

POWER SHIFT



POWER INFLUENCE
Get the new edition of Power & Influence for free.

Wednesday 16 December 2015 | [Home](#) | [About Us](#) | [Advertise](#) | [Contact](#) | [HTWork.ca](#) | [Classifieds](#) | [Subscribe](#)

EMAIL

PASSWORD

LOG IN

Don't know/forgot password? [Click here.](#)

EMBASSY

EMBASSY free trial ▶

archives ▣

search

Like   

NEWS **OPINION** **POLICY BRIEFINGS** **IMMIGRATION** **TRADE** **DEFENCE** **DEVELOPMENT** **DIPLOMACY** **DIPLOMATIC CONTACTS**

HOT TOPICS: [Back to Parliament](#) | [Human Rights](#) | [2015 Year in Review](#) | [Trudeau Cabinet](#) | [ISIS](#) | [NATO](#) | [G20](#) | [TPP](#) | [Climate Change](#) | [Refugees](#)



NEWS

China wouldn't push market status in trade talks, says embassy

Like

2

Twitter

 Print  Email

Market status for China could affect steel, solar manufacturers.



Shanghai at sunset, 2012.

Flickr Photo: djandywdotcom

Peter Mazereeuw

Published: Wednesday, 12/16/2015 12:00 am EST

China's push to be recognized by Canada as a market economy won't interfere with bilateral trade negotiations, according to a Chinese Embassy spokesperson.

More Related To This Story

[Most trade probes target China](#)

[Chinese ambassador watching for Trudeau's next move on trade deal](#)

China is pressing its international peers on what Asia watchers in North America say is a top trade issue: gaining recognition as a market economy, in which product prices are shaped by a free market, not by government influence.

EMBASSY's

Party Guide

Wednesday, September 30

Ottawa's tried and tested party hotspots

PAGES 18-21

DOWNLOAD THE PDF

Newcomer Fall 2015

EMBASSY NEWCOMER



MAKE YOUR TIME IN CANADA COUNT

EMBASSY

IN-DEPTH, EXCLUSIVE FOREIGN AFFAIRS NEWS.

Daily updates. [Sign up here](#)

THIS WEEK'S ISSUE

December 16, 2015

Chinese opportunity shifting to services, say trade watchers

How to boost Canada-China business ties

As a condition of China's entry into the WTO in 2001, WTO members like Canada have effectively been allowed to treat China as a non-market economy when examining trade.

China's government is also still interested in beginning negotiations over a free trade agreement with Canada, Chinese Ambassador Luo Zhaohui told *Embassy* late last month, and Canada's Liberal government campaigned on a promise to "explore" a "deeper" trading relationship with China.

Those two objectives won't overlap, according to Yang Yundong, a diplomat and spokesperson for the Chinese Embassy in Canada.

"I don't think China's market economy status is an issue to be considered in the negotiation and conclusion of bilateral free trade arrangements between China and Canada," wrote Mr. Yang in an emailed statement.

"[T]he question of China's market economy status should be addressed within the WTO framework and the WTO members should follow WTO rules and provisions in dealing with the issue."

'Expect to hear a lot about this'

Classifying China as a country with a market economy would make it more difficult for a country to charge extra duties on Chinese imports through anti-dumping investigations, said Cyndee Todgham Cherniak, a trade lawyer at LexSage in Toronto who has represented Chinese importers into Canada.

Despite Mr. Yang's statement, two former US and Canadian officials said China's government would likely raise the issue of market economy status at some point if Canada and China were to enter into free trade negotiations.

The issue is important to China, and Canada has aggressively pursued anti-dumping sanctions against Chinese exporters in recent years, said Ron MacIntosh, a research fellow at the University of Alberta's China Institute and retired foreign service officer.

"Canadian negotiators can expect to hear a lot about this," he said.

"I don't think it's a condition [of trade talks], it's an enticement," said Sean King, a consultant at Park Strategies in Washington and a former head of outreach to China for the US Department of Commerce. "I think China will definitely use that as a bargaining chip."

However, Ms. Todgham Cherniak and John Curtis, a former chief economist at Canada's foreign ministry, disagreed.

Canada and China free trade negotiations would likely take at least five years, said Ms. Todgham Cherniak. China's government wants a quicker outcome on the market economy status issue, and would have a better chance at negotiating an agreement among many countries at once through the WTO, as Mr. Yang suggested, she said.

Market economy status is a "national prestige issue" for China, but not one that has a significant impact on its economy, said Mr. Curtis. As such, it wouldn't likely be a major sticking point in bilateral trade negotiations, he said.

Chinese steel, solar parts subject to dumping duties

China's non-market economy status at the WTO has allowed Canada and others to use different methods to determine if goods imported from China have been "dumped" or sold abroad at a cheaper price than in China, or than is reasonable.

That has made it easier for Canada and other countries to block imports of relatively inexpensive goods—such as solar panels—from China, said Ms. Todgham Cherniak.

For market economy countries, WTO members must instead use prices or costs of production in the exporting country to determine whether a good has been dumped.

The clause of China's WTO entry agreement that allows other countries to treat it as a non-market economy will expire in December 2016. However, that doesn't necessarily mean other countries will begin to treat China as a market economy, said Ms. Todgham Cherniak.

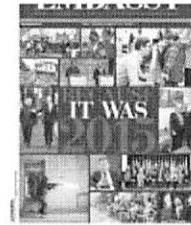
China has been pushing other countries for years to recognize it as a market economy after that clause expires, said Mr. King.

The results have been mixed: Australia agreed in 2005 to recognize China as a market economy, and German Chancellor Angela Merkel said in October that her country favoured doing so, if China continued to liberalize public procurement and other areas of its economy, Reuters reported.

However, the United States government is unlikely to confer market economy status upon China, in part because fuelling China's growth could conflict with the United States' security goals for the region, said Mr. King.

"Canada is free to look at China more in a purely business sense than the US is," he said.

Global Affairs Canada did not immediately respond when asked whether Canada's government planned to confer market economy status on China in or after December.



- Download latest PDF
- Issue Archives
- Subscribe

POLICY BRIEFINGS

October 7, 2015



- Download latest PDF
- Policy Briefing Archives

ON THE RECORD

Full text speeches and statements



Stop the arms trade

Pope Francis
09/24/2015



Climate change: We're not moving fast enough

Barack Obama
09/02/2015

[READ MORE »](#)

CANADA VIETNAM NOTEBOOK

A record of Canada Vietnam relations



'Vietnamese-Canadians' to be honoured at Victims of Communism memorial

Carl Meyer
04/01/2015



Conservatives seeing double in communist Vietnam

Carl Meyer
04/01/2015

[READ MORE »](#)

WHAT'S POPULAR ON EMBASSY

MOST READ

MOST EMAILED

Ex-oil industry exec to head natural resources minister's office

Intellectual property biggest issue for Canada in TPP, says Doer

'Trim the fat' and 'Be a snack': Government websites under overhaul

Canada 'considering everything' on climate, including re-ratifying Kyoto Protocol

planned to confer market economy status on China in or after December.

The Chinese economy has changed significantly since 2001, and many sectors operate in a relatively free market, said Mr. MacIntosh.

Giving China unconditional recognition as a market economy could spell trouble for Canada's steel and solar cell manufacturing industries, said Mr. MacIntosh, Mr. King and Ms. Todgham Cherniak.

Canada currently has anti-dumping duties in place against 18 products exported from China. That includes a variety of metal parts and photovoltaic products used in solar panels.

Recognizing China as a market economy could change the calculation used to determine if those goods had been dumped, said Ms. Todgham Cherniak. If the anti-dumping duties were removed, it would clear the way for less expensive Chinese imports to compete with domestic manufacturers.

peter@embassynews.ca
@PJMazereeuw

More from Embassy - Canada's Foreign Policy Newspaper

- A DFATD digital diplomacy guru hangs up his hat (10/07/2015 12:00 am EDT)
- Ottawa's tried and tested party hotspots (09/30/2015 12:00 am EDT)
- Latin populism's decline spells opportunity for Canada (12/13/2015 7:44 pm EST)
- TPP could cut off new restrictions to foreign investment, say trade lawyers (12/16/2015 12:00 am EST)

Recommended by

Like 1

2

Twitter

Print Email

Selected media 'thought leaders' given preferential access at high-profile Halifax forum

THE HILL TIMES HEADLINES

Politics This Morning: 'Achieving reconciliation is like climbing a mountain'

'I was ordered to do this by the prime minister of Canada,' Duffy tells court

Reconciliation means establishing, maintaining mutually respectful relationship between aboriginal and non-aboriginal peoples: TRC final report

Politics This Morning: TRC to release final report on 'one of darkest, most troubling chapters in nation's history'

Duffy tells court PMO orchestrated response to residency controversy without his knowledge

[READ MORE](#)

The Wire Report HEADLINES

CRTC denies TekSavvy relief in Toronto wholesale issue

Relevance trumps affordability in reasons to forgo Internet: Ipsos

Wind to launch LTE by end of 2016 with new financing

Future CraveTV prices unclear for non-Bell customers

How do Shaw's decisions on Canwest, mobile look today?

[READ MORE](#)

THE LOBBY MONITOR HEADLINES

On Queen Street: Counsel Public Affairs opens Ottawa office

Finance industry wants new tax incentives to lure tepid investors, meet need for P3s

Who hired who: Updates to the lobbyist registry

Communication reports filed Dec. 5 to Dec. 11, 2015

On Queen Street: H+K, Summa consultant lobbyists secure new GR postings

[READ MORE](#)

HOT TOPICS: [Back to Parliament](#) | [Human Rights](#) | [2015 Year in Review](#) | [Trudeau Cabinet](#) | [ISIS](#) | [NATO](#) | [G20](#) | [TPP](#) | [Climate Change](#) | [Refugees](#)

INSIDE EMBASSY

- [Front Page](#)
- [Immigration](#)
- [Trade](#)
- [Opinion](#)
- [Defence](#)
- [Development](#)
- [Diplomacy](#)
- [Party Time](#)
- [Columnists](#)
- [Diplomatic Contacts](#)

SUBSCRIBERS

- [Subscribe](#)
- [Login](#)
- [Update Password](#)
- [Download Electronic Edition](#)
- [Sign Up For The Electronic Edition](#)
- [Email Newsletters And Alerts](#)
- [Group And IP Subscribers](#)

MORE INFO

- [Advertising](#)
- [About Us](#)
- [Contact](#)
- [Submit An Article](#)
- [Internships](#)

HILL TIMES PUBLISHING

- [Hill Times](#)
- [The Wire Report](#)
- [Parliament Now](#)
- [HTWork Co](#)
- [Classifieds](#)
- [Reuse & Permissions](#)

STAY CONNECTED>>>

[RSS](#) [Facebook](#) [Twitter](#)

© 2015 Hill Times Publishing All rights reserved, 69 Sparks St. Ottawa ON K1P 5A5