

**GlassFibreEurope**  
APFE - European Glass Fibre Producers Association (AISBL)

**EUROFER**  
The European Steel Association

**EURATEX**  
VOICE OF THE EUROPEAN APPAREL  
AND TEXTILE INDUSTRY

**EM** **EUROMETAUX**  
EUROPEAN ASSOCIATION OF METALS

**EURO ALLIAGES**  
COMITÉ DE LIASON DES INDUSTRIES DE FERRO-ALLIAGES

**ESTA**

**euromines**

**cepi**  
confederation of  
european paper industries

**EWRIS**  
European Federation of Steel Wire Rope Industries

**EUROCORD**

**EUROCOTON**

**CIRFS**  
European Man-made Fibres Association

**Cerame-  
unie** The European Ceramic  
Industry Association

**EDG** EUROPEAN  
DOMESTIC  
GLASS

**TPF**

**EUROPEAN  
BICYCLE  
MANUFACTURERS  
ASSOCIATION**

**EU ProSun**  
THE SUSTAINABLE SOLAR ENERGY INITIATIVE

**E~~F~~IC**  
European Furniture Industries Confederation

**EC**

Confédération Européenne de l'industrie de la Chaussure  
European Confederation of the Footwear Industry

**EiFi**

**ECGA** European Carbon and Graphite Association

**fertilizers  
europe**

Brussels, 4 March 2015

Dear Commissioner Malmström,

Acting on behalf of companies of more than 20 sectors of the European industry, which collectively represent hundreds of thousands of jobs and a major share of investment in the EU, we would like to share with you our views on the question of how the EU should treat China – as well as other countries such as Vietnam – in future anti-dumping proceedings in light of the discussion which, we understand, is taking place within the European Commission.

There is no doubt that if the EU decided to grant Market Economy Status to these countries, such a decision would have a severe impact on the whole European industry and on its ability to invest in manufacturing, jobs and innovation in Europe.

The competitiveness and even survival of many European companies, particularly SMEs, would be seriously threatened, with severe adverse consequences for European jobs and growth prospects.

Moreover, we are firmly convinced that both the Chinese and the Vietnamese economies as a whole continue to fail meeting the EU's five technical criteria for assessing Market Economy Status: as you recently confirmed in an interview with the Wall Street Journal there is no automaticity in that, which implies that their complete fulfillment remains a necessary precondition for any further consideration.

We are aware that some believe that the expiry of paragraph 15(a)(ii) of China's Protocol of Accession to the WTO on 11 December 2016 (and the expiry of a similar provision with regard to Vietnam in 2018) might have an impact on the methodology to be used, after that date, in determining price comparability and normal value in anti-dumping investigations.

However, in our view, such an occurrence does not imply that China (and Vietnam) should be granted Market Economy Status: solid legal analyses substantiate this view and we would be pleased to share those with you and your services.

In this context, it would be extremely useful to firstly consult with and understand how our major trading partners interpret this part of the Protocol, especially those which directly negotiated its terms. For reasons explained below, it would be of paramount importance to seek a prior common approach with them on this issue.

Within this framework, we are open to a debate with you and your services on how to best ensure that:

- a. EU law – and particularly the wording of the EU's basic anti-dumping Regulation – is consistent with WTO law also with regard to the post-11 December 2016 scenario, so as to ensure that the EU fully complies with its international obligations;
- b. The EU's trade defence system remains cutting-edge and effective in the face of challenges from an increasingly globalized economic environment.

The latter point is of particular importance, especially if not all our major trading partners (the United States, Canada, Japan, Brazil, India and Mexico) decide to act in the same direction: in that case, the effect of a unilateral EU decision would be extremely negative for EU industries, which would be exposed to potentially devastating import surges as a result of trade deflection from the US or other markets.

A unilateral EU decision to grant full Market Economy Status to China and Vietnam in the short term is irreversible if, subsequently, the WTO were to rule that MES was not automatic depending on compliance with the domestic law of each importing WTO member.

Therefore, should the Commission consider taking a different view from those of our major trading partners as to the legal or strategic consequences of the expiry of paragraph 15(a)(ii), we would respectfully and firmly plead for complete transparency with regard to the grounds that would have led to consideration of such a view, so that a full and accurate common understanding can be reached on the meaning of Section 15 of China's Protocol of Accession to the WTO.

Furthermore, we count on you to ensure that, before taking any decision, the European Commission carefully evaluates its potential economic and social consequences, as well as the advantages and disadvantages of alternative courses of action: the EU manufacturing industry, which is the backbone of jobs and growth in Europe and central to President Juncker's agenda for Jobs, Growth and Innovation, will resist the prospect of being irrevocably damaged by dumping and will continue to support DG Trade's efforts to preserve balanced and effective tools aimed at maintaining a level playing field.

Against this background, associations such as those presented here stand ready to cooperate with you and your services on this topic, to play a constructive role in the inter-institutional debate, and to make all efforts to facilitate cooperation with the European Parliament and Member States should the Commission decide to put forward a legislative proposal.

In light of the strategic importance of the matter, a delegation of representatives of our associations would welcome the opportunity to discuss the matter personally with you in greater depth at your earliest convenience.

Sincerely yours.

*Cc: J-L Demarty, Maria Asenius, Nele Eichhorn*

Signatories:

CEC	European Confederation of the Footwear Industry
CEPI	Confederation of European Paper Industries
CERAME-UNIE	The European Ceramic Industry Association
CIRFS	European Man-made Fibres Association
EBMA	European Bicycle Manufacturers Association
ECGA	European Carbon and Graphite Association
EDG	European Domestic Glass
EFIC	European Furniture Industries Confederation
EIFI	European Industrial Fasteners Institute
ESTA	European Steel Tube Association
EU PRO SUN	The Sustainable Solar Energy Initiative
EURATEX	The European Apparel and Textile Confederation
EUROALLIAGES	The European Ferro-alloys Association
EUROCORD	The European Federation of Rope, Twine & Netting Industries
EUROCOTON	European Federation of Cotton and Allied Textiles Industries
EUROFER	The European Steel Association
EUROMETAUX	European Association of Metals
EUROMINES	European Association of Mining Industries, Metal Ores & Industrial Minerals
EWRI	European Federation of Steel Wire Rope Industries
FERTILIZERS EUROPE	
GLASS FIBRE EUROPE	European Glass Fibre Producers Association
TPF	Tube and Pipe Fittings