

PRESS RELEASE

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EU-China Summit

Create new rules for fair competition

- China and the EU should jointly drive forward the WTO reform
- Review the rules for fair competition also with Chinese companies
- Only Europe as one whole can protect its interests globally

On the occasion of tomorrow's EU-China summit, Utz Tillmann – director-general of the German chemical industry association Verband der Chemischen Industrie (VCI) – highlights the common interest in a reliable world trade system: “In recent years, Chinese industry in particular has benefited from the WTO and its rules. Time is pressing. Now is the right moment for China to work together with the EU to modernise the WTO rules, in order to correct wrong developments in international trading. No-one can have an interest in a failure of the WTO reform.” For Tillmann, new rules on subsidies are an important part of the reform process. He holds that quite often state subsidies put Chinese companies in a position to manufacture and market their products in conditions that European enterprises cannot compete with. The same applies for corporate acquisitions.

Until the new WTO rules on subsidies take effect, Tillmann suggests that the EU too should review its European framework for remedying competitive disadvantages: “It should be explored in what ways our businesses and Chinese state-owned companies or companies close to the state can compete with each other on the same footing.” For example, state aid law should ensure that energy cost disadvantages of European manufacturers can be compensated for while complying with the single market, so Tillmann. Further starting points for reform might be found in competition law or in compensatory measures against subsidies.

Against the backdrop of Chinese initiatives such as “Made in China 2025” or the Silk Road project, Tillmann emphasises that the EU needs to have common European answers to these technological and geopolitical activities. This calls for close cooperation in industrial and foreign policies. Tillmann adds: “China is an important market and partner for us. We would underline that a good partnership can only prosper with a mutual balancing of interests.”

The VCI represents the politico-economic interests of around 1,700 German chemical companies and German subsidiaries of foreign businesses. For this purpose, the VCI is in contact with politicians, public authorities, other industries, science and media. The VCI stands for more than 90 percent of the chemical industry in Germany. In 2018, the German chemical industry realised sales of ca. 204 billion euros and employed 462,000 staff.

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