

Strasbourg, 27 October 2016

Dear President Jean-Claude Juncker,

We have taken note of the announcements made by the European Commission following the College of Commissioners' orientation debate on the treatment of China in anti-dumping investigations which took place on 20 July 2016. We also read carefully the Commission's communication "*Towards a robust trade policy for the EU in the interest of jobs and growth*", adopted on 19 October.

We welcome the fact that the Commission publicly stated that it will not propose to grant Market Economy Status (MES) to China. Instead, the Commission intends to propose a new non-standard methodology which, in our view, should be firmly founded on the provisions of Section 15 of China's WTO Accession Protocol which remain in force after December 2016 and must not lead to a *de facto* granting of MES to China.

In its new communication, the Commission made clear that it intended to include a grandfathering clause in its forthcoming proposal - that would ensure that the analogue country methodology will still apply legitimately for all anti-dumping investigations that will start after 11 December 2016 and until the entry into force of the new legislation.

We also recognize the Commission's efforts to unlock the modernization package of the trade defense instruments through the partial lifting of the so-called lesser duty-rule. In this respect, we would like to recall the position of the European Parliament adopted at first reading on 16 April 2014. Nevertheless, we wish to stress that MES China and TDI modernization are two separate issues that should be tackled at the same time. If the proposed "new methodology" does not effectively shelter EU producers from unfairly dumped Chinese exports, our ability to mobilize TDIs - even if the intention is to reinforce them - will be severely diminished.

We understand the Commission intends to propose a "country-neutral" methodology and it promises to maintain the same level of protection from Chinese dumping as now.

With the purpose of maintaining a strong anti-dumping tool, we ask the Commission to include the following elements in its forthcoming legislative proposal:

- A clear link between the trigger of the new "non-standard" anti-dumping methodology and the EU's market economy criteria: the use of Chinese prices and costs as a basis for calculating dumping should depend on China's and Chinese producers' complete fulfilment of the EU's five criteria as established by EU law and practice
- Non-reversal of the burden of proof: it should remain up to China and Chinese exporters to prove that they operate under normal market economy conditions
- Non-discrimination between economic sectors: the new methodology should be actionable equally by all industrial sectors and EU producers affected by injurious dumping.

Moreover, in order to better assess the possible consequences of the forthcoming legislative proposal, we urge the Commission to publish as soon as possible the results of the impact assessment and of the public consultation it held in the spring.

We hope you will be able to share our views on this decisive file.

Best regards,

For the European Trade Union Confederation
Mr Luca Visentini, General Secretary



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For IndustriAll European Trade Union
Mr Luc Triangle, General Secretary



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For AEGIS Europe,
Mrs Ines Van Lierde, Chair



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In the Committee of Regions,

Mrs Catuscia Marini, President of Region of Umbria

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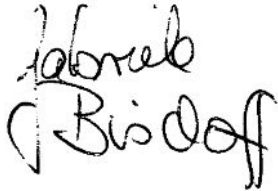
Mrs Isolde Ries, Vice-President of the Saarland Landtag, CoR rapporteur on steel

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In the European Economic and Social Committee

Mrs Gabriele Bischoff, President of the
Workers' Group

Mr Andrés Barceló, Member of the
Employers' Group



In the European Parliament:

Edouard MARTIN
Emmanuel MAUREL
David BORRELLI
Maria ARENA
Georges BACH
Hugues BAYET
Tiziana BEGHIN
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