

China warns EU to drop telecom probe, solar panel tax

BEIJING, CHINA: China has warned the European Union against escalating bilateral trade disputes, urging Brussels to drop plans to probe Chinese telecom products and impose hefty taxes on its solar panels.

The European Commission said last it would open an anti-dumping and anti-subsidy investigation into mobile telecommunications networks and their essential elements from China, if bilateral negotiations fail.

The decision followed reports that Brussels was planning to impose anti-dumping taxes of up to 68% on China-made solar panel products, a row that has been brewing since last year.

Shen Danyang, spokesman for the Ministry of Commerce, said European mobile telecommunications firms enjoy a "much bigger" market share in China than Chinese companies have in the EU, and any trade actions Brussels takes will harm both sides.

"We hope the EU will not take actions that do no good to either side," he told reporters at a regular news conference.

China will take "assertive" measures to "defend our lawful interests and rights" according to WTO rules and Chinese laws, he said, if the EU follows through with the probe.

Veiled threat

"Any consequences caused must be borne by the party who provoked the friction," he warned.

Official data from the EU showed China exports telecommunication network equipment to the EU with a market value of around €1bn (US\$1.3bn) each year.

Shen urged Brussels to oppose the tax and added that the EU would "seriously damage" bilateral trade relations if it went ahead with the punitive solar taxes.

"The abuse of trade remedy measures in a reckless and arbitrary manner will... do nothing for the solving of trade frictions and will also impede the progress of economic recovery and severely dampen confidence in recovery," he said.

"China... does not want to go into a trade war with the European Union."

More than 60% of China's US\$35.8bn of solar product exports went to the EU last year, according to Chinese industry figures, while the country imported US\$7.5bn-worth of European solar equipment and raw materials.

Source: AFP, via I-Net Bridge

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