

PRESS RELEASE

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FTA
Foreign Trade Association

FTA: EU-China trade deal is a win-win; combined GDP would increase by US\$200 billion

Brussels, 20 April 2016 – The potential benefits for European jobs and growth of an EU-China Free Trade Agreement are underestimated, according to a study presented today during the [EU-China Partnership Conference](#) organised by the Foreign Trade Association (FTA). The study, which FTA commissioned to the Centre for European Policy Studies (CEPS) revealed that an EU-China trade deal would increase by US\$200 billion the combined GDP of the EU and China by 2030. This is equivalent to the GDP of Czech Republic. According to the study, a potential EU-China trade deal would impact positively the economic growth of both partners: 1.87% for China and 0.76% for the EU.

“The possible benefits in terms of growth and employment from a free trade agreement between Europe and China are substantial. The presented study will serve as an excellent tool to initiate a broader discussion about the future EU - China trade relations. A deep and comprehensive free trade agreement is good for the EU and good for China,” said Christian Ewert, FTA’s Director General.

The study also showed that EU exports to China, within the framework of a bilateral deal, would maintain more than 2.5 million jobs in Europe, including 1.1 million in Germany alone and another 1.1 million in France, Italy, the Netherlands and the United Kingdom combined. It would also boost crucial European sectors exporting to China such as machinery, the automotive, and electrical machinery, which currently face steep tariffs.

The study also notes that a free trade deal could only succeed when China implements reforms, including on state-owned enterprises (SOEs) and opening of public procurement. China’s closed public procurement market is a major frustration for EU business interested in the Chinese market. By contrast, Chinese companies routinely obtain public contracts in the EU. A comprehensive and deep trade deal is a perfect ‘fit’ for today’s China, combining reforms and ‘openness’, whilst the EU can finally pursue the ‘logical sequel’ in its trade policy vis-à-vis dynamic East Asia, the study said.

“Tomorrow’s Silk Road: Assessing an EU-China Free Trade Agreement” ([exec. summary](#) and [full version](#))

*** Note to editors: [The Foreign Trade Association](#) will be tweeting live during the event under the hashtag [#FTAtrade2016](#)

About the association: The [Foreign Trade Association](#) (FTA) is the leading business association of European and international commerce that promotes the values of free trade and sustainable supply chains. FTA represents more than 1,700 retailers, importers and brands to promote and defend free trade and supports their international business by providing information and practical solutions towards sustainability in the international supply chain.

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