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China Going After US' WTO Tariffs Violation

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Though the coverage will be small compared to the duties put on during the 15-month trade issue, these tariffs are supported by the WTO (World Trade Organization) Dispute Settlement Body (DSB) that gives Beijing the right to seek compensatory sanctions from the US.

China is requesting DSB's authorization to suspend concessions and related obligations at an annual rate of \$2.4 billion.

In 2012, China challenged the US Department of Commerce's **anti-subsidy** tariffs between 2007 and 2012, the countervailing duties on Chinese exports that include aluminum extrusions, solar panels, steel cylinders, solar panels and wind towers valued at \$7.3 billion.

Though experts say that any tariff effectivity may take a year, this latest move of China could rattle Donald Trump, a known WTO critic.

A **Reuters** report says that America is facing Chinese sanctions if the \$2.4 billion tariffs that violate WTO rules don't get lifted.

China is using the WTO tariffs move right after the WTO Geneva-based governing body found in July that the US did not follow a ruling on the removal of anti-subsidy tariffs on Chinese goods, as early as 2012 until 2017, that belong to solar panels and steel cylinders.

The WTO's arbitration body will rule whether the \$2.4 billion matches the perceived damage to the Chinese economy.

Simon Lester, associate director at the Cato Institute and former legal affairs officer at the Appellate Body Secretariat of the WTO, said that "the final amount is sure to be less than the \$2.4 billion."

The US so far has imposed \$560 billion already on Chinese goods.

China has likewise placed \$185 billion worth of duties on American products.

Henry Gao, a professor in law specializing in the WTO at Singapore Management University, said that this move will give China a bargaining edge.

The amount that is decided upon by the WTO can be converted into tariffs by China on whichever US goods it wants.

This is temporary but will remain in place until the US drops the other tariffs.

Bryan Mercurio, a professor in global trade law at the Chinese University of Hong Kong, acknowledges this move of China possibly upending trade talks.

However, he added that "China has done it in a strategic way" that shows "it is serious in protecting its own interests."

In the trade talks that happened in Washington earlier in October, the US postponed the tariff increase from 25 percent to 30 percent on \$250 billion of Chinese products.

China is going to increase US agricultural purchases, look into changes in its currency and intellectual property rules and open up its financial services sector.