

Mutual interest far outweighs differences

Increased interdependency - common solutions

Team Leader Bartley stressed that: "Despite the differences in language, culture and history and the ongoing trade disagreements that do exist, both the EU and China share much in common, in particular a strong belief in sustainable development strategies and the need to harmonize policies across large populations and regions. Although at different stages of economic development both regions face common challenges, and it is increasingly apparent that both regions can learn much from each other."

A few examples of commonalities between the regions were explained. "During the 1990s Europe faced a number of problems guaranteeing food safety for European consumers. The resulting food safety scares required a complete overhaul of policies and regulations and even resulted in the launch of the European Food Safety Authority. As a result the EU is recognized today as having one of the safest food regimes in the world. Today, China is faced with similar challenges to those that the EU had to address. China has been able to make reference, through the



Liang Mei, the executive vice president and secretary general of the China Toy Association debates with EU Consumer Affairs Commissioner Meglena Kuneva the challenges for China of meeting EU standards for toy safety.

EUCTP, to the EU's progress in developing a safe food and feed regime."

During the last three months the EUCTP has implemented in the form of rapid response train-

ing, a series of five workshops designed to support the implementation of the new Chinese Food Safety Law, focusing on risk assessment and management and policy developments.

Throughout the EUCTP life a total of over 20 training activities and internship programmes were directed at food safety and animal health issues.

The effect of global trade

rules has also narrowed the gap and further reduced the differences between the EU and Chinese trade regimes and has highlighted the need for ever more compatible policies. This is true for both food and non-food products. Chinese exported food products need to meet European food safety and sanitary requirements and vice versa. The EUCTP helped to build China's awareness of the European Rapid Alert System for Food and Feed (RASFF), which in turn supported the development of a similar Chinese-language platform.

Chinese exported consumer products, such as children's toys, must also meet stringent European safety requirements as manufacturers and exporters increasingly work within global supply chains. The EUCTP has implemented a series of high-level roundtables on consumer protection and product safety, all attended by EU Consumer Affairs Commissioner Meglena Kuneva. These exchanges highlighted the importance of protection for all consumers in all market.



EU-China Trade Project

中国-欧盟世贸项目

New five-year project to kick off

The good news is that a new five year trade project will be launched by the EU and China in 2010, to take over where the EUCTP left off.

"A new project will need to continue the work of EUCTP, for example in the areas of government procurement, competition and better regulatory policies. While much still needs to be done at the central level the new trade cooperation project will need to consider the priority of capacity building at the provincial level throughout China," said expert Li Zhongzhou, commenting that "many of China's second and third tier cities are developing and modernizing fast".

"In any new project the question of Europe learning from China would become increasingly relevant," said team leader Bartley.

When asked about EUCCC member priorities going into 2010, Joerg Wuttke said: "In 2010, the main priority will be to support the Chinese government's efforts to move towards a development model that ensures sustainable post-crisis growth.

EU-China technical assistance projects such as EUCTP will play a key role in facilitating this process by building up the regulatory capacity of Chinese institutions - a necessary step on the path of development and reform."

EU and China united by climate change cooperation

Li Zhongzhou remarked that: "Curbing pollution caused by manufacturing, improving water quality, using more renewable energy sources and improving energy efficiency are recognized priorities at the highest level of the Chinese government. The development of a more efficient international trade environment could actually accelerate such efforts by allowing the freer flow of sustainable technologies and services."

"Technologies for energy and environment applications already have a huge and growing market in China and one that European enterprises are well placed to develop, particularly in light of China's on-going government procurement reforms," Bartley added.

Li explained that China's 11th Five-Year-Plan (2006-2010) "really demonstrated the depth of the government's commitment to building a harmonious, resource-saving society and of achieving a balance between economic growth, social equality and environmental protection. China has put in place ambitious targets in this regard."

The EUCTP has been very active in supporting efforts to promote EU-China sustainable trade, for example in investigating the potential role of cross cutting sustainability policies across all trade sectors.

EUCTP experts have supported the launch of the EU-China sustainable trade task force, an initiative to enhance the contribution of trade to sustainable development, such as the facilitation of technology transfer agreements.

In addition to these broader policy developments the EUCTP

has also worked on some practical on-the-ground initiatives such as the development of standards for the correct use of energy efficiency construction material in buildings in China.

A high level conference and a series of laboratory training activities have been held focusing on improving building standards for energy efficiency, construction design and quality of construction products and materials by assessing the performance and sustainability of buildings.

The training was important in defining China's own quality standards for building envelopes, particularly for glass. It has contributed to improving knowledge of testing standards and certification requirements for key construction products.

In addition, the EUCTP cooperated with the International Labor Organization in promoting CSR principles as the guidelines for good corporate governance initiatives particularly for social and environmental standards in labor-intensive export industries.

On technology transfer team leader Bartley said that while this is a hot topic it remains a sensitive one. "Enterprises will only invest in innovation and develop new technologies, and trade those technologies freely if IPR is fully protected within technology transfer or licensing agreements."

IPR protection too had been a top priority of the EUCTP between 2005-07, before the new IPR2 Project was launched by the EU and China. During that period EUCTP work, which had followed closely the EU-China IPR Dialogue and its working

groups, has covered the full spectrum of IPR including copyrights and related rights management, trademarks protection, patents and design, IPR enforcement and the relationship between IPR and standards as well as IPR and competition.

"China's commitments under WTO TRIPS required the consolidation of its IPR regime in line with international norms and practices and has proved to be a major challenge within its overall reform agenda. Today China's legal basis for the protection of IPR basically conforms to international practices and standards," Bartley said.

"Increasing access to the Chinese Government Procurement market will also be important if foreign technologies are to be adopted on a large scale," he said.

When China joined the WTO in 2001 it agreed to start negotiations to accede to the Government Procurement Agreement (GPA) as soon as possible.

The EUCTP has implemented 10 technical assistance activities in Beijing, Shanghai and Shenzhen, explaining to Chinese officials Europe's experience within the GPA, the importance of transparency and an efficient procurement regime and the modalities for China's accession to the GPA.

EUCTP experts also made several recommendations for changes to China's national legislation to ensure consistency with the norms and requirements of the GPA.

The harmonization of China's regulatory framework with international practices is on-going.



China's Minister of Agriculture Sun Zhengcai and ex-EU Health Commissioner Markos Kyprianou.

Farmers fears unfounded as WTO entry boosts agriculture

"In reality WTO entry has spurred China to further modernize its agriculture sector in order to increase agricultural productivity and improve produce quality which are important contributions to a wider policy of rural development," said director Yin Weijing.

"Following closely the developments of the EU-China Agriculture Dialogue since 2006, the EUCTP has supported the dialogue's priorities and coordinated both with the efforts of EU member states and international organizations on the development of the agriculture sector in China."

EUCTP activities have focused on supporting government efforts to modernize agriculture and promote rural development policies,

identifying the role of agricultural technology and systems, biotechnology, as well as the development of Geographical Indications (GIs) in China.

"GIs are agricultural products which can demonstrate unique characteristics derived from their local region of production, including any traditional production method. GI registration of agriculture products is a form of intellectual property protection and can lead to strong benefits for local and regional economies where GI development goes hand in hand with quality enhancement, IP protection and product marketability," Bartley explained.

Well established GIs in Europe such as "Parma Ham" or "Champagne" have trans-

formed local rural economies. Similarly, China has much to gain from promoting its many hundreds of local GI products and has the potential to become a major trader of GI products globally.

The EUCTP has provided strong technical support under the memorandum of understanding between the EU and China which resulted in the first official exchange of GI applications whereby 10 Chinese and 10 European GI files were prepared for formal registration in the respective territories. The EUCTP has also produced a publication of basic laws and regulations of GI protection in China and a manual on European best practices in GI administration.

EUCTP adapts to changing trade priorities

"Our biggest challenge has been to stay responsive to the fast changing multi-lateral and bilateral trade environment, where in particular under the numerous trade dialogues, new issues can arise almost overnight, requiring a swift follow up," said Bartley.

"Just last month the meeting of the EU-China Regulatory Dialogue in Beijing between the EC Directorate General for Enterprise and Industry and the Chinese Administration of Quality, Supervision, Inspection and Quarantine resulted in more than 40 meetings and official exchanges during one week.

"The EUCTP was on hand to support this dialogue and organized various seminars and workshops that contributed to the success of this strategic dialogue," said Bartley.

Another example of the EUCTP's need for responsiveness, remarked E Defeng, deputy director general of WTO Department of MOFCOM, was "the launch by the Chinese government of China's 11th Five-Year Plan in 2006, which really impacted the project. Suddenly there was a new found urgency to sustainable development in the trade agenda across all ministries. These challenges have become the project's greatest asset as we have evolved to adapt to the changing trade relations."

Greater harmonization is win-win formula for both China and EU

When discussing the impact on enterprises the EUCTP team was unanimous that the EUCTP had benefited both Chinese and European enterprises in many ways both directly and indirectly. For example, the considerable amount of EUCTP work which had supported policy, legislative and regulatory reform efforts had all contributed to improving the trading environment for companies in China.

Since its launch the EUCTP has worked to offer technical support under the EU-China Regulatory Dialogue and its working groups, which together promote international regulatory convergence and harmonization for standards and testing of products and services. This work has improved the quality infrastructure in China, reduced bureaucracy, increased efficiency and allowed companies to trade more easily.

Joint development of stand-

ards at the EU-China level has contributed to a memorandum of understanding between the EU and China and has improved the development and enforcement of standards.

"SMEs, due to their limited resources, particularly lack the facilities to comply, comment on and participate in standards setting procedures. The EUCTP has helped streamline such approaches," said Bartley.

Similarly in the area of product testing the EUCTP has supported the streamlining of procedures and capacity strengthening for Chinese policy makers and regulators. This was primarily achieved through technical internship training at European institutions. These activities resulted in upgrading export capacities of Chinese enterprises while also improving fair market access for foreign enterprises in China. This in turn has strengthened



Agriculture trade remains a priority. EU Agriculture and Rural Development Commissioner Mariann Fischer-Boel and Huo Jianguo, president of China Chamber of Commerce of Import & Export of Foodstuffs, Native Product & Animal By-Products.

relations between the EU, member state institutions and standards bodies in Europe with their Chinese counterparts.

In efforts to improve the quality infrastructure in specific sectors, EUCTP work

has been implemented in the automotive, construction, electrical and electronics, medical devices and cosmetics sectors, amongst others.

Expert Li explained that: "Enterprises along with con-

sumers are the most important stakeholder groups within international trade and that all regulators should listen to consumer groups as well as chambers of commerce to ensure their interests are understood."

He added that: "Chinese manufacturers, exporters and trade associations have all been the key recipients of a series of training seminars delivered by the EUCTP across China on the three principle trade defence instruments covering anti-dumping, anti-subsidy measures and safeguard measures."

The EUCTP also organized several training activities related to food safety covering issues such as traceability management and food contact materials in order to update Chinese producers and officials on EU requirements and best practice approaches to comply with EU standards.

A joint China-US-EU Initiative

"Over the years, the EUCTP's work with the EUCCC has been invaluable in bringing together key decision-makers from European and Chinese government, as well as in generating the ground-breaking regulatory research necessary to enabling constructive dialogue and convergence."

JOERG WUTTKE
EUCCC President

on Consumer Product Safety Compliance in Beijing, Shanghai and Guangzhou during September 2008 provided training for over 500 central and local level regulators, testing and industry personnel in China.

EUCTP work with the European Chamber of Commerce in China (EUCCC), known as the voice of European business in China, has also been vibrant across most components of the project.

The project has supported EUCCC cooperation initiatives with their Chinese counterparts on issues of market access, services liberalization, IPR protection and technology transfer, standards and regulatory developments, and others applied to a range of sectors including pharmaceuticals, medical devices, construction, automotive, petrochemicals, telecommunications and financial services.