

EU manufacturers call on European Council to sharpen rules for public procurement

EU needs to insist on reciprocity with China

Brussels, 20 March 2019 - AEGIS Europe, the industry alliance representing over 20 key industries, aiming to promote manufacturing investment, innovation, jobs and growth in Europe, today voiced its urgent claim for the EU to take a stronger stand on reciprocity in EU-China trade relations at the meeting of the European Council.

AEGIS Europe also warned EU policy makers not to allow further imbalances in rules and standards, for example in public procurement, in EU-China trade relations.

"There's no level playing field for European companies with China," explained Inès van Lierde, Chair of AEGIS Europe. "In our domestic market we are undercut by imports, which do not meet European environmental and social regulations that are universally applied to European manufacturers," she said. "In China and most other Asian markets European companies are discriminated against in public procurement. This means that European industry is hit twice; in the domestic market, plus in the export side of the business. EU jobs and growth suffer as a result," she pointed out.

According to AEGIS Europe the EU public procurement market counts for 16% of GDP. This figure is even higher if one considers publicly-supported procurement, such as for new energy technologies or environment-friendly transportation and vehicles.

"The EU is one of the most open and transparent markets in the world", Van Lierde said. "The current imbalance with China in terms of the openness of its public procurement processes is simply not acceptable. There is a negative impact in Europe for sectors that are major employers of European citizens and that play an important role in innovation, growth and the future viability of Europe's economy. Furthermore, competition based on unfair prices in EU tenders is increasingly challenging for European companies, which cannot compete with massively state-subsidised companies."

Given the issues at stake, and in-line with the Joint Communication "EU-China – A Strategic Outlook", recently published by the European Commission and the High Representative, AEGIS Europe fully supports a strong and united Council action that requires reciprocity in public procurement.

AEGIS Europe called on EU Heads of State and Government to agree to resume negotiations on the International Procurement Instrument and come up with an ambitious position that will truly incentivise third countries to open their procurement markets.

Further, AEGIS Europe called on the European Council to endorse the urgent need to review existing EU public procurement rules and industrial policy strategies in order to adapt them to the challenge of unfair competition based on price and State support.

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ABOUT AEGIS EUROPE

AEGIS Europe brings together 20 European associations representing a broad variety of industries including traditional industries, consumer branches, SMEs and renewable energy sectors, accounting for more than €500 billion in annual turnover and millions of jobs across the EU. This industry alliance, made up of leaders in sustainable manufacturing and social and environmental responsibility, is committed to European manufacturing as the fundamental driver of innovation, growth and jobs in Europe.

