



International Chamber of Commerce

The world business organization

**Policy
statement**



Prepared by the
ICC Executive Board

Statement by the ICC Executive Board on trade tensions between China and the European Union



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The Executive Board of the International Chamber of Commerce (ICC), the world business organization, wishes to express its concern regarding heightened trade tensions all over the world, and in particular those that have arisen recently between the European Union (EU) and the People's Republic of China (China).

These tensions follow announcements by the EU of the imposition of antidumping duties on imports of Chinese solar panels and by China's commerce ministry of its intention to launch an investigation into wine imports from Europe.

ICC considers that such trade restrictions are self-defeating and counterproductive, and make an already troubled international trade climate even more uncertain. Moreover, these come at a particularly bad time, since WTO members should be rallying behind the objective of reaching agreements at the forthcoming WTO Ministerial Conference to be held this December in Bali. Working together to achieve concrete outcomes in Bali will create a positive dynamic to restart multilateral trade negotiations, liberalize world trade and strengthen WTO rules.

Protectionism and tit-for-tat retaliation must be strictly avoided by all WTO members – and especially by the G20 member countries who should be leading by example in taking initiatives that create greater openness to cross-border trade and investment. Such actions damage the global business environment and prospects for stronger economic recovery, precisely when greater flows of international trade and investment could provide a debt-free and much-needed boost to world economic growth and job creation.

This EU-China dispute and the recourse to protectionist measures are partly a product of the failure to reach agreement through negotiations at the WTO. They are also a consequence of straying away from the path of multilateralism, which has served the world economy so well for 60 years in avoiding or resolving this sort of confrontation, and lifting millions out of poverty.

In light of the above, ICC urges the EU and China, as well as all other WTO members -- and in particular G20 countries -- to reject protectionism and focus their attention on achieving tangible results at the WTO Bali Ministerial. Such results should include an agreement on trade facilitation, measures to liberalize multilateral trade in a number of areas for the benefit of all WTO members, and more effective WTO rules. These are paramount in restoring global business confidence in a fragile economic environment.

ICC takes this opportunity to reaffirm its strong commitment to the multilateral trading system and to recognize its contribution to economic growth and job creation.

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