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*Committee on International Trade*

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## **DRAFT REPORT**

on Prospects for trade relations between the EU and China  
(2005/2015(INI))

Committee on International Trade

Rapporteur: Caroline Lucas

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## MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

### on Prospects for trade relations between the EU and China (2005/2015(INI))

*The European Parliament,*

- having regard to the 7<sup>th</sup> EU-China summit held in the The Hague on 8 December 2004,
  - having regard to its resolution of 18 December 2003 on arms sales to China <sup>1</sup>,
  - having regard to the Commission policy paper on a maturing partnership - shared interests and challenges in EU-China relations (COM(2003)0533),
  - having regard to its resolution of 18 December 2002 on the human rights situation of Tibetans in China<sup>2</sup>,
  - having regard to the decision taken by the Fourth Ministerial Conference of the World Trade Organization (WTO) at Doha, Qatar on 9-14 November 2001 on the admission of China and Chinese Taipei to the WTO,
  - having regard to its resolution of 20 January 2000 on the human rights situation in China<sup>3</sup>,
  - having regard to Rule 45 of its Rules of Procedure,
  - having regard to the report of the Committee on International Trade and the opinion of the Committee on Foreign Affairs (A6-0000/2005),
- A. whereas the human rights situation in China still causes serious concern, as the crackdown on fundamental freedoms continues and torture, ill-treatment, arbitrary detention and executions are still used to punish peaceful dissent and against religious communities,
- B. whereas the EU arms embargo should remain in place, at least until there are guarantees that human rights are respected in China, and until a mandatory code of conduct governing arms sales has been agreed,

#### ***WTO***

1. Welcomes China's timely compliance with many of its WTO obligations, but calls on China to rapidly address outstanding areas of concern to EU industry, particularly in the fields of Intellectual Property Rights (IPR) enforcement, national treatment, and transparency;
2. Urges China to abide by the spirit as well as the letter of Article 18 of its Accession Protocol so that the Transitional Review Mechanism (TRM) can be a more effective tool to resolve outstanding areas of concern;

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<sup>1</sup> OJ C 91 E, 15.4.2004, p. 679.

<sup>2</sup> OJ C 31 E, 5.2.2004, p. 264.

<sup>3</sup> OJ C 304, 24.10.2000, p. 209.

3. Calls on the Commission to ensure that it does not abuse China's non-market economy (NME) status, and to grant China market economy status (MES) as soon as China has fulfilled the relevant criteria;

#### ***International competitive effects***

4. Calls on China to exercise restraint in its levels of textile and clothing exports; if it does not, urges the Commission to adopt emergency measures to introduce safeguard measures on those textile and clothing sectors in Europe that face serious material injury; further urges the Commission to work with those developing country exporters who are most vulnerable to Chinese competition in order to find a solution for some of the poorest people;
5. Urges the Commission to meet the growing unease of developing countries at the effects on their markets of Chinese textile exports by urgently conducting a country-by-country assessment of the full impact of the quota phase-out;
6. Calls on the Council and the Commission to recognize that the challenges currently facing the textile and clothing sector are systemic in nature, and that a longer-term strategy must urgently be developed in order to address the challenges China poses not just to EU jobs, but to existing assumptions about the winners and losers from globalisation;
7. Calls on the Commission to monitor, and regularly report on, the extent to which Chinese competition is already affecting EU industries, as well as on trends in the quantity and sectoral composition of out-sourcing from the EU, in order to evaluate the effects of such trends and to develop appropriate policy responses;
8. Calls on the Commission to undertake more extensive research on an ongoing basis to better understand the full scope of the off-shoring issue, including adequate data collection programmes on jobs that move off-shore, precise analysis of the economic costs of off-shoring (including loss of tax revenue, and social expenditure necessary to support workers made redundant), data on redeployment of workers and of their new wage levels, and analysis of the wider effects on communities;
9. Asks the Commission to investigate the introduction of a European labelling scheme that would indicate country of origin, as well as social/environmental factors;
10. Asks the Commission to investigate precisely what EU Member States will retain in the high-tech sector that cannot be done by lower-wage competitors, and in particular by China;

#### ***Social and Environmental Impacts***

12. Expresses its concern that, despite great improvements, around one quarter of the rural population in China – more than 100 million people – still live in extreme poverty, and that Chinese income inequalities are among the fastest growing in the world;
13. Recognises that, despite improved economic prospects for many Chinese, this has not alleviated the need for a more even geographical spread of economic development to reduce the threat of even higher unemployment and social displacement in the future;

14. Asks the Commission to conduct an impact assessment of EU liberalisation demands on poverty and inequality rates in China in order to ensure that EU trade demands do not exacerbate these problems; further asks Commission to use its influence to change WTO rules so that the right of countries, including China, to protect certain sectors of agriculture in the interests of food security, is recognized; calls on the Council and the Commission to urgently end agricultural export dumping;
15. Expresses its concern at the steady rise in the number of industrial disputes since 1998; urges China to authorise the establishment of independent trade unions and to institute a social protection system geared primarily towards the unemployed, whose numbers are set to swell as a result of China's accession to the WTO;
16. Is deeply concerned at the lack of workers' rights in China, alarmed by the increasing number of industrial accidents due to inadequate health and safety rules, and urges China to ratify key ILO Conventions, particularly Convention 87 on Freedom of Association and Right to Organise, and 98 on Collective Bargaining;
17. Is seriously concerned about the high levels of pollution caused by China's industries and welcomes recent signs that China is taking serious measures to protect the environment; emphasises that trade and environment are an essential component of the WTO agreement, and urges the Chinese government to play a full and positive role in promoting sustainable development, both inside China and globally;
18. Calls on the Council and the Commission to ensure, through the EU-China Energy and Environment Programme and other channels, that collaboration on renewable energy/energy efficiency issues will be a priority for future EU-China co-operation, and to offer positive support to China's development of sustainable technologies and industries, particularly to enable it to 'leapfrog' old coal-dependent technology, and to work together in developing new technologies that will make a sustainable future possible;
19. Calls on the Commission to investigate the most effective way of introducing minimum social and environmental standards into trade agreements;

***Arms embargo***

20. Reminds Member States that the EU Code of Conduct on Arms Exports quotes respect for human rights in the country of final destination of such exports as a criterion and that it lays particular emphasis on the fact that export licences shall not be issued if there is a risk that the exported good might be used for internal repression;

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21. Instructs its President to forward this resolution to the Council and Commission, and the governments and parliaments of the Member States and of China.

# EXPLANATORY STATEMENT

## Introduction

This report focuses on the threats and opportunities posed by China's growth as a major trading power, and on measures the EU can take in response. It analyses the impact of China's WTO accession, explores China's compliance with its WTO obligations, and identifies areas of continuing concern to EU industry and to those concerned with issues of equality in China.

Trade cannot be viewed in isolation, however, and the report examines some of the social and environmental costs of China's rapid growth, both within China, and globally.

The report also addresses the wider question of the challenge China poses, not just to the international trading system, but to international trade theory itself, and makes the case for a new framework for understanding the impacts of globalisation.

## EU-China Trade relations

China and the EU, two of the world's largest markets, have deepened their commercial ties during recent decades. Two-way trade has increased more than forty-fold since reforms began in China in 1978, and was worth €175 billion in 2004. In 2003, China and the EU became each others' 2<sup>nd</sup> largest trading partners and whereas the EU enjoyed a trade surplus with China at the beginning of the 1980s, EU-China trade relations are now marked by a large and growing EU deficit with China – reaching €78 billion in 2004 (*see Annex I, trade statistics*).

The 2004 European Competitiveness Report<sup>1</sup> highlights the challenge to the EU from a China competing on the basis of labour abundance, as well as in goods embodying both skills and technology. China is proving to be a sought-after base for the establishment of offshore centres for the manufacture of a broad range of products and services. So far, the effects have been felt most in the new Member States and candidate countries, since they tend to compete as nearshore production centres in the same sectors. However, as this report will demonstrate, these impacts are likely to spread to the EU-15.

During the visit of the Chinese Premier Wen Jiabao to the European Commission in May 2004, a high level Trade policy Dialogue was set up to address issues in rapidly-growing bilateral trade relations as well as on WTO issues. There are currently around 20 sectoral policy Dialogues which address many of the non-tariff barriers that still remain. Moreover, during the last EU-China summit in December 2004, the two parties set the objective to actively explore the feasibility of concluding a new framework agreement.

China's integration into the world economy will also be determined by its relations with its Asian neighbours. In particular, the prospect of India and China finding complementarity would not only boost "power house" Asia, but would have global geopolitical consequences, challenging the EU's role as a second global power. India's expertise in software, and China's in hardware mean that, together, they could prove a powerful force. Bilateral trade between

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<sup>1</sup> SEC(2004)1397,

[http://europa.eu.int/comm/enterprise/enterprise\\_policy/competitiveness/doc/comprep\\_2004\\_en.pdf](http://europa.eu.int/comm/enterprise/enterprise_policy/competitiveness/doc/comprep_2004_en.pdf)

them could top \$15 billion for the first time in 2005, compared to just \$300 million a decade ago. A virtual 'Chindia', a loose economic link-up, is already beginning to take shape.

## **Growth and Poverty in China**

Given China's impressive growth rate, it is easy to forget that vast areas of poverty remain. China has quadrupled its income in the space of 25 years, lifted over 270 million people out of poverty, and dramatically improved health and education indicators. But rapid growth and structural change have also created new challenges: employment insecurity, environmental pressures, and persistent poverty, while Chinese income inequalities are among the fastest growing in the world. Using the World Bank's "\$1 a day" indicator for absolute poverty, around one quarter of the rural population – more than 100 million people – are still in extreme poverty. It is important that EU policy makers do not forget that their trade policies can have a direct bearing on poverty reduction in China.

## **China and the WTO**

The accession of China to the WTO in 2001 was an historic event. When negotiations started in the mid-1980s, China accounted for less than 1% of world trade. Today it is the world's fourth-largest exporter.

The terms of China's accession are far-reaching, and its market-opening commitments extensive. For example, having lowered the weighted average tariff from 40% to 13% between 1992-2001, China is now required to implement a further cut to 6.8% by the end of the accession period - cuts that are far deeper than anything contemplated by the EU or US. On services, a World Bank assessment suggests that China's commitments on the liberalization of this sector are the most radical ever undertaken in the WTO. Even so, far more radical commitments are being demanded, including by the EU, covering financial services, banking, and wider capital markets. Accession provisions on anti-dumping and safeguard measures also place China at a disadvantage.

The implications of WTO accession for agriculture raise the most serious concerns. In spite of rapid industrialisation, agriculture still accounts for 16% of GDP and around half of all employment. Currently, China has around 238 million farm households, the vast majority operating on small plots. However, many of them – particularly producers of major commodities such as wheat, maize, cotton, sugar and soybean - could suffer income declines as lower import prices are transmitted through domestic markets.

There is a broad consensus among trading partners over the general improvement in trading conditions since China's accession to the WTO, particularly on trade-related laws and market access. A multi-country study published in June 2004<sup>1</sup> observes that a large variety of non-tariff barriers affecting access for EU goods have been progressively removed and the country has also significantly opened foreign investment in services.

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<sup>1</sup> [Identification of concrete trade obstacles to be removed through the future WTO negotiations on trade facilitation or other negotiations in the framework of the Doha Development Agenda](http://mkacdb.eu.int/cgi-bin/stb/study/consult/study.pl)  
<http://mkacdb.eu.int/cgi-bin/stb/study/consult/study.pl>

Nonetheless, the study also identified specific "burdensome" procedures, including pre-import registration procedures. It noted that some of these problems are more likely the result of lack of resources, training and appropriate harmonisation of customs rules than of intentional barriers to trade. However, serious concerns remain.

For many EU businesses, the principal point of frustration is China's lack of enforcement of intellectual property rights (IPRs), particularly now that China is a substantial market for branded goods as well as for the recording industry. China was required to implement the TRIPS Agreement in full from the date of accession. Although the situation has improved since 2001, many still believe the authorities have not sufficiently tackled counterfeiting. For the recording industry piracy accounts for 85% of all units sold. Those responsible rarely face criminal sanctions.

From a Chinese perspective, however, the TRIPS Agreement poses other threats, particularly in the field of pharmaceuticals. Groups working on public health inequalities in China are rightly concerned that, since prices of patented drugs are typically much higher than for generic versions, any price inflation will hurt the poorest hardest.

Other areas of concern noted by European industry include problems in the construction industry, banking, and the automobile sector. The economic viability of some European industries also risks being undermined by China's policy on raw materials, including the drop of Chinese exports of cokes.

As far as the Doha Round is concerned, China has important role to play. At Cancun, China worked closely with others in the G-20 to challenge the dominance of the WTO's traditional leaders – the EU and the US. China's membership of the G-20 may be more an expression of solidarity with developing countries' interests than with its intrinsic trade interests, but nonetheless this alliance looks set to remain influential at the WTO.

### **Textiles and Clothing**

Of all the sectors of Chinese growth, the area that poses greatest immediate challenges to the EU is textiles and clothing. On 1 January 2005, all remaining quotas under the WTO Agreement on Textiles and Clothing (ATC) disappeared. As a result, the World Bank and WTO predict China's share of world trade and textiles and clothing will rise from 17% in 2003 to over 50% by 2010. China is the EU's largest supplier of textiles and clothing products, representing 18% of all T & C imports (quota and non-quota) in 2003. However, it accounted for 43% of the liberalised, quota-free segment, and its quota-free imports under the third stage of the ATC almost doubled over the 2001-03 period.

Some argue that China's imports have mostly grown at the expense of imports from third countries, which have seen their share of the EU market decrease. However, the EU's T & C industry is also already experiencing significant pressure. According to the European Apparel and Textile Organisation, which has called for the introduction of quantitative restrictions, exports to the EU 15 of pullovers and jerseys have grown in the first two months of this year by 893%, trousers by 201% and tights and pantyhose by 1,940%, and the sector risks losing 1000 jobs per day, and 1,000,000 jobs before the end of 2006.

Although the European Commission has begun to try to address this problem, there is growing frustration that it is not acting more quickly to introduce safeguards. On 24 April, Commissioner Mandelson finally announced he was launching investigations into nine categories of textile exports, where import volumes from China have risen above the 'alert levels'. China's own instrument for limiting its producers' impact - an export tax on garments - has been set so low that manufacturers say it has almost no effect.

But if the impact in the EU will be severe, in many least developed, and small developing countries, it will be devastating. Since the 1980s, largely as a result of the quota system of the MFA, many have built a huge dependency on the sector. In 2000, it accounted for 95% of all Bangladesh's industrial goods exports, in Laos 93%, Cambodia 83%, Pakistan 73%, Sri Lanka 71%, and Nepal 61%. The sector employs over 1.8 million workers in Bangladesh, 1.4 million in Pakistan, and 250,000 in Sri Lanka. Little wonder, then, that several dozen countries made an 11th-hour appeal to the WTO to save their textile industries – it fell, however, on deaf ears.

It seems clear that China's deflationary pressures will further drive down wages, pushing global suppliers to reduce their workers rights and conditions in a bid to remain competitive – first in the textiles sector, but increasingly in other sectors as well. With regard to T & C, the negative effects are already beginning to be felt: in the Philippines, the government has ruled that its minimum wage law would no longer apply to the clothing industry, while the Bangladeshi government recently announced that it would increase authorised overtime hours and reduce the restrictions on women's night work.

The Commission's response has been to urge European manufacturers to produce higher-value garments rather than competing with China on basics. Yet China's rapid ability to climb the value-added ladder across most sectors shows what unhelpful counsel this is, not just for the EU, but also for countries like Bangladesh. China is also fast developing competitive advantage not only in footwear, machine components, and automobiles, but also in higher tech goods. This is a systemic challenge, not a one-off sectoral one.

### **Shaking up Trade Theory**

Harvard economist Richard B. Freeman has observed, "what is stunning about China is that for the first time we have a huge, poor country that can compete both with very low wages and in high tech. Combine the two, and America has a problem."<sup>1</sup> . This report argues that the EU has a problem, too.

Proponents of globalisation argue that, although some EU jobs are lost, either to imports or because factories move to cheap labour countries like China or India, on balance everyone benefits. The bulk of this work is labour-intensive and lower skilled and can be done more efficiently by countries that have an abundance of less-educated workers. In return, those countries buy more of our higher-valued goods made by skilled workers - for which we have a comparative advantage. In theory, the lost jobs and lower wages in the EU and US are more than offset, leading to more robust exports and lower prices on imported goods.

But this long-held consensus is now beginning to crack. With both China and India now

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<sup>1</sup> Quoted in Business Week, December 6, 2004

graduating more college students than the US every year, economists are increasingly uncertain about just where the EU and US have comparative advantage any more - or whether the standard framework for understanding globalisation still applies in the face of so-called white-collar off shoring.

With a recent article from Nobel laureate Paul A. Samuelson in the *Journal of Economic Perspectives*, this debate gained new prominence, as he concluded “comparative advantage cannot be counted on to create...net gains greater than the net losses from trade”.

### **The China Price**

“The China Price”. They are the three scariest words in US industry. In general it means 30% to 50% less than what you can possibly make something for in the US. In the worst cases, it means below your cost of materials.” So the December 6 2004 issue of *Business Week* opens its special report on China.

Extrapolating to the EU, there are good reasons for European manufacturers to worry even though they have weathered decades of competition from Japan and Korea. China is different in a number of ways:

- **Speed:** Earlier rivals usually took years to build up a presence. Chinese competition often seizes share rapidly with unbeatable prices, leaving little time for domestic companies to adjust
- **Breadth:** Other Asian nations shed labour-intensive work as they industrialised, but China is gaining share in low-tech at the same time as advancing into higher-value areas such as digital electronics
- **Competition:** Japan and Korea are limited players in many industries. But in China, dozens of manufacturers battle for share in the domestic markets for appliances, cell phones, cars, keeping everyone more competitive
- **Alliances:** Unlike Japan or Korea, China welcomes foreign investment in key industries. Foreign ventures account for 60% of exports and a big share of local sales
- **Size:** China is both an export power and is itself becoming the world’s biggest market for cars, appliances, cell phones and more, giving China unparalleled economies of scale.

Clearly, the traditional assumption that the US and EU will keep leading in knowledge-intensive industries while developing nations focus on lower-skill sectors is open to serious debate. China is emerging as the most competitive manufacturing platform ever. Chief among its formidable assets is its cheap labour, from \$120/month production workers to \$2000/month chip designers. Even in sophisticated electronics industries, where direct labour is less than 10% of costs, China’s low wages are reflected in the entire supply chain, from components and office workers to cargo handlers.

China is also propelled by an enormous domestic market that brings economies of scale, strong local competition that keeps prices low, an army of engineers that is growing by 350,000 annually, young workers and managers willing to put in 12-hour days and work weekends, an unparalleled component and material base in electronics and light industry, and an entrepreneurial zeal to do whatever it takes to please big retailers.

These are enormous challenges that need to be taken far more seriously, both by the EU and

by all China's trading partners. The Commission's response to date has been both tardy and complacent, resting on the assumption that diversifying into higher skilled, more specialised work will protect European jobs. In reality, however, advantages from these kind of micro-level specialities could be fleeting: there is no reason why China couldn't develop advantage in those areas, too. Instead, the Commission should urgently investigate the extent to which "the China price" is already affecting EU industries, examine the level of existing off-shoring, and identify sectors that could be under threat in the future.

At the same time, new ideas are emerging about how to respond in the longer term, including the concept of maximizing power at the local and national level, and of protecting and rebuilding local and national economies rather than gearing them to ruthlessly out-compete each other internationally. Given the size of the Chinese domestic market, it would be a new world order that China would still thrive in – but no longer at the expense of so many others.

### **Social Impacts**

There is much debate over whether China's competitiveness is built on unfair trade practices, in particular its failure to respect minimum social and environmental standards. This certainly seems to be at least partially the case. For example, although China has very strict laws about the obligations of employers to protect their workers in dangerous environments, more than 100,000 people a year are estimated to die in work related accidents.

The mining industry is most hazard-prone, with over 5000 Chinese miners are killed each year. Working under appalling safety conditions, they are sacrificed to fuel the factories that make China's cheap goods for export. Existing mine safety regulations must be rigorously implemented; mine owners and managers who knowingly put their workers' lives at risk must be prosecuted, and the government must ratify the ILO Convention on Safety and Health in Mines.

More fundamentally, China's miners – along with all its other workers – should be permitted to establish their own independent trade unions, so they can negotiate on working conditions, wages, health and safety, and other issues of vital concern to workers around the country. Until that happens, the mass worker protests in many sectors of Chinese industry against excessive working hours, low pay, and frequent wage arrears look likely to continue – and, in the trade arena, the accusations from China's trading partners of social dumping will increase. China must ratify and comply with two key ILO Conventions: No.87 on Freedom of Association (1948), and No. 98 on the Right to Organise and Collective Bargaining (1949).

### **Environmental Impacts**

China's rapid economic growth is increasing pressures on its own resources as well as those of other nations. It is already the world's second largest consumer of oil and water, and trails only the US in emissions of carbon dioxide. Food and timber imports are also growing rapidly, placing pressures on fragile landscapes as distant as the Brazilian Amazon. It has been estimated that China imports more than 100m cubic metres of wood a year, between a quarter and a third of which is illegally felled in eastern Russia, the Brazilian rainforests, Burma and Africa. One in four logs is processed into furniture and other products for export to wealthy nations, including those of the EU.

Since the mid-1990s, China's oil consumption has soared, with imports going from zero to over 3 million barrels per day in just a decade, making China the world's third largest oil importer. But it is coal which provides 70% of China's energy, leading to major air pollution problems, and contributing further to climate change. Local air pollution from power plants and industrial facilities has reached crisis proportions in most urban areas, and the World Health Organisation has concluded that six of the world's ten most polluted cities are in China.

The solution lies not just in more rigorous legislation, but in stricter enforcement of existing laws. A 'leapfrog' strategy, where China adopts sustainable technologies and avoids the most polluting processes of western industrialization, must be strongly supported. Because of China's size, such a move could have a global impact, lowering costs and spurring other nations to follow. For example, energy efficiency is already being widely promoted and, as a result, China has quickly leap-frogged over Europe and the US to become the world's number one producer and consumer of compact fluorescent light bulbs.

China has also become the world leader in two important renewable energy technologies: small hydropower and solar water heating. China is installing solar collectors on thousands of apartment buildings, and had a remarkable 75% of the world market for the devices in 2003. In June 2004, China announced an ambitious new commitment to generate 10% of its power using renewable energy by 2010. Support for commitments of this kind should become a priority for future EU-China relations.

**ANNEX**

**Trade of the European Union by Member States with P.R.  
China, 2000-2004**

	<b>EU-Imports (cif)</b>						<b>EU-exports (fob)</b>					
	2000	2001	2002	2003	2004		2000	2001	2002	2003	2004	
	1000 EUR	1000 EUR	1000 EUR	1000 EUR	1000 EUR	% of total	1000 EUR	1000 EUR	1000 EUR	1000 EUR	1000 EUR	% of total
EU-25	74.368.736	81.619.444	89.604.491	105.396.992	126.908.497	100,0	25.758.362	30.554.226	34.868.623	41.170.342	48.064.233	100,0
of which:												
France	8.158.457	8.343.046	8.572.173	9.591.408	11.645.963	9,2	3.423.972	3.551.747	3.708.472	4.696.850	5.365.282	11,2
Netherlands	8.704.705	10.439.543	12.000.028	14.739.295	18.828.710	14,8	1.115.787	1.238.379	1.573.844	1.675.478	2.332.868	4,9
Fr Germany	17.125.823	18.110.482	19.053.456	22.476.475	28.558.422	22,5	9.458.880	12.118.219	14.570.198	18.263.938	20.994.818	43,7
Italy	7.027.749	7.483.905	8.306.987	9.552.783	11.826.965	9,3	2.380.392	3.274.680	4.017.408	3.850.301	4.444.866	9,2
Utd. Kingdom	14.077.155	15.529.821	16.811.310	17.280.338	20.539.280	16,2	2.390.532	2.744.340	2.363.677	2.785.812	3.482.514	7,2
Ireland	740.690	717.820	762.862	1.100.611	1.276.628	1,0	166.323	342.308	543.417	583.166	638.788	1,3
Denmark	1.428.856	1.469.894	1.474.771	1.815.976	2.149.936	1,7	423.980	456.840	540.977	635.242	771.491	1,6
Greece	757.223	924.503	1.023.260	1.222.822	1.417.888	1,1	33.224	47.496	60.159	53.860	58.348	0,1
Portugal	382.497	350.985	344.640	371.398	458.504	0,4	52.724	60.126	80.604	149.813	101.057	0,2
Spain	4.136.110	4.413.961	4.757.818	5.659.316	7.105.480	5,6	553.493	633.660	786.697	1.095.928	1.145.726	2,4
Belgium	4.010.663	4.315.634	4.746.647	5.490.130	6.682.001	5,3	1.339.964	1.691.001	2.009.628	2.273.928	2.329.951	4,8
Luxembourg	88.791	80.754	73.504	1.548.883	2.022.244	1,6	67.880	59.638	58.752	128.768	96.557	0,2
Sweden	1.858.927	1.808.775	1.822.531	2.295.108	2.504.647	2,0	2.043.434	1.729.395	1.506.350	1.968.012	2.037.461	4,2
Finland	934.799	866.710	956.846	1.136.052	1.371.819	1,1	1.462.272	1.264.750	1.226.033	1.301.303	1.962.364	4,1
Austria	842.339	1.045.622	1.162.562	1.571.342	1.436.107	1,1	585.573	875.508	1.184.575	903.504	1.151.326	2,4
Malta	61.010	60.495	65.774	86.492	65.830	0,1	1.623	1.440	5.210	8.189	15.572	0,0
Estonia	163.696	418.180	264.878	257.304	315.445	0,2	6.857	16.432	20.497	26.907	28.212	0,1

Latvia	25.805	30.197	45.013	59.504	71.857	0,1	227	1.841	3.073	14.590	8.671	0,0
Lithuania	89.248	134.133	193.385	268.779	220.937	0,2	1.621	2.057	3.039	7.217	9.370	0,0
Poland	1.500.489	1.805.006	2.197.451	2.560.175	2.341.157	1,8	107.359	201.074	219.584	225.658	453.194	0,9
Czech Republic	754.822	1.198.481	1.991.848	2.417.034	1.885.543	1,5	71.529	89.804	157.038	213.497	220.356	0,5
Slovakia	190.982	259.533	366.195	491.649	367.618	0,3	10.203	14.124	42.267	123.610	62.453	0,1
Hungary	1.030.531	1.488.659	2.208.906	2.914.076	3.398.481	2,7	44.080	126.070	163.778	157.484	320.864	0,7
Slovenia	148.588	176.786	237.569	291.017	236.761	0,2	15.833	12.626	22.908	26.460	30.317	0,1
Cyprus	128.782	146.517	164.077	199.023	180.275	0,1	601	670	438	829	1.808	0,0
Source: COMEXT												
<i>Production: JD/DG Info/EP</i>												

**Trade of the European Union (EU25) with P.R. China by products,  
2000-2004**

		EU-imports (cif)						EU-exports (fob)					
		2000	2001	2002	2003	2004		2000	2001	2002	2003	2004	
		1000 EUR	1000 EUR	1000 EUR	1000 EUR	1000 EUR	% of total	1000 EUR	1000 EUR	1000 EUR	1000 EUR	1000 EUR	% of total
<b>01-99</b>	<b>Total</b>	74.368.736	81.619.444	89.604.491	105.396.992	126.908.497	100	25.758.362	30.554.226	34.868.623	41.170.342	48.064.233	100
	of which:												
<b>01-24</b>	<b>Agricultural prod. (incl. fish, prepared foodstuffs etc.)</b>	2.154.797	2.415.850	2.084.185	2.304.846	2.445.603	1,9	599.796	579.249	604.875	652.337	772.333	1,6
<b>25-27</b>	<b>Mineral products</b>	762.529	1.049.468	954.433	1.130.777	1.810.120	1,4	248.944	236.129	431.198	252.185	275.781	0,6
	of which:												
27	Mineral fuels, mineral oils/products of their distillation etc.	395.186	637.273	515.355	680.640	1.169.941	0,9	162.609	132.202	314.887	122.903	112.402	0,2
<b>28-38</b>	<b>Products of chemical or allied industries</b>	2.882.012	3.120.956	3.227.602	3.604.671	3.955.734	3,1	1.995.435	2.182.556	2.593.548	2.911.838	3.267.719	6,8
	of which:												
29	Organic chemicals	1.232.024	1.421.386	1.593.121	1.855.888	1.915.922	1,5	710.325	788.578	861.095	1.069.207	1.235.529	2,6
30	Pharmaceutical products	165.892	158.813	227.355	196.163	216.196	0,2	342.204	399.707	494.136	508.308	519.751	1,1
<b>39-40</b>	<b>Plastics/rubber</b>	2.892.995	2.979.162	3.103.938	3.343.112	3.601.148	2,8	763.255	983.249	1.199.228	1.429.723	1.804.810	3,8
	of which:												
39	Plastics/articles thereof	2.620.321	2.696.926	2.764.789	2.928.226	3.034.334	2,4	636.462	818.674	988.003	1.153.498	1.493.326	3,1
<b>41-43</b>	<b>Raw hides/ skins/leather/furskins etc.</b>	3.675.100	3.872.234	3.846.779	3.706.273	4.025.808	3,2	250.650	269.821	278.965	331.011	422.940	0,9
	of which:												
42	Articles of leather ets.	3.482.061	3.593.455	3.572.209	3.462.817	3.765.043	3,0	8.657	10.009	10.491	13.521	18.580	0,0
<b>44-49</b>	<b>Wood/art. of woods etc; pulp of wood or other fibrous cellulosic</b>	1.358.305	1.496.951	1.603.891	1.822.351	2.238.694	1,8	1.034.258	990.766	1.045.283	1.076.899	1.274.307	2,7
	of which:												
48	Paper/paperboard; articles thereof	336.981	378.974	376.402	424.330	506.079	0,4	364.427	384.928	513.785	571.302	617.817	1,3
<b>50-63</b>	<b>Textiles and textile articles</b>	10.296.775	10.934.050	12.069.630	13.145.523	14.898.704	11,7	543.818	597.760	660.582	752.985	825.054	1,7
	of which:												
61	Apparel/clothing acc., knitted or croched	3.326.165	3.479.627	3.572.384	3.674.462	4.278.038	3,4	14.910	24.175	21.940	20.359	29.807	0,1
62	Apparel/clothing acc., not knitted or croched	4.421.488	4.870.948	5.760.703	6.545.639	7.189.792	5,7	28.645	37.862	46.453	51.350	57.731	0,1
	of which:												
6202	Women's/girls' overcoats etc.	351471	405505	838501	1163197	1314883	1,0	638	1.310	1.374	1.723	2.378	0,0

6204	Women's/girls' suits etc.	1067767	1159458	1288684	1365464	1549962	1,2	3.981	7.272	8.146	8.338	10.463	0,0
63	Other made-up textile articles; sets; WORN CLOTHING AND WORN TEXTILE ARTICLES; RAGS	852.690	905.426	973.298	1.098.407	1.384.244	1,1	5.727	6.360	8.927	10.501	10.660	0,0
<b>64-67</b>	<b>Footwear, headgear, umbrellas etc.</b>	3.094.700	3.317.664	3.387.218	3.704.466	4.111.470	3,2	15.146	19.013	22.087	25.140	35.409	0,1
	of which:												
64	Footwear/gaiters etc.	1.976.305	2.169.043	2.286.558	2.634.263	2.949.948	2,3	12.813	17.253	20.161	22.600	33.022	0,1
<b>68-70</b>	<b>Articles of stone, plaster, cement, asbestos etc.; ceramic products etc.</b>	1.085.651	1.137.689	1.197.586	1.414.998	1.828.063	1,4	246.800	283.202	281.914	292.374	345.306	0,7
71	Natural or cultured pearls, precious or semi-precious stones etc.	900.389	1.068.546	1.132.752	1.134.994	1.459.153	1,1	439.370	458.077	595.157	658.593	759.529	1,6
<b>72-83</b>	<b>Base metals/articles of thereof</b>	4.149.749	4.321.080	4.521.709	5.145.734	6.896.970	5,4	1.570.915	1.963.033	2.388.349	3.687.822	4.277.969	8,9
	of which:												
72	Iron and steel	362.787	249.518	226.801	276.718	677.490	0,5	419.620	603.693	827.885	1.611.237	1.303.939	2,7
	of which:												
7219	Flat-rolled products of stainless steel, OF A WIDTH OF >= 600 MM, HOT-ROLLED OR COLD-ROLLED 'COLD-REDUCED'	2.057	284	870	1.197	22.291	0,0	75.826	245.797	343.435	474.902	400.541	0,8
73	Articles of iron/steel	1.513.508	1.662.466	1.861.315	2.165.492	2.844.681	2,2	335.565	434.752	508.297	708.977	999.981	2,1
	of which:												
7304	Tubes/pipes/hollow profiles, seamless, OF IRON OR STEEL (EXCL. PRODUCTS OF CAST IRON)	7.833	7.019	8.704	13.287	19.150	0,0	85.979	135.999	161.783	187.344	389.500	0,8
7318	Screws/bolts/nuts/coach screws etc.	207.068	235.012	251.674	341.967	467.117	0,4	32.423	48.059	68.896	108.082	102.614	0,2
7323	Table/kitchen or oth. household art. etc.	555.416	569.936	609.222	650.089	722.025	0,6	2.197	1.704	2.237	3.394	4.291	0,0
7326	Articles of iron or steel, n.e.s. (excl. cast art.)	260.035	301.419	350.022	407.341	566.809	0,4	36.430	43.885	53.917	83.304	81.572	0,2
74	Copper/articles thereof	65.089	72.143	97.402	118.306	204.416	0,2	319.883	332.834	369.523	506.091	807.646	1,7
	of which:												
7404	Waste/scrap of cobber (excl INGOTS OR OTHER SIMILAR UNWROUGHT SHAPES, OF REMELTED COPPER WASTE AND SCRAP, ASHES AND RESIDUES CONTAINING COPPER, AND WASTE AND SCRAP OF PRIMARY CELLS, PRIMARY BATTERIES AND ELECTRIC ACCUMULATORS)	3.677	3.202	1.962	2.481	3.787	0,0	168.102	151.333	142.242	241.474	411.229	0,9

82	Tools, implements, cutlery, spoons/forks	1.035.272	1.082.964	1.119.979	1.156.407	1.319.036	1,0	93.089	114.013	158.881	144.989	217.070	0,5
<b>84-85</b>	<b>Machinery/mechanical appliances; elec. eq., sound recorders etc.</b>	26.172.677	29.937.004	35.322.028	45.455.815	58.881.200	46,4	14.029.543	16.647.941	18.093.658	20.283.802	24.641.086	51,3
	of which:												
84	Nuclear reactors, boilers, machinery and mechanical appliances	10.320.647	12.714.605	15.767.089	20.950.591	27.144.642	21,4	7.204.767	9.579.052	12.091.423	13.514.540	16.570.584	34,5
	of which:												
8471	Automatic data process. machines etc.	4.697.732	5.444.181	7.338.935	11.266.696	14.444.076	11,4	188.494	252.051	203.396	201.085	266.166	0,6
8479	Machines/mechanical app.having individual functions	40.987	55.830	72.532	98.433	120.462	0,1	655.095	827.966	976.864	1.088.733	1.406.729	2,9
85	Electrical machinery/equip. and parts thereof; sound recorders etc.	15.852.030	17.222.399	19.554.939	24.505.224	31.736.557	25,0	6.824.776	7.068.889	6.002.234	6.769.262	8.070.502	16,8
	of which:												
8525	TRANSMISSION APPARATUS FOR RADIO-TELEPHONY, RADIO-TELEGRAPHY, RADIO-BROADCASTING OR TELEVISION, WHETHER OR NOT INCORPORATING RECEPTION APPARATUS OR SOUND RECORDING OR REPRODUCING APPARATUS; TELEVISION CAMERAS; STILL IMAGE VIDEO CAMERAS AND OTHER VIDEO CAM	1.374.548	1.734.524	2.624.673	4.625.606	7.138.335	5,6	779.124	606.178	290.314	282.752	596.144	1,2
8542	ELECTRONIC INTEGRATED CIRCUITS AND MICROASSEMBLIES	368.366	245.119	584.852	926.980	1.229.334	1,0	558.627	676.595	740.203	934.224	1.258.780	2,6
<b>86-89</b>	<b>Vehicles, aircrafts, vessels etc.</b>	1.295.518	1.631.942	1.454.697	2.019.413	1.946.856	1,5	2.389.428	3.330.998	4.253.981	5.920.625	5.804.761	12,1
	of which:												
87	Vehicles other than railway/tramway rolling-stock etc.	988.843	888.475	940.950	1.157.408	1.481.439	1,2	1.274.838	2.030.052	2.665.195	4.182.101	3.356.608	7,0
	of which:												
8703	MOTOR CARS AND OTHER MOTOR VEHICLES PRINCIPALLY DESIGNED FOR THE TRANSPORT OF PERSONS, INCL. STATION WAGONS AND RACING CARS (EXCL. MOTOR VEHICLES OF HEADING 8702)	5.396	11.004	7.777	16.112	42.588	0,0	215.373	509.378	966.299	1.914.356	1.352.457	2,8
8708	PARTS AND ACCESSORIES FOR TRACTORS, MOTOR VEHICLES FOR THE TRANSPORT OF TEN OR	110.734	122.442	156.615	206.249	310.358	0,2	486.536	830.715	1.301.400	1.814.304	1.614.564	3,4

	MORE PERSONS, MOTOR CARS AND OTHER MOTOR VEHICLES PRINCIPALLY DESIGNED FOR THE TRANSPORT OF PERSONS, MOTOR VEHICLES FOR THE TRANSPORT OF GOODS AND SPECIAL PURPOSE MOTOR VEHICLE												
8714	PARTS AND ACCESSORIES FOR MOTOR-CYCLES AND BICYCLES AND FOR CARRIAGES FOR DISABLED PERSONS, N.E.S.	277.551	331.451	367.895	402.503	456.048	0,4	3.088	3.431	11.062	4.972	3.320	0,0
8715	BABY CARRIAGES AND PARTS THEREOF, N.E.S.	172.836	186.301	190.680	211.075	213.031	0,2	122	517	265	508	368	0,0
88	Aircraft, spacecraft, and parts thereof	45.054	363.825	285.753	77.278	82.547	0,1	968.142	1.097.692	1.392.422	1.456.299	2.151.105	4,5
	of which:												
8802	Powered aircraft 'e.g. helicopters etc.	3.444	320.408	230.951	27.983	30.641		891.056	963.162	1.258.760	1.336.360	2.002.816	
<b>90-92</b>	<b>Optical, photographic, cinematographic etc. instruments</b>	3.487.698	3.864.012	4.382.935	4.467.747	4.856.053	3,8	955.038	1.296.871	1.611.630	1.862.060	2.368.367	4,9
	of which:												
90	Optical, photographic, cinematographic, measuring, CHECKING, PRECISION, MEDICAL OR SURGICAL INSTRUMENTS AND APPARATUS; PARTS AND ACCESSORIES THEREOF	2.418.018	2.784.891	3.270.184	3.328.822	3.676.341	2,9	930.311	1.273.225	1.586.977	1.834.327	2.333.357	4,9
<b>94-96</b>	<b>Misc. manufactured articles</b>	9.619.851	9.910.577	10.975.123	12.648.306	13.603.198	10,7	193.568	245.182	266.351	379.314	396.784	0,8
	of which:												
94	Furniture; bedding, mattresses etc.	2.700.505	2.849.520	3.287.599	4.055.116	5.209.543	4,1	154.600	205.222	223.510	318.343	288.098	0,6
95	Toys/games/sports requisites etc.	6.165.734	6.235.588	6.830.515	7.677.332	7.422.233	5,8	18.800	23.055	21.076	30.217	76.969	0,2
<b>Various ch</b>	<b>Other products</b>	139.215	163.145	176.545	191.887	257.430	0,2	181.290	159.416	223.982	171.826	253.334	0,5
Source: COMEXT database, EUROSTAT													
Production: JDa/DG4/European Parliament													

**Monthly imports of the European Union of textile, January 2003-  
February 2005**

Extra-EU25				P.R. China			Extra-EU25			P.R. China	
Textile (CN 50-63)	of which:		Textile (CN 50-63)	of which:		Textile (CN 50-63)	of which:		Textile (CN 50-63)	of which:	
	61	62		61	62		61	62		61	62
	ARTICLES OF APPAREL AND CLOTHING ACCESSORIES, KNITTED OR CROCHETED	ARTICLES OF APPAREL AND CLOTHING ACCESSORIES, NOT KNITTED OR CROCHETED		ARTICLES OF APPAREL AND CLOTHING ACCESSORIES, KNITTED OR CROCHETED	ARTICLES OF APPAREL AND CLOTHING ACCESSORIES, NOT KNITTED OR CROCHETED		ARTICLES OF APPAREL AND CLOTHING ACCESSORIES, KNITTED OR CROCHETED	ARTICLES OF APPAREL AND CLOTHING ACCESSORIES, NOT KNITTED OR CROCHETED		ARTICLES OF APPAREL AND CLOTHING ACCESSORIES, KNITTED OR CROCHETED	ARTICLES OF APPAREL AND CLOTHING ACCESSORIES, NOT KNITTED OR CROCHETED
1000 EUR						Index: The month of the previous year = 100					
Jan. 2003	6.222.606	1.862.242	2.527.505	1.280.678	361.070	633.343	100	100	100	100	100
Feb. 2003	5.413.673	1.505.755	2.326.715	1.082.833	283.040	542.558	100	100	100	100	100
Mar. 2003	5.505.391	1.519.339	2.317.354	906.108	235.666	440.404	100	100	100	100	100
Apr. 2003	5.202.074	1.400.174	2.048.951	862.186	217.313	385.889	100	100	100	100	100
May. 2003	4.860.050	1.352.264	1.777.410	858.216	215.968	360.184	100	100	100	100	100
Jun. 2003	5.148.537	1.592.737	1.967.303	953.401	262.712	431.044	100	100	100	100	100
Jul. 2003	6.379.380	2.170.157	2.655.247	1.363.690	408.222	705.040	100	100	100	100	100
Aug. 2003	5.574.654	2.002.483	2.412.875	1.319.109	388.175	743.794	100	100	100	100	100
Sep. 2003	6.161.989	1.964.380	2.508.361	1.435.688	382.688	790.206	100	100	100	100	100
Oct. 2003	5.858.252	1.924.401	2.211.957	1.205.517	346.957	617.518	100	100	100	100	100
Nov. 2003	5.063.863	1.644.338	1.870.687	922.131	280.084	445.735	100	100	100	100	100
Dec. 2003	5.102.652	1.690.520	1.950.030	955.969	292.566	449.924	100	100	100	100	100
Jan. 2004	5.890.453	1.844.709	2.378.230	1.286.309	359.962	628.480	94,7	99,1	94,1	100,4	99,7
Feb. 2004	5.720.928	1.757.776	2.426.732	1.199.646	322.118	600.621	105,7	116,7	104,3	110,8	113,8
Mar. 2004	5.892.279	1.757.902	2.390.524	958.944	255.246	447.791	107,0	115,7	103,2	105,8	108,3
Apr. 2004	5.438.727	1.576.379	2.088.168	1.039.779	270.069	458.411	104,5	112,6	101,9	120,6	124,3

May. 2004	4.845.275	1.438.254	1.759.309	927.028	247.729	369.872	99,7	106,4	99,0	108,0	114,7	102,7
Jun. 2004	5.638.257	1.828.388	2.104.029	1.133.786	335.280	484.961	109,5	114,8	106,9	118,9	127,6	112,5
Jul. 2004	6.531.866	2.298.779	2.671.938	1.534.276	473.804	766.279	102,4	105,9	100,6	112,5	116,1	108,7
Aug. 2004	6.252.597	2.313.902	2.706.208	1.640.352	520.524	889.620	112,2	115,6	112,2	124,4	134,1	119,6
Sep. 2004	6.421.745	2.112.792	2.582.083	1.605.106	449.066	842.941	104,2	107,6	102,9	111,8	117,3	106,7
Oct. 2004	5.675.810	1.879.168	2.163.917	1.332.228	396.192	652.949	96,9	97,6	97,8	110,5	114,2	105,7
Nov. 2004	5.424.616	1.733.836	2.000.093	1.110.924	318.917	519.503	107,1	105,4	106,9	120,5	113,9	116,5
Dec. 2004	5.491.828	1.815.659	2.128.065	1.127.730	328.400	526.379	107,6	107,4	109,1	118,0	112,2	117,0
Jan. 2005*	5.975.124	1.892.828	2.408.200	1.443.546	408.000	696.753	101,4	102,6	101,3	112,2	113,3	110,9
Feb. 2005*	5.674.284	1.752.051	2.426.307	1.661.583	516.883	809.000	99,2	99,7	100,0	138,5	160,5	134,7
Source: COMEXT database, EUROSTAT												
<i>Production: JDa/DG4/European Parliament</i>												
* excluding Cyprus												