



ØKONOMI- OG ERHVERVSMINISTERIET

Commissioner Peter Mandelson
European Commission
200 Rue de la Loi
B 1050 Brussels

**MINISTER FOR ECONOMIC
AND BUSINESS AFFAIRS**

- 9 AUG. 2005

**MINISTRY OF ECONOMIC
AND BUSINESS AFFAIRS**
Slotsholmsgade 10-12
DK-1216 Copenhagen K

Dear Commissioner,

I am addressing you in relation to the recent measures imposed on Chinese textile exports.

You will recall that Denmark did not support the protective textile measures imposed on Chinese exports this summer. In short our reasoning was the following:

- Many years of protective measures under the ATC gave the European industry sufficient time to adapt to the global business environment of today.
- The extremely quick implementation of the measures contained in the agreement will distort seriously the European market, which is based to a very large extent on long term contracts and thus depending on a predictable trade policy.
- The measures will not improve the situation of less competitive EU producers, since the competitors of Chinese exporters are exporters from other 3rd countries.

Developments in the last few weeks have fully justified our concerns. Only a few weeks after the publication of the new protective trade regime, problems have arisen with quotas for a number of categories of the products concerned. These problems are particularly sensitive because imports are in most cases based on legally binding contracts, which importers have made in good faith in the light of the foreseen expiry of the ATC.

This situation is currently putting the common EU trade policy further under pressure in Denmark. The present situation will – if unchanged – cause loss of jobs and business opportunities for Danish enterprises and at the same time it will be to the disadvantage of consumers. I therefore urge you to launch a quick initiative aiming at solving the recent problems with certain categories of textile imports from China.

I do hope that you share my view that Community flexibility is of great importance in the present situation. One solution could be that the agree-

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ment shall not affect contracts completed prior to the agreement entering into force.

I shall appreciate your reaction on this matter as soon as possible, since a solution to the problem of blocked textiles from China is a matter of urgency.

Yours sincerely,


Bendt Bendtsen