

China slaps anti-dumping levy on brandy imports from EU

RETALIATORY MEASURE. Move follows EU vote for tariffs on Chinese-made EVs

Reuters
Beijing/Paris

China imposed temporary anti-dumping measures on brandy imports from the European Union on Tuesday, hitting brands from Hennessy to Remy Martin, after the 27-State bloc voted for tariffs on Chinese-made electric vehicles (EVs).

An investigation has preliminarily determined that dumping of brandy from the EU is threatening China's own brandy sector with "substantial damage", the Chinese Commerce Ministry said.

Importers of brandy originating in the EU will, as of October 11, have to put down security deposits mostly ranging from 34.8 per cent to 39 per cent of the import value, the Ministry added.

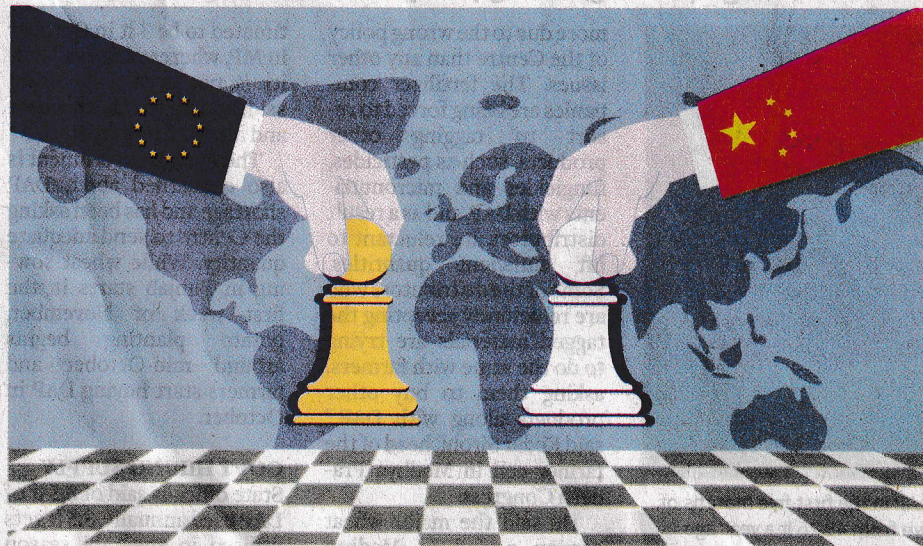
France was seen as the target of Beijing's brandy probe due to its support of tariffs on China-made EVs. It also accounted for 99 per cent of China's brandy imports last year, with French brandy shipments reaching \$1.7 billion.

WORST HIT

Hennessy and Remy Martin were among the brands worst-hit, with importers having to pay security deposits of 39 per cent and 38.1 per cent respectively.

The deposits would make it more costly upfront to import brandy from the EU. It was not immediately clear how and when importers would be able to get back their deposits. The Chinese Commerce Ministry gave no details.

Companies that cooperated in the Chinese investigation were hit with security deposit rates of 34.8 per



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cent. The rate on Martell was the lowest, at 30.6 per cent.

IMPORT DUTY

French cognac trade body, the Bureau National Interprofessionnel du Cognac (BNIC), Pernod Ricard and Remy Cointreau did not immediately respond to a request for comment. The punitive measures came on the heels of a vote by the EU to adopt tariffs on China-made EVs by the end of October. Ahead of the vote in late August, China had suspen-

ded its planned anti-dumping measures on EU brandy, in an apparent goodwill gesture, despite determining that EU brandy had been sold in China at below-market prices.

At the time, the Commerce Ministry said its probe would end before January 5, 2025, but that it could be extended.

China's Commerce Ministry previously said it had found that European distillers had been selling brandy in its 1.4 billion-strong con-

sumer market at a dumping margin in the range of 30.6 per cent to 39 per cent and that its domestic industry had been damaged.

In the EU's decision to impose tariffs on China-made EVs, the bloc set tariff rates ranging from 7.8 per cent for Tesla to 35.3 per cent for SAIC and other producers deemed not to have cooperated with the EU's anti-subsidy investigation. These will come on top of the EU's standard 10 per cent car import duty.

No reason for China to retaliate for EV tariffs: Top EU exec

Reuters
Paris

The EU's action against China-made electric vehicles was "fair and proportionate" and there was no need for Beijing to retaliate, Economy Commissioner Paolo Gentiloni said on Tuesday in a reaction on China's decision to slap new duties on European brandy

imports. "I am never worried", Gentiloni told a news conference in Luxembourg when asked if he was concerned there could be additional Chinese tit-for-tat measures.

France will work with the European Union to take action at the World Trade Organization (WTO) level to protest against China's decision to slap duties on European brandy imports, the

French Trade Minister told Reuters on Tuesday.

"This announcement seems to be a retaliatory measure following the (EU) Commission's investigation into electric vehicles.

"Such a retaliatory measure would be unacceptable, and in total contradiction with international trade rules," said Sophie Primas.