



## WORKERS UNITING STATEMENT ON EUROPEAN UNION TREATMENT OF CHINA AS A NON-MARKET ECONOMY

November 5, 2015

Workers Uniting, a global trade union representing more than two million workers in Canada, Ireland, the United Kingdom and the United States, strongly opposes any moves by the European Union to grant Market Economy Status (MES) to the People's Republic of China (PRC).

Under the terms of China's Protocol of Accession to the World Trade Organization (WTO), other WTO members have the right to treat the PRC as a non-market economy (NME) for purposes of antidumping (AD) and countervailing duty (CVD) laws. One clause regarding the treatment of China expires on December 11, 2016, but the remaining language continues to operate. This has led to a campaign by China to end its treatment as a non-market economy by those countries which continue to treat it as such so as to gain preferential treatment.

How China is treated under North American and EU antidumping laws is critical to the economies and well-being of workers in both regions. While no decision has been taken, there have been media reports of an internal EU memo that argues for granting market economy treatment. If such a decision were taken it would remove the ability of the European Union to use instruments to protect its industries and workers from the effects of unfair competition, this could have devastating effects for workers and their communities and is wholly unacceptable.

China, along with many other countries in the WTO, refuses to abide by the rule of law in terms of either its commercial activities or its treatment of human and workers' rights, in reality its export led growth model is built on the systematic denial of fundamental worker rights including freedom of association, the right to collective bargaining and the right to strike. Workers Uniting, along with the rest of the global trade union movement, will continue to insist and fight for the inclusion of Core Labour Standards as part of the basic rules governing the functioning of the WTO. ILO Conventions 87 and 98 covering the right to organize and bargain collectively are particularly important in this respect.

A decision to grant market economy status to China would also be disastrous for European workers. One recent report from the Economic Policy Institute concludes "an EU decision to unilaterally grant MES to China would put between 1.7 million and 3.5 million EU jobs at risk by curbing the ability to impose tariffs on dumped goods and thus allowing Chinese companies to undercut domestic production by flooding the EU with cheap goods."<sup>1</sup> Additionally, IndustriALL European Trade Union, representing industrial workers across Europe, has stated; "granting MES to China when it does not meet the technical criteria to be considered a market economy would be devastating for a number of manufacturing sectors in the EU as the possibility to impose anti-dumping measures on cheap Chinese imports will largely disappear. The right to use non-MES methodologies for calculating price differences must therefore be kept in place as the only way to reveal the true level of dumping. The emphasis should be on creating a level playing field between the EU and China where workers do not fall victim to unfair trade practices."<sup>2</sup>

Workers Uniting calls on the trade union movement and all of civil society in the European Union and North America to oppose the granting of Market Economy Status to China. We ask all concerned organizations to communicate this opposition urgently to their respective governments and, in Europe, to the Commissioner for International Trade of the European Commission, Cecilia Malmström.

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<sup>1</sup> Economic Policy Institute, UNILATERAL GRANT OF MARKET ECONOMY STATUS TO CHINA WOULD PUT MILLIONS OF EU JOBS AT RISK, September 18, 2015.

<sup>2</sup> IndustriALL European Trade Union, No to dumping from China: Too early to grant Market Economy Status to China, Policy Brief 2015-13, July 2015