

EU Again Shooting Itself in the Foot by Joining US Sponsored Trade War Against China

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The European Union (EU) is introducing tariffs on the import of Chinese electric cars because, as seen with the imposition of the boomeranged US-led sanctions against Russia, the bloc fully follows the policy of Washington, which is satisfied with the trade war against China. However, just like the sanctions against Russia, an economic war against China will only leave the EU weaker.

Following Washington's introduction of a 100% tariff on Chinese electric cars, Brussels decided to introduce different tariff rates depending on the car model and manufacturer. The EU had a customs duty of 10% but is now massively increasing them, in some cases, to 50%. This is a bizarre move since it will only cause more damage to the bloc and can only be explained as Brussels loyally following the policy of Washington, which wants an economic war against China.

It remains to be seen how the major EU countries, primarily Germany, France, and Italy, will react to such a move by Brussels, because China's response will surely follow. China's response will not be hasty, nor will it be massive at first, but there certainly will be a response.

Beijing will likely initiate proceedings before the World Trade Organization because these tariffs are actually protectionist measures that are not allowed under WTO rules. It will also be likely that Beijing will introduce countermeasures in sectors in which the EU significantly exports to China – primarily the processing and food industry.

China is also thinking about customs clearance of pig imports from the EU. Such measures will be slowly introduced one after the other as the trade conflict develops, but it remains to

be seen how long the EU will be able to withstand such economic pressure, especially in the context of the bloc's economic decline following the introduction of sanctions on Russia, which have backfired.

The Chinese have developed electric cars that are more than competitive with European and other manufacturers, and this is what worries the entire Western world, which has no answer to such a development. This is similar to when it was once claimed that the Chinese would not develop good mobile phones, but Huawei and other Chinese manufacturers are now global brands.

Something similar is happening now in the automotive industry.

Although China is not interested in an economic conflict with the EU, the Asian country will be forced to respond and it will be the EU suffering the most. In fact, China has already ordered an anti-dumping investigation due to the import of pork from the EU.

The fact that the EU has resorted to protectionism and is trying to protect its market from competition says more about the blocs supposed economic liberalism than anything else. China is an increasingly important partner of the EU, and this attempt to halt the expansion of Chinese electric cars with protectionist measures rather than agreement or cooperation shows once again that Western liberalism is nothing more than a defence of the old Western world order.

By producing electric cars, China threatens the European automotive industry with its solvency, but tariffs cannot be introduced because one's economy is not competitive – except in the case when someone attacks the market with products using dumping measures, which is not the situation with China.

Beijing has expressed strong dissatisfaction and opposes the EU's plan to introduce temporary tariffs on the import of Chinese electric vehicles, the Chinese Ministry of Commerce announced, noting that the EU ignored the facts and rules of the WTO by politicising economic and trade issues.

"China urges the EU to immediately correct its bad moves, implement the important consensuses reached during the recent China-France-EU trilateral meeting, and resolve economic and trade disagreements through dialogue," said a spokesman for the Ministry of Commerce.

The spokesperson added that China will take all necessary measures to defend the legitimate rights and interests of Chinese enterprises.

According to the think tank Rhodium Group, Europe is the main destination for Chinese Electric Vehicle exports, with the value of EU imports of electric cars from China standing at \$11.5 billion in 2023, up from just \$1.6 billion in 2020. The EU is afraid that its industry will be swamped by China's rapid rise in the sector, but by adopting such an aggressive policy, the bloc will inevitably suffer since it relies on Chinese-dominated supply chains to achieve its climate targets.

"Beijing is likely to use both carrots and sticks to build opposition to the Commission's case, in the hopes that a sufficiently large group of (EU) member states... emerges in order to block permanent duties," analysts at Rhodium Group said in a recent research paper.

The EU must decide by November whether to adopt the tariffs permanently, with the time until then one of probable intense negotiations between Beijing and Brussels. However, by then, the damage could already be done, and it will inevitably be the EU feeling these effects, and not China.

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