



## **AEGIS Europe calls on the Commission to exercise caution in its negotiations on investment with China**

**Brussels, 6 November 2020** – AEGIS Europe calls on the Commission to exercise caution in its negotiations on investment with China, to recognise that commitments made in the WTO were not respected and to consider carefully the consequences of a piecemeal approach to an issue as important as investment.

AEGIS Europe is a strong defender of trade so long as trade is fair and the playing field is level. A wide range of policies in China distort the global level playing field. These distortions impact our opportunities to be active in China, our daily business in the EU and harm our exports to third country markets.

The massive on-going subsidisation of production in China has led to massive over capacities for most manufactured goods. China manages the trade in these surplus products by not allowing open procurement at home, by targeting export markets and coordinating the activities of exporting producers, by the creation of national champions and import substitution policies, and in general, by micro managing, through State organs and through the Communist Party, all economic activity. China plays a different game according to different criteria than those applicable to most WTO members.

AEGIS Europe asks that the Commission be mindful of the pervasive distortions to all markets and the persistent problems with enforcement that result from systemic differences.

“Progress in services must not come at the expense of progress in relation to goods. Our concern is that a limited investment agreement that does not take systemic differences into consideration will be open to circumvention, and reduce the willingness in the EU to address distortions through other means.” said Inès Van Lierde, Chair of AEGIS Europe.

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### *About AEGIS Europe:*

AEGIS Europe is an industry alliance that brings together more than 20 European manufacturing associations from metals and ceramics to energy and transportation industries committed to manufacturing in the EU on a truly level playing field ensured by a rules-based free and fair international trade. Our members account for more than €500 billion in annual turnover, as well as for millions of jobs across the EU.