China Files Trade Case against Washington

JOE McDONALD,AP Business Writer

BEIJING (AP) — China filed a World Trade Organization case Monday challenging U.S. anti-dumping measures on billions of dollars of kitchen appliances, paper and other goods, adding to worsening trade strains as global demand weakens.

Beijing's move came after American officials said the Obama administration plans to file its own WTO case this week accusing China of improperly subsidizing exports of automobiles and auto parts.

China and the U.S. have clashed over complaints about market barriers and subsidies for goods including autos, solar panels, tires, steel and chicken. Political pressures on both sides are worsening as demand for their goods cools, raising the threat of job losses in export industries.

As campaigning for the U.S. presidency intensifies ahead of a November vote, President Barack Obama and Republican nominee Mitt Romney have traded barbs on China, accusing each other of backing policies that would move American jobs overseas.

The Chinese Ministry of Commerce said its latest WTO complaint centers on the U.S. Congress's passage of a law this year that retroactively gave the Commerce Department power to impose anti-dumping duties on Chinese goods. That came after a U.S. court reversed earlier duties imposed under rules covering countries such as China and Vietnam that are deemed to be "non-market economies."

"This practice puts Chinese enterprises in an uncertain legal environment, in violation of the relevant rules of the WTO transparency and due process," said ministry spokesman Shen Danyang in a statement.

The ministry said U.S. measures being challenged cover 24 types of products worth $7.2 billion. It gave no details, but a statement from the WTO in Geneva said they include paper, steel, tires, magnets, chemicals, kitchen appliances, wood flooring and wind towers.

The Chinese filing Monday requests consultations to settle the dispute, the first stage in a WTO complaint. If no resolution is found after 60 days, Beijing can ask for the case to be handed over to a WTO panel for judgment. Depending on the outcome, China might be allowed to request sanctions.

The two governments, along with other members of the Group of 20 major rich and emerging economies, have pledged to avoid taking steps that might hamper trade and global growth. Despite that, they have traded accusations they are improperly subsidizing a range of industries or shielding them from foreign competition in violation of WTO commitments.

In July, Washington filed a WTO case challenging anti-subsidy tariffs imposed by Beijing on imports of American automobiles. Chinese authorities imposed the charges after concluding the financial rescue of General Motors Co. and Chrysler LLC violated rules against subsidies.

Among other complaints, the United States, the European Union and Japan are challenging China's controls on exports of rare earths needed by manufacturers of mobile phones and other high-tech products. Washington also is investigating complaints that Beijing is improperly subsidizing its producers of solar panels, wiping out American jobs.

The latest clashes come as global economic growth appears to be turning down due to Europe's debt crisis and a sluggish U.S. recovery despite repeated stimulus measures.

The Paris-based Organization for Economic Cooperation and Development said last week its latest economic indicators "point to a continued loss of momentum in most major economies" including the United States, the euro zone, Canada and Britain.

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Chinese Ministry of Commerce (in Chinese): www.mofcom.gov.cn [1].

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