



CCCEU Statement on EC proposal for regulation on foreign subsidies

BRUSSELS, May 6, 2021

The China Chamber of Commerce to the EU (CCCEU) notices the release of a legislative proposal from the European Commission for a regulation on foreign subsidies distorting the internal market on May 5, following a white paper on the same subject issued last June.

CCCEU and its members have expressed their concerns about the rationality and necessity of the new legislative initiative since the White Paper became public. During the European Commission's public consultation, the chamber submitted its feedback and further exchanged views with relevant parties and stakeholders.

At the first and initial look at the proposed regulation, we notice some of our assertions, such as on the thresholds triggering an investigation and redressive measures, were reflected. However, we urge the EU to further address issues that could pose obstacles and barriers for foreign companies, including Chinese ones, to participate in concentrations and bids in public tenders in the EU.

We raise our concern that with two existing EU tools for FDI screening and antitrust review in place, the new regulation on foreign subsidies could make investments in Europe by Chinese companies in particular trigger multiple reviews, increasing transaction costs and risks and creating greater uncertainty over transaction timelines and outcomes.

Having settled in the EU and contributed to the EU's economic growth for years or decades, CCCEU's members support an open, competitive and fair market in Europe. We sincerely hope that the tools introduced by the new regulation, if adopted, will provide legal certainty to the business community and ensure the continued openness and fairness in the EU market.

The proposed legislative text merits a granular review in terms of substantive criteria and procedures and the Chamber will assess in full its practical implications to our member companies. We will continue engaging with all stakeholders including the European Commission to share our views and comments in a constructive manner.

It is hoped that the EU will not build up new trade and investment barriers, but instead adopt a fair, transparent, and non-discriminatory approach towards foreign companies including our members, particularly in view of the economic recovery in the post-Covid era.

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