
Day After US Hikes Tariffs, China Lodges Trade Complaint With WTO

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"These American tariffs seriously violate the consensus reached by the leaders of our two countries in Osaka," Beijing's commerce ministry said, referring to trade discussions in the Japanese city in June.

"The Chinese side is strongly dissatisfied and resolutely opposed to that. In accordance with relevant WTO rules, China will firmly safeguard its legitimate rights and interests," the ministry added in a statement published on its website.

Washington's latest levies on imports from China took effect under a stepped-up high-pressure campaign aimed at compelling Beijing to sign a new trade deal.

President Donald Trump launched his trade war in March 2018, demanding that China end practices widely seen as unfair, such as forced technology transfers from US firms and the massive subsidies given to Chinese enterprises.

The additional 15 percent tariffs affected a portion of the \$300 billion in goods from China that so far had been spared.

Beijing has said it would retaliate by targeting \$75 billion in US goods, beginning in part on September 1.

The trade dispute has rattled markets and hit growth across the globe. Trade negotiations between the two countries have been at an impasse for months.

WTO court shutdown looms

Trump and China's leader Xi Jinping had agreed to "fully engage" on trade when they met in Osaka during the G20 summit in Japan.

But at the recent G7 meeting of rich democracies in France, Trump spoke of new communications between US and Chinese negotiators -- giving financial markets a brief boost -- while China's foreign ministry said it was unaware of such contacts.

The complaint has been lodged with the WTO Dispute Settlement Body (DSB), sometimes referred to as the supreme court of world trade, the ministry said.

The DSB is itself in crisis following months of deadlock triggered by the United States.

Washington has refused to approve any new judges for the body's appellate division, accusing the DSB of overstepping its authority by issuing broad rulings that Trump says violate national sovereignty.

If no new judges are approved by the end of the year, the appellate branch will not have the quorum required to hear cases, due to mandatory retirements.

In response, Canada and the European Union in July announced plans to set up a temporary appeals court to settle trade disputes.

However, that deal does not offer a broader solution to the looming WTO court shutdown, as it does not involve other nations -- notably major traders including China, India and Japan.

The Trump administration has long complained that WTO rules are unfair to the United States. Despite Trump's criticisms Washington has, in fact, won the majority of complaints it has filed with the WTO.
