

China To U.S. On Auto Tariffs: So Sue Us

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Frank Jordans, Associated Press

GENEVA (AP) — China's new import duties on U.S.-made vehicles are legal under international rules, and if the U.S. thinks otherwise it should sue, Beijing's top trade official said Thursday.

Chinese Commerce Minister Chen Deming described the duties on imported automobiles with engine displacements of over 2.5 liters as "normal trade remedies."

Under World Trade Organization rules, countries are allowed to impose punitive tariffs to offset damage from both dumping and subsidies, but aren't allowed to use import taxes to unfairly protect domestic industries from foreign competitors.

"If somebody begs to differ, the best solution is to invite the experts from the WTO to judge," Chen told reporters at a trade ministers' meeting in Geneva.

The office of the U.S. Trade Representative said it was "very disappointed" with China's decision Wednesday to introduce the tariffs, which range from 2 percent to 21.5 percent.

Among the companies affected are General Motors Co., Chrysler Group Ltd., Mercedes-Benz U.S. International Inc., BMW's factory in Spartanburg, South Carolina, and Honda of America Manufacturing Co.

U.S. officials said they would discuss with automakers and Congress before deciding on any response.

The two countries have clashed repeatedly in recent months over trade issues. Beijing also has imposed tariffs on imports of U.S. chicken, among other products, while the U.S. has filed complaints against Chinese tariffs on steel and subsidies for wind power equipment.

U.S. trade officials have also complained that China's own subsidies to its auto industry, along with preferential access to cheap credit from state-owned banks, amount to unfair trade practices.

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