Prospects for trade relations between the European Union and China

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The committee adopted the own-initiative report by Caroline LUCAS (Greens/EFA, UK) on prospects for trade relations between the EU and China . The report focused on the threats and opportunities posed by China 's growth as a major trading power and on measures the EU could take in response. It also examined some of the social and environmental costs of China 's rapid growth.

MEPs welcomed China's timely implementation of some of its WTO obligations, but called for further dialogue to enable China to rapidly address the many outstanding areas of concern to EU industry, particularly in the fields of Intellectual Property Rights (IPR) enforcement, national treatment, transparency and environmental, social and health standards.

The committee stressed that the pirating and counterfeiting of European products and brands by Chinese industries was a serious violation of international trade rules and called on the Commission to take appropriate measures. The Member States, for their part, were urged to develop effective market controls to protect European consumers against products which do not comply with the CE standard.

MEPs welcomed the Memorandum of Understanding of 10 June 2005 between the Commission and the Chinese Government on the limitation of Chinese textile exports, and called for it to be carefully monitored. They expressed concern that the way in which the agreement had been implemented in practice had caused serious disruption to some European retailers. They also said that any revised agreement should take account of the interests not only of European consumers and firms but also of textile producers in developing countries that had been adversely affected by the expiry of the Agreement on Textiles and Clothing. The report stressed that the potential collapse of the garment industry in many poor countries following the abolition of quotas could severely weaken the position of women in those countries.

MEPs expressed deep concern at the lack of workers' rights in China , the very low level of wages and the increasing number of industrial accidents due to inadequate health and safety rules, and called on China to ratify key ILO Conventions and to authorise the establishment of independent trade unions. China should take steps to combat all forms of present-day slavery, child labour and exploitation and, above all, exploitation of women at work. MEPs called for the establishment of "a clear and effective policy of human rights conditionality with regard to the EU's general trading policy with China ".

The committee also expressed concern about the high levels of pollution caused by China 's industries and the growing consumption of natural resources such as timber from unsustainable sources. It urged the Chinese Government to play a "full and positive role" in promoting sustainable development, both inside China and globally, and called on China to accept responsibility for incorporating environmental standards into manufacturing and waste management. Moreover, collaboration on renewable energy/energy efficiency issues should be a priority for future EU-China cooperation.

Finally, the report emphasised that, alongside the evident concerns expressed, China (which was now the EU's second leading trading partner) represented a market of great potential for European investors. It said that the EU should strengthen its representation in China and urged the Commission, jointly with China , to explore ways of opening up Chinese markets more to foreign companies. MEPs also called on China to liberalise its financial markets.