China Angered By U.S. Anti-Dumping Duties On Steel

Joe McDonald, AP Business Writer

BEIJING (AP) — China criticized Washington for imposing anti-dumping duties on Chinese-made steel pipes and launched a probe Friday of imported U.S. autos, adding to trade tensions two weeks before President Barack Obama visits Beijing.

The latest moves ratchet up disputes over market access for goods from poultry and tires to Hollywood movies. But Beijing and Washington are confining the conflicts to diplomatic channels, apparently hoping to avert a trade war that could damage wide-ranging cooperation on issues such as the global economic crisis, North Korea and climate change.

The Commerce Ministry criticized the U.S. decision Thursday to raise tariffs on Chinese pipes as protectionist. It said the move violated World Trade Organization principles and commitments by Washington and other Group of 20 major economies to avoid protectionism amid the global economic crisis.

"China resolutely opposes use of such protectionist practices, and will take measures to protect the interests of domestic industry," ministry spokesman Yao Jian said in a statement on the ministry's Web site.

The U.S. Commerce Department said it concluded Chinese producers were dumping pipes used by the oil and gas industry and would impose duties of up to 99 percent.

Yi Xiaozhun, a deputy commerce minister, said the case was the biggest anti-dumping action yet against China by market value and affected exports worth $3.2 billion a year.

Also Friday, Beijing announced it was launching an anti-dumping investigation of imported U.S. autos. It said it was acting on a complaint by Chinese automakers but gave no details of the alleged American misconduct. The case could result in higher tariffs on U.S. autos if Chinese investigators conclude American automakers received improper subsidies or sold below fair-market price.

Beijing warned Washington at trade talks last month of the impending probe, a possible diplomatic gesture to reduce the political impact of Friday's announcement.

Meanwhile, the Chinese steel industry group said Friday major steel mills have asked the Commerce Ministry to launch an anti-dumping investigation of U.S.- and European-made hot rolled and stainless steel. It said the steel was being sold at improperly low prices and "caused injury to the Chinese market."

The U.S. Embassy in Beijing had no immediate comment about China's actions Friday.

The disputes come as Obama is due to arrive Nov. 15 on his first president visit to Beijing. Both governments have repeatedly stressed the importance of stable relations and senior leaders have avoided public comments about the trade disputes.

Beijing and Washington are especially eager to avoid irritants that might derail relations as they work together with other major governments to try to pull the global economy out of its worst downturn since the 1930s.

Both governments have stuck to the dispute-resolution process laid out in WTO agreements.

In August, Beijing backed down in a dispute over auto parts and altered its import tariffs after it lost an appeal of a WTO case brought by the United States, Europe and Canada that said it treated foreign suppliers unfairly.

On Wednesday, the United States joined Europe and Mexico in asking the WTO to investigate Chinese curbs on exports of bauxite and other industrial raw materials. Beijing says it must rein in mining to protect the environment, but Washington and others say the curbs improperly give Chinese companies favorable access to some materials.

Yi, the commerce minister, repeated Chinese complaints that Washington treats China as a non-market economy. He called that status a Cold War relic and said Beijing hopes it is soon repealed.

"The 'market economy status' is the core of this case. An important reason why the U.S. verdict is so unfavorable to us is that it used double standards rather than the WTO standard that commonly applied by other countries," Yi said. "That's why our companies are treated unfairly and unequally. China is very dissatisfied."

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