GÜNTER VERHEUGEN

Vice-President of the European Commission Enterprise and Industry

MARKOS KYPRIANOU

Member of the European Commission Health and Consumer Protection

To -01- 2007 Brussels, Cabinet NB/fv - D(2006) 1272 J(2007) 52

Baron Paul De Keersmaeker, P.A. International Foundation, Franklinstraat 106-108, 1000 Brussels.

Dear Sir,

We refer to the letter you addressed to Commissioner Mandelson in July, further to the "EU-China Trade and Investment Conference". As the issue falls under our responsibility, Mr. Mandelson has transmitted your letter to us. Please apologise the delay in answering your letter which is due to the consultation of various Commission Services.

We share your views that it is the duty of the Commission and of the Member States to ensure that all conditions are met to protect the European citizens in the field of health through, notably, strict quality control of food and pharmaceuticals products. This is particularly true when these are imported from third countries which do not necessarily impose controls similar to those imposed within the EU.

In concrete terms, the Commission has, for years, been taking numerous measures which meet your concerns, and will continue doing so in the future.

Over the past several years, the European Commission has put in place a robust and comprehensive legal framework in order to ensure that Europe's food supply is the safest in the world and that the same standards of food safety apply to all products regardless of origin. The pillars of the EU food safety system are an effective range of food safety legislation, science-based risk assessment and a harmonised, co-ordinated and effective system of controls on imports of food and feed.

Furthermore, as the world's biggest importer and exporter of foodstuffs, the European Union works closely with international organisations and offers advice as well as assistance to third country trading partners. The EU has increasingly acquired a single voice on food safety issues in the international arena. For example, the Commission represents the EU in the Sanitary and Phytosanitary Committee of the WTO (SPS). Similarly, we represent the EU in the CODEX Alimentarius which sets world standards in relation to food safety.

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In particular as regards China, a Memorandum of Understanding (MoU) was agreed in the beginning of 2006 between the European Commission Directorate General for Health and Consumer Protection and the Chinese competent authorities. This MoU sets up a consultation and cooperation mechanism with a view to deepen the dialogue and enhance China-EU cooperation on questions related to food safety, sanitary and phytosanitary issues and to safety of consumer goods.

In doing so, not only we ensure a high level of health and safety protection but we also safeguard and promote sustainability, competitiveness and innovation.

The establishment of a level playing field with our main trading partners is the objective pursued by the European Commission in any trade negotiations. However, the level of development of the Commission's trade partners is taken into consideration and the required support is given to them.

The European Commission intends to give a new impetus to its actions and to that end, it has just adopted a Communication "EU-China: Closer Partners, Growing Responsibilities" which gives an overview of the actions the Commission proposes to undertake with a view to establishing a balanced and fair relationship with China. The ambition of the European Commission is to stick to its policy of openness subject to a similar and reciprocal attitude from China. The competitiveness of the European industry vis-à-vis the fierce Chinese competition has been at the centre of the preparatory work for this Communication. It is also at the centre of another Communication "Global Europe, competing in the world" which was adopted by the Commission on 4 October and will be discussed in the coming weeks and endorsed by the Council of Ministers in December.

In your letter you express concern on how to maintain within the EU, for the sake of security, the supply of strategic products in relation to the health sector. The pharmaceutical sector, for instance, is a global industry. Although most of the R&D activities are pursued in Europe, the production is diversified and spread almost all over the world and the sourcing of raw materials can take place anywhere. In our view, the key question is the capability of our industry to continue to be in the lead in innovation and whether industry has the means to protect itself against intellectual property violation and counterfeiting. Both issues are at the top of our priorities.

Yours sincerely.

Günter Verheugen

Markos Kyprianou