

LIST OF KEY MARKET ACCESS BARRIERS IN CHINA UNDER THE MARKET ACCESS STRATEGY

Barrier	Description	Priority actions (indicative, no exhaustive list)
<p>Sanitary and Phytosanitary (SPS) measures</p> <p>(MADB no. 10786, 10787, 10789, 10790, 12922, 13202)</p>	<ul style="list-style-type: none"> • Lift existing bans on EU beef and sheep meat and accelerate market opening. • Simplify and speed up overall approval procedures for other products of animal origin (e.g. pork (including processed hams, intestines, stomachs, and trotters), dairy products and poultry) and plant products. • Accept EU zoning conditions whenever an important animal disease outbreak occurs instead of imposing a country-wide ban (e.g. African swine fever, avian influenza) • Accept systems-based approach to audits, including prelisting for meat and dairy exports. • For food-drink products (e.g. for exports of alcoholic beverages, processed products, animals and animal products) align food safety and animal health legislations with international standards. Modify National Food Safety Standard GB 9685-2016 to allow indispensable and globally used additives at least on a provisional basis. • Lift unjustified trade restrictions imposed by China on bovine genetic material from the EU due to Schmallenberg virus. 	<p>EU-China SPS Dialogue. Meetings take place on an annual basis during Autumn.</p> <p>EU-China Economic and Trade Working Group (ETWG). Meetings take place on an annual basis in Spring.</p> <p>WTO/SPS Committee including bilateral side meetings. Meetings take place three times per year.</p> <p>Special focus in the short term on monitoring the implementing measures of China's Food Safety Law. Manage the possible negative impacts of this Law with special attention on safeguarding existing market access. Advocate for requirements that are truly justified from a health and safety perspective as well as proportionate and practicable formalities for low-risk food products (avoid the use of general health certificate). Raise issues with relevant Chinese authorities at all levels.</p> <p>Important to coordinate and share information, including on progress achieved on specific issues by Member States. In coordination with DG SANTE and DG AGRI use high-level visits to China and related meetings to raise key issues.</p> <p>Ongoing project funded under the Partnership</p>

		<p>Instrument (EU-China cooperation on Food Safety regulation)</p> <p>Raise issues, if necessary, during the Joint Committee and High Level Economic Dialogue (HED).</p>
<p>Technical Regulations, Standards and Conformity Assessment including the Compulsory Certification System (CCC)</p> <p>(MADB no. 11003, 11461, 10303, 13182)</p>	<ul style="list-style-type: none"> • Remove unnecessary burdensome certification procedures, and in particular in-country testing requirements, notably for the automotive sector, machinery, electrical and electronic equipment, ceramics, IT products, civil aircraft, textiles, clothing, footwear and furniture. • Ensure alignment of technical and testing requirements with international standards, as well as notification to WTO of all mandatory standards in line with the WTO/TBT agreement. Ensure that product certification procedures cannot be abused for 'technology theft' from foreign companies. • Align health and safety requirements for registration of products with international standards and practices, such as in the case of infant formula. • Ensure equal participation of foreign-invested companies in standard-setting and certification at central and provincial levels, as well as industry and sectorial levels. • Engage China in international standardisation, especially in sectors where standardisation is yet to take place (electric vehicles, automated driving, robotics, AI), to keep the process open and inclusive, and thus prevent the process from potentially becoming a market access barrier on an international scale. • Monitor that the implementation of policies/technical regulations/standards to support the uptake of New Energy Vehicles (NEV) - a sector covered by the Made in China 2025 	<p>EU-China Economic and Trade Working Group (ETWG). Meetings take place on an annual basis in Spring.</p> <p>EU-China Consultation mechanism on industry and WTO/TBT.</p> <p>WTO/TBT Committee including bilateral side meetings. Meetings take place three times per year.</p> <p>Special focus on the implementation of China's new Standardisation law as well as the possible upcoming reform of the Compulsory Certification System (CCC). Continue to advocate for an approach that leads to more transparent and stakeholder driven processes. The Seconded European Standardization Expert in China (SESEC) will continue to contribute to this objective¹.</p> <p>Encourage China's engagement in international standardisation processes to ensure their openness and transparency.</p> <p>Monitor the NEV regulations/policies to ensure a favourable business environment which avoids trade</p>

¹ SESEC is a project co-financed by the European Commission the European Free Trade Association secretariat and the three European Standardization Organizations (CEN, CENELEC and ETSI). This expert collects intelligence on China's Standardization and Technical Regulations.

	<p>Strategy - do not implicitly or explicitly compel foreign OEMs to use components of Chinese origin in their production process in order to obtain type approval or benefit from government incentives, do not discriminate against foreign manufacturers and imports or do not lead to forced transfer of technology to Chinese companies.</p>	<p>distorting practices, such as unfair subsidisation, local content requirement and forced technology transfer. Engage China in international standardisation on EV/ICV to ensure worldwide harmonization of respective rules.</p> <p>Monitor and remind China of its WTO TBT notification obligation.</p> <p>Follow up on China's progress on the participation of foreign-invested companies in standards organisations such as TC260 and CCSA (China Communications Standards Association).</p>
<p>Intellectual Property Rights (IPR) (MADB no. 11030)</p>	<ul style="list-style-type: none"> • Avoid registration of patents and utility models of low quality and of trademarks applied for in bad-faith, and align the legal protection for geographical indications on the one existing for collective trademarks. • Ensure implementation of WTO commitments on Regulatory Data Protection, encourage China to implement recent initiatives including on the extension of the period of patent protection so as to create an IP environment that is fair to both patent owners and to generic companies, and that complies with China's international obligations • Simplify burdensome administrative and judicial proceedings and requirements for legalising foreign documents. • Enhance efficiency of enforcement measures by administrative, judiciary and customs authorities against IPR infringements and violation of trade secrets. • Encourage e-commerce and social media platforms to implement preventive and proactive solutions tackling automatically obvious and recurring online counterfeiting and piracy. • Avoid forced technology transfer in high-tech sectors (e.g. in the 	<p>EU-China IP Dialogue. Meetings take place on an annual basis around end of Spring.</p> <p>Upcoming discussions concerning the extension of the 100+100 Agreement.</p> <p>EU-China IP Working Groups take place twice a year.</p> <p>Ongoing negotiations on Geographical Indications (GIs).</p> <p>Technical cooperation programme in the area of IPR (IP Key).</p> <p>Raise issues, if necessary, during the Joint Committee and High Level Economic Dialogue (HED).</p>

<p>Cybersecurity measures</p> <p>(MADB no. 11027, 13262, 13282)</p>	<p>10 sectors covered by the Made in China 2025 Strategy)</p> <ul style="list-style-type: none"> • Following the entry into force of the Cybersecurity Law and several related implementing measures, we should ensure that the requirements introduced in these ICT-security related legislation are clearly defined, transparent, proportionate and based on international standards, licensing, testing and certification practices. • In view of further draft legislation in the pipeline such as the Draft Cryptography Law, we should avoid further excessive requirements on ICT and other high-tech-products (e.g. the 10 sectors covered by the Made in China 2025 Strategy) as well as services, such as unjustified data localisation and data storage requirements, restrictions on cross-border data flow on non-personal data, mandatory disclosure of key IP such as source code or encryption solutions, and forced technology transfer. • Avoid disproportionate interpretations of national security (for instance regarding the sweeping scope of "critical network infrastructures") as well as vague and opaque concepts (such as "secure and controllable") being included in cybersecurity related legislation. • Monitor commercial encryption regulations with a view to removing the prohibition to use foreign technology in encryption products and the obligation to disclose proprietary confidential information and achieve greater transparency regarding the awarding of mandatory licences for commercial information security products. • Remove discriminatory procurement restrictions and ensure transparency in the implementation of the Multi-Level Protection Scheme (MLPS) and the additional Cyber Multi-Level Protection Scheme. • Achieve approximation of novel Chinese Cloud regulation (to mitigate overly restrictive restrictions on cross-border flows and 	<p>EU-China Economic and Trade Working Group (ETWG). Meetings take place on an annual basis in Spring.</p> <p>EU-China High Tech Working Group (HTWG). Meetings take place on an annual basis in Spring.</p> <p>EU-China ICT Policy Dialogue. Meeting take place on an annual basis at the end Spring/Summer.</p> <p>Continue to monitor China's legislative initiatives involving cybersecurity. Submit comments to these legislative initiatives when relevant via public consultations, TBT or other channels. Continue to submit demarches when appropriate to relevant Chinese authorities and in coordination with Member States and industry when necessary. Raise issues with relevant Chinese authorities at all levels.</p> <p>Monitor developments regarding upcoming commercial encryption policy.</p>
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	<p>data localisation requirements) and remove investment hurdles and joint-venture requirements in China's 'Foreign Investment Catalogue' and 'Telecommunication Catalogue'; Achieve an opening up of licencing of virtual network and value –added services operators to EU-invested companies</p> <ul style="list-style-type: none"> • Prevent the erection of new market access barriers and unwarranted restrictions on business models in emerging strategic technological sectors such as the Internet of Things, Big Data and Cloud-related activities; • Reduce the reciprocity gaps in access to R&D framework programmes and standardisation bodies. • Preserve safe and confidential means for European-invested companies to exchange business and other relevant data with their headquarters and offshore business operators. 	
<p>Restrictions on Foreign Investment (FDI) (MADB no. 11021)</p>	<ul style="list-style-type: none"> • Open up sectors closed to FDI or subject to joint venture requirements e.g. ICT services , environmental goods and services, financial services (banking, insurance, securities, pensions) services, express delivery services, legal services, healthcare, automotive, railway, shipbuilding and marine equipment, construction, advanced engineering, oil and gas. • Ensure equal treatment between foreign and domestic investment on the basis of national treatment. • Remove other restrictions such as technology transfer, local content requirements and administrative pre-approvals. 	<p>Ongoing negotiations (EU-China Bilateral Investment Treaty).</p> <p>Address in parallel priority concerns bilaterally.</p>
<p>Pharmaceuticals (MADB no. 12172)</p>	<ul style="list-style-type: none"> • Building on significant progress achieved in aligning the new pharmaceutical regulatory system with international standards and practices used by the ICH (e.g. on issues such as requirements on clinical trials for registration of medicinal products) and the OECD (e.g. accepting OECD Mutual Acceptance of Data Programme), as well as the definition of “new drug”, eliminate discriminatory import requirements for Active Pharmaceutical Ingredients (APIs) - (chemicals used in 	<p>EU-China Economic and Trade Working Group (ETWG). Meetings take place on an annual basis in Spring.</p> <p>EU-China Pharmaceuticals Working Group. Meetings take place on an annual basis. Next meeting tentatively planned in March 2018</p>

	<p>the pharmaceutical industry). Ensure that vaccines are included in policy initiatives.</p> <ul style="list-style-type: none"> • Improve transparency and predictability in the decision-making process of drug pricing and reimbursement as well as during tendering procedures, both at national and provincial levels, including in hospital bidding processes, thus avoiding any de facto exclusion of innovative products. Provide adequate patent protection. Ensure separation between approval of drugs and any price commitment. 	<p>Support strongly the accession of China to PIC/S with a view to improve the quality of audits and inspections (China wants to become member of the management committee of ICH which requires a high level of compliance with international standards. This constitutes a strong incentive for China to progress.).</p> <p>Strongly support the project consisting in sending Chinese CFDA trainees to the EMA to learn how the EU performs drug evaluation.</p> <p>In coordination with DG SANTE and DG GROW use high-level visits to China and related meetings to raise key issues.</p> <p>Favour resolution of problems at technical level and avoid confrontation at political level.</p>
<p>Cosmetics (MADB no. 12160)</p>	<ul style="list-style-type: none"> • Improve the registration process for new cosmetics ingredients and limit the registration process to higher risk ingredients. Bring regulations on testing (animal and alternative methods) in line with international standards. Remove the discrimination between domestic 'non-special cosmetics' and imported 'non-special' cosmetics (which are subject to pre-market registration with CFDA). Ensure that efficacy assessment testing and cosmetic claim verification can be conducted by competent organisations according to CFDA requirements and that rules related to labelling are aligned with international best practices (G/TBT/N/CHN/1064). 	<p>EU-China Economic and Trade Working Group (ETWG). Meetings take place on an annual basis in Spring.</p> <p>EU-China High Level Meeting/Annual Regulatory Dialogue. Meetings take place on an annual basis in Autumn.</p> <p>In coordination with DG GROW use high-level visits to China and related meetings to raise key issues.</p>
<p>Medical Devices (MADB no. 12163)</p>	<ul style="list-style-type: none"> • Align the new medical devices regulatory system with international standards and practices on issues such as: accept clinical trials conducted in foreign countries members of IMDRF and exempt low hazard medical devices from clinical trials; eliminate the requirement of registration of medical devices in 	<p>EU-China Economic and Trade Working Group (ETWG). Meetings take place on an annual basis in Spring.</p> <p>EU-China High Level Meeting/Annual Regulatory</p>

	<p>the country of origin, accept Electromagnetic Compatibility (EMC) testing carried out by foreign ILAC/IAF accredited labs or under the IECEE-CB scheme; simplify the format of the registration certificate; abolish/limit the obligation of new registration in case of minor software updates.</p> <ul style="list-style-type: none"> • Remove “Buy China policy”: guidelines for publicly owned hospitals requiring them to preferentially equip and utilise domestic medical equipment and apparatus. • Avoid trade distorting practices for "advanced medical products" covered by the Made in China 2025 Strategy 	<p>Dialogue. Meetings take place on an annual basis in Autumn.</p> <p>Special focus in the short term on “Buy China Policy” with specific attention on the analysis of the possible discrimination element of this measure. Raise issues with relevant Chinese authorities at all levels.</p> <p>In coordination with DG GROW use high-level visits to China and related meetings to raise key issues.</p> <p>Raise issues, if necessary, during the Joint Committee and High Level Economic Dialogue (HED).</p>
<p>Licencing requirements and procedures for Services (MADB no. 11001)</p>	<ul style="list-style-type: none"> • Improve the clarity, speed and transparency of licencing approval processes in services sectors such as financial services, telecom, postal/courier, construction and computer reservation systems (CRS) and ensure proportionality and non-discrimination. A negative licencing decision should be subject to independent review. 	<p>Ongoing negotiations (EU-China Bilateral Investment Treaty).</p> <p>EU-China Economic and Trade Working Group (ETWG). Meetings take place on an annual basis in Spring.</p>
<p>Financial Services (MADB no. 11001)</p>	<ul style="list-style-type: none"> • Address the persistent lack of reciprocity in the financial sectors, in particular with reference to announcements by China in 2017 on market access opening up. 	<p>Negotiations for a Comprehensive Agreement on Investment; High-level meetings (HED, Joint Committee, ETWG); follow-up with relevant authorities.</p> <p>Identify together with European businesses concrete targets and realistic shorter-term wins for the Financial Services Sector in China.</p> <p>Engage in discussions with the Chinese authorities on possible targets for concrete short-term market access openings in areas of interest to European businesses.</p>

		<p>Engage in close cooperation with the EUCCC and its work on a horizontal Financial Services paper (in addition to the three WGs working on FS sectors such as Banking, Insurance and Consumer Finance) to establish a forward-looking constructive dialogue with the Chinese authorities, focused on future opportunities and openings (where allowing European banks to contribute more could also help the Chinese economy such as capital markets, green and sustainable financing, consumer finance, asset management, insurance).</p>
<p>Public Procurement (MADB no. 11020)</p>	<ul style="list-style-type: none"> • Encourage China to speed up its accession to the Government Procurement Agreement (GPA) by promptly submitting a significantly more ambitious market access offer to the GPA partners and by bringing Chinese legislation in line with the GPA. • Request China to make tendering and complaints resolution processes under China's Tendering and Bidding Law more accessible to foreign companies. • Ensure equal treatment of foreign and foreign-invested enterprises (FIEs) with Chinese-invested enterprises in China's public procurement market, in particular concerning the granting of licences to bid. • Avoid mandatory local content requirements (notably indigenous innovation) in government procurement. 	<p>Ongoing negotiations for China's accession to the Government Procurement Agreement (GPA).</p> <p>EU-China Public Procurement Regulatory Dialogue.</p>