

**Question for written answer E-002118/2016
to the Commission**

Rule 130

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Subject: MES for China

The Commission is re-examining the impact of recognising China as a market economy. Three options have been put forward for analysis.

The third option proposes changing the methodology used to calculate the dumping margin through new measures such as: protection of existing anti-dumping measures, a new methodology based on adjustments to productive costs, not implementing the 'lowest duty rule' when market distortion occurs, and improving the anti-subsidies system.

However, despite this, we run the risk of not being able to find a dumping margin to counter Chinese imports since Chinese prices/costs, which are distorted and do not represent the product's real value, would be used in the calculation. In this instance, not implementing the 'lowest duty rule' would not have any effect on final duties. Furthermore the proposal that the anti-subsidies system be improved is not going to stop the nefarious practices of dumping and so is not in any way an effective solution.

Should this third option be chosen, how would the Commission ensure that trade defence instruments are effective against China's unfair trade practices?