China to launch anti-dumping probes into Canadian canola, chemicals

AFP – China said Tuesday it would launch an anti-dumping probe into Canadian canola and chemical products, in apparent retaliation for Ottawa's new restrictions on imports of Chinese electric vehicles (EVs).
Canadian Prime Minister Justin Trudeau last month announced tariffs of 100 percent on Chinese EVs, accusing Beijing of "not playing by the same rules as other countries" in areas like environmental and labour standards.

The United States and the European Union have also respectively slapped tariffs of 100 percent and 36 percent on Chinese EVs, arguing that Beijing unfairly subsidises domestic producers whose products then flood foreign markets and undercut local competitors.

China has repeatedly criticised the imposition of levies and launched a series of its own investigations in response.

Its commerce ministry said in an online statement Tuesday that it "will initiate an anti-dumping investigation into canola imported from Canada, in accordance with the law".

The ministry said domestic industries had recently reported that Canadian canola exports to China "have increased significantly", reaching US$3.47 billion in 2023 while prices "have continued to fall".

It added that Canadian exporters were "suspected of dumping" products into the Chinese market and that "China's domestic canola-related industries have continued to incur losses under the influence of unfair competition by the Canadian side".

The statement also said Beijing was "strongly dissatisfied and

resolutely opposed” to the Canadian tariffs and planned to raise the issue with the World Trade Organization’s dispute resolution mechanism.

China would also launch a similar probe into “relevant Canadian chemical products, based on applications by domestic industries”, according to the ministry.

“China… will take all necessary measures to defend the legitimate rights and interests of its enterprises,” it said.

Ottawa’s EV surtax, on top of existing import duties of 6.1 percent, will be imposed from October 1.

It will target Chinese electric and certain hybrid passenger automobiles, trucks, buses and delivery vans.

Canada will also limit eligibility for EV incentives to those made in countries with which Canada has free trade deals, which would exclude China.

A separate surtax on imports of steel and aluminium products from China will be effective from October 15.

– Canola in crosshairs –

Canada is among the world’s top producers of canola – an oilseed crop that is used to make cooking oil, animal feed and biodiesel fuel – and China has historically been one of its largest customers.

But bilateral ties plunged into a deep freeze for several years from 2018, when Canada detained Meng Wanzhou, a top executive from Chinese tech giant Huawei, prompting Beijing to arrest two Canadian nationals in retaliation.

In 2019, Beijing banned imports from two Canadian canola providers – Richardson International and Viterra Inc. – citing the detection of harmful organisms in the shipments.

The move was described by the Canadian side at the time as having no scientific basis and was widely seen as motivated by the broader row between the two countries.

Relations took a positive turn in September 2021, when Meng and the two Canadian nationals being held by China were all released after Meng reached a deal with US prosecutors.

And in May 2022, China lifted its ban on canola imports from the Canadian firms, further easing the prolonged spat.

Despite the relative detente, the two countries have in recent years continued to butt heads over a range of issues from trade and technology to human rights.

AFP