

# EU to impose tariffs of up to 38% on Chinese EVs

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THE EUROPEAN COMMISSION told automakers on Wednesday it would impose extra duties of up to 38.1% on imported Chinese electric cars from July, in a move that China called protectionist but its car industry dismissed as one without a major impact.

Less than a month after Washington quadrupled duties for Chinese EVs to 100%, Brussels said it would set additional tariffs of 17.4% for BYD, 20% for Geely and 38.1% for SAIC, on top of the existing 10%, over what it said were excessive subsidies. That equates to billions of euros of extra costs for the carmakers at a time they are struggling with slowing demand and falling prices at home, according to Reuters calculations based on 2023 EU trade data. The move comes as European automakers are being challenged by an influx of lower-cost EVs from Chinese rivals.

Shares in some of Europe's biggest carmakers which make a big portion of their sales in China, fell on fears of Chinese retaliation. Some like BMW will also now incur duties on their EVs made in China and sold in Europe.

"This anti-subsidy investigation is a typical case of protectionism," said Chinese foreign ministry spokesperson Lin Jian, adding the tariffs would damage China-EU economic and trade cooperation and the



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stability of the global automobile production and supply chain. Lin said China urged the EU to support free trade, adding Beijing would take all necessary measures to "firmly safeguard" its legitimate rights and interests.

The Chinese Passenger Car Association seemed less concerned. "The EU's provisional tariffs come basically within our expectations, averaging around 20%, which won't have much of an impact on the majority of Chinese firms," CPCA Secretary General Cui Dongshu said.

"Those exporting China-made

## China to shield rights of auto industry

CHINA'S COMMERCE MINISTRY on Wednesday said it would take all the necessary measures to safeguard the legitimate rights of Chinese auto makers, after the EU's decision to increase tariffs on China-made electric vehicles. China will closely monitor the situation, saying the bloc's decision violated global trade rules, the ministry said.

REUTERS

EVs that include Tesla, Geely and BYD still have huge potential for development in Europe in the future," he said.

China's commerce ministry said it would closely monitor the development and take all necessary measures to safeguard legitimate rights of Chinese companies.

Beijing has already launched an anti-dumping investigation into mostly French-made imports of brandy. It also passed a law in April to strengthen its ability to hit back should the United States or EU impose tariffs on exports of the world's No. 2 economy. REUTERS