminatory treatment for foreign companies;
  - effective protection of intellectual property rights (IPR), which is increasingly demanded by Chinese companies as they move up the technology ladder.
  
- To facilitate market access and adequate investment conditions in China is key that the EU and China cooperate at two levels:

1. Bilaterally, through the new EU-China Partnership and Cooperation Agreement, which should focus on trade and investment issues.

The new Agreement should provide solutions to the problems by EU companies in China and in particular contribute to liberalise trade and investment flows, and addressing trade facilitation and regulatory cooperation.

Moreover, all the EU-China bilateral dialogues should step up their action to remove regulatory obstacles. This should be done with further business involvement.

The regulatory framework has an impact on the ability of businesses to innovate – the theme of this Summit. The EU and China have to work closely to promote better regulation and solve regulatory divergences, in conformity with international standards, to facilitate trade and investment.

Companies have to be sure that investments in research to develop new technologies are rewarded. An adequate IPR enforcement –still a major problem in China- is key in this respect.

2. At the WTO, by strongly committing to relaunch the DDA process as soon as possible leading to an ambitious outcome. Failure in the DDA negotiations would risk fuelling protectionism and weaken the rules-based international trading system. In addition, China should take its WTO commitments more actively.

- The EU faces the challenge of adequately addressing global competition. To that aim, it has to be ready to pursue reforms to maintain its economic position and social model.
- We also need to explain to the public opinion the opportunities which globalisation brings and thus the need for reforms and openness in the EU. Growth in China creates new job opportunities in Europe and can contribute to the European economic reform agenda.
- Business has a role to play. Cooperation between business in China and the EU should be strengthened to facilitate exchange of experiences and promote industrial cooperation. UNICE is very interested to further cooperation with Chinese business.
- UNICE hopes that the conditions for closer economic co-operation with China will be fully implemented in order to further strengthen our bilateral economic relationship. To this end, UNICE is committed to continue its action at both official and private-sector levels.

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