



**HOUSE OF LORDS**  
European Union Committee

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Lord Price CVO  
Minister of State for Trade Policy  
Department of International Trade  
King Charles Street  
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12 January 2017

Dear Mark,

**14249/16 Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) 2016/1036 on protection against dumped imports from countries not members of the European Union and Regulation (EU) 2016/1037 on protection against subsidised imports from countries not members of the European Union**

Thank you for your Explanatory Memorandum (EM) dated 8 December 2016. The External Affairs Sub-Committee considered this document on 12 January.

We were disappointed at the lack of detail in the EM accompanying this Proposal. It was light on policy implications, providing only limited insight to the Committee. We would welcome your response to the issues below.

First, you state that the UK has urged the Commission to bring forward a proposal on how the EU should deal with market economy status (MES) for China, including the legal implications. What has the response of the Commission and other Member States been to this request? Do you anticipate that such a proposal will be produced, and to what timescale?

Second, what is the Government's own legal assessment of whether the Proposal is compliant with the EU's commitments under the WTO?

Third, what is the UK Government's position on granting MES to China? What considerations underpin this assessment?

Fourth, you state that a full impact assessment on this Proposal will be prepared by the UK Government. When will this be completed? The Committee would welcome sight of this document when available.

Fifth, the Commission's impact assessment finds that the proposal is unlikely to have significant costs or benefits to the UK in the short to medium term. Do the Government's

reservations relate only to the legalities of the new approach, or to the detail of how the Regulation is framed?

Finally, given that certain provisions of the WTO Accession Protocol of China expired on there is no firm date for the amendments to the Regulation to enter force. The Committee may wish to ask the Government how the EU will approaching this issue in the intervening period, and if this delay has any implications for its on 11 December, and the amendments to the Regulation have not yet been agreed, what implications does this have for the EU's obligations under WTO rules?

We have decided to retain the document under scrutiny. We look forward to your response in the usual 10 working days.

I am copying this letter to Sir William Cash, Chair of the House of Commons European Scrutiny Committee, the Clerk of the European Scrutiny Committee, Les Saunders at the Cabinet Office, and Edwina Osborne, EU Parliamentary Scrutiny, Department for International Trade.

*Yours sincerely,*

*Tim Boswell*

Lord Boswell of Aynho  
Chairman of the European Union Committee