

# EU joins US, Japan in 'rare earth' trade case against China

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The European Union joined the [United States and Japan](#) on Tuesday in a new complaint to the WTO against China over its restrictions on the export of rare earths used in high-tech products.

"China's restrictions on rare earths and other products violate international trade rules and must be removed," EU Trade Commissioner Karel De Gucht said in a statement announcing the challenge.

Together with the US and Japan, the EU formally requested "dispute settlement consultations" with China at the World Trade Organization, the first step in any bid to settle trade rows.

It is the second EU challenge over Chinese trade in raw materials at the WTO, after the Geneva-based body earlier this year ruled in favour of the EU.

China is the world's biggest producer of rare earths -- 17 elements critical to the making of high-tech products from iPods to missiles -- and its moves to dictate production and exports have raised a global outcry.

"Despite the clear ruling of the WTO in our first dispute on raw materials, China has made no attempt to remove the other export restrictions," said De Gucht.

"This leaves us no choice but to challenge China's export regime again to ensure fair access for our businesses to these materials," he added.

Earlier on Tuesday, [Beijing defended](#) its restrictions on exports, saying that they complied with WTO rules.

"Based on environmental protection and in order to achieve sustainable development, China carries out management policies over the export of rare earths," foreign ministry spokesman Liu Weimin said.

"We believe such measures comply with WTO rules."

US President Barack Obama is expected to announce later on Tuesday that the United States too will bring a new suit against China at the WTO over the restrictions.

Critics say Beijing's strategy is aimed at driving up global prices of the metals and forcing foreign firms to relocate to the country to access them.

But Beijing says the restrictions are necessary to conserve the highly sought-after natural resource, limit harm to the environment from excessive mining and meet domestic demand.

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