



INTERVIEW WITH DR. MOREIRA

15TH JULY 2013

EU-China Trade Relations

On 4th June 2013, the European Commission decided to impose a provisional tariff on Chinese solar panels.¹ Although the media in general highlighted the disagreement and some analysts suggested that worsening trade relations could end up in a trade war, the recent meeting between the EU Trade Commissioner Karel De Gucht and Chinese Minister of Commerce Gao Hucheng in late June showed some progress in the negotiation of an investment agreement between the EU and China. We are delighted to have Dr. Vital Moreira, MEP and the Chair of the Committee on International Trade of the European Parliament to share some insights on the prospect of the EU-China trade relations, the development of the EU-China investment agreement and a remark on the issue of IPR protection.



Dr. Vital Moreira, Chair,
Committee on International Trade,
European Parliament

PONG: On 4th June 2013, despite fierce opposition from the Chinese government, the EU Commission decided to impose a provisional tariff on Chinese solar panels in two stages, starting with 11.8% for the first two months and followed by 47.6% for another four months. Just after that, the Chinese government decided to launch an anti-dumping and anti-subsidy investigation on EU wines import into China. The media suggested the Chinese action was to retaliate against the EU's tariff on solar panels.

In your opinion, how do you view the Commission's decision on the provisional tariff and the Chinese action in investigating the EU wine products? What are the prospects of EU-China trade relations after these incidents?

Dr. Moreira: I fully support the European Commission's (EC) provisional anti-dumping measures on solar panels against China as it is all about getting 'trade justice' for European companies and workers. International trade is not only about "free trade" but also "fair trade". I believe the EC's decision aims at restoring a level playing field for EU industry while applying provisional duties that are far lower than the 88% discount rate at which the Chinese panels are being sold in the European market. I wish that this issue is solved through negotiation and that a satisfactory solution is reached through the re-establishment of fair pricing of the Chinese solar panels. In what regards the Chinese anti-dumping and anti-subsidy investigation on EU wines imports, I was disappointed to learn about it and to the fact that the Chinese authorities openly threatened to introduce duties on European wine exports because they are unwarranted. This seems a reaction to the recent EU decision to impose provisional anti-dumping tariffs on Chinese solar panels and I hope a satisfactory solution on the solar panels helps defuse trade tensions over EU wine exports. There are indeed some high levels of trade irritants but the number remains within reasonable ceilings. The EU should nonetheless stay firm on the need for China to comply with its international commitments. Despite trade irritants, EU-China trade and economic relations are in general good and they should not block a long-term vision of cooperation.

The European Union Academic Programme (EUAP) is a consortium of four universities in Hong Kong (Hong Kong Baptist University, The University of Hong Kong, The Chinese University of Hong Kong and Lingnan University), co-financed by the European Union. It is designed to strengthen EU-Hong Kong relations through academic work and enhance the understanding of the EU.



This project is co-funded
by the European Union

Leung Kin Pong is Senior Research Assistant of European Union Academic Programme Hong Kong. He holds an MA in EU International Relations and Diplomacy Studies at the College of Europe and his research focus is on EU financial and economic policies and EU foreign economic relations.

Should you have any comments or feedbacks on the issue, please feel free to e-mail at kpleung@hkbu.edu.hk



INTERVIEW WITH DR. MOREIRA

15TH JULY 2013

PONG: Following the recent EU-China Joint Committee in June, the top agenda was to launch negotiations for an investment agreement between the EU and China. What is the position of the EU Parliament or the INTA Committee towards this bilateral agreement? What are the expectations and concerns from the MEPs concerning this negotiation?

Dr. Moreira: The EC proposed to open negotiations on an investment agreement with China, covering investment protection and market access. This is the first ever proposal for a stand-alone investment agreement since foreign direct investment became the exclusive competence of the EU under the Lisbon Treaty. The European Parliament (EP) wants to decide on its position on the negotiating mandate before the Council adoption by adopting a resolution. The International Trade Committee of the EP is still discussing the draft motion for a resolution on EU-China negotiations for a bilateral investment agreement, whose debate can be followed through the EP website. So, at this stage I would like to mention that EU-China are key investment partners to each other and a balanced bilateral investment agreement can help strengthen the partnership and realise the potential. The future EU-China agreement should aim at creating a better environment for EU investors in China and vice-versa, including improving legal certainty regarding treatment of EU investors in China, reducing barriers to investing in China and covering improved access to the Chinese market.

PONG: In this future bilateral investment agreement between the EU and China, the aspect of “better protection of IPR” is mentioned. From the perspective of the EU Parliament or the INTA Committee, how important is the IPR protection issue in the EU-China trade relations? What is your opinion concerning the current policy of the Chinese government in protecting the IPR for European companies?

Dr. Moreira: Effective enforcement of China’s obligations in the field of intellectual property right (IPR) remains a big challenge despite improvements since its accession to the WTO in 2001. I would like to note that there was an EU-China project for the protection of IPRs called IPR2 (2007-2011) which provided technical expertise precisely aimed at building a sustainable environment for effective IPR enforcement in China. Still, China is the first violator of European IPR; China is the first source of counterfeited products seized by the EU customs authorities at European borders (85% of the total). As China develops innovative industries and technologies, the country has an increasing interest in effective IPR enforcement. In the resolution of the EP of 23 May 2012 on “EU and China: imbalanced trade?”, the EP deplored the inadequate protection of IPR in China, requested China to continue to transpose into its national legislation current international law on the protection of IPR, namely to combat counterfeiting and piracy, and urged the Chinese authorities to ensure enforcement, especially at a regional level. The resolution also notes that goods seized on suspicion of infringing IPR are often produced in disregard of both labour law and health and safety requirements.

The European Union Academic Programme (EUAP) is a consortium of four universities in Hong Kong (Hong Kong Baptist University, The University of Hong Kong, The Chinese University of Hong Kong and Lingnan University), co-financed by the European Union. It is designed to strengthen EU-Hong Kong relations through academic work and enhance the understanding of the EU.



This project is co-funded
by the European Union