

# **New EU manufacturers initiative comments on Juncker plan, Malmström and China**

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## **Action Group AEGIS Europe to promote manufacturing investment, innovation, jobs and growth, including trade remedies in the face of illegal dumping and subsidies**

AEGIS brings together over 20 European associations representing key industries, such as steel, glass and renewable energy, accounting for more than €500 billion annual turnover and millions of jobs across the EU. The new alliance is committed to European manufacturing as the fundamental driver of innovation, growth and jobs in Europe. AEGIS supports the Juncker plan to incentivise investment but highlights the necessity to take a clear position against state-run economies destroying jobs and know-how in Europe's high tech industries.

In this context AEGIS welcomes EU Trade Commissioner Malmström's statement that "there is no automaticity" to the granting of market economy status to China under EU trade law. In a recent interview with the Wall Street Journal, Malmström pointed out that China still does not meet the relevant EU criteria for market economy status.

"Commissioner Malmström's clarification is of critical importance to EU industry," said Karl Tachelet, Director for Trade and External Relations at EUROFER, the European Steel Association. "The European Council discussion today on fostering growth and jobs would be made redundant if the EU gives China market economy status, removing trade defence measures against state-financed dumping."

"China is as far from being a market economy as Pluto is from Earth," said Milan Nitzschke, spokesman of the EU solar photovoltaic manufacturers. "Following its Five-Year Plans, the Chinese Government subsidises massive production overcapacities, finances dumping and shuts imports out of its own domestic market. Equally, Europe's industrial manufacturers, whether global enterprises or SMEs, cannot hope to compete with bloated state-backed exporters from the People's Republic of China without the full application of EU trade laws."

As stated in the 2014 European Parliament Policy Report, *Trade and economic relations with China*, "To be considered a 'market economy', a country must have a floating exchange rate, a free market, a non-intrusive government, effective business accounting standards and, lastly, a clear definition of property rights and bankruptcy laws." China only fulfils one of the five criteria of a market economy, the 'absence of barter trade'.

AEGIS will actively promote the continued assessment of China's situation according to the EU's market economy criteria and ensure European policy-makers understand the importance of this issue to jobs and growth.

AEGIS stands for 'Advancing EU Employment, Growth, Investment and Innovation, in a Sustainable manner'.

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