Ministry: ZTE ban will harm US

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The ban launched by the United States on Chinese telecom equipment maker ZTE Corp has caused market worries about the trade and investment environment in the US, the Ministry of Commerce said on Thursday.  
Gao Feng, the spokesman for the ministry, said that the action against ZTE Corp will harm the US.  
"The action targets China; however, it will ultimately undermine the US itself," he said at a regular news conference.  
The ministry said the US will lose tens of thousands of job opportunities, while hundreds of related US businesses will also be affected.  
The move has fueled widespread concerns over US investment and the business environment, Gao said. "We hope the US does not try to be too clever, or it will only receive a bitter outcome from what it has done."  
To meet political demand, the US Department of Commerce on Tuesday imposed a denial of export privileges against ZTE Corp for alleged violations of the export administration regulations.  
Gao said the US side should not underestimate China's determination.  
"If the US attempts to curb China's development and force China to make concessions by sticking to its unilateral protectionism at the cost of harming the interests of Chinese and US companies, it miscalculates," he said.  
Gao said China does not want to see the World Trade Organization trade remedy measures abused or used for protectionism, after the US launched anti-dumping and anti-subsidy measures against Chinese steel wheels and claimed on Wednesday that general-purpose aluminum alloy plates from China received government subsidies.  
The US has initiated five investigations on anti-dumping and countervailing measures against Chinese products so far this year. The number of cases has increased significantly year-on-year. Three of the five products involved are steel products.  
According to US statistics, a total of 223 trade remedy measures that have taken effect in the US are aimed at steel and related products, accounting for more than 50 percent of all trade remedy measures in the US.  
The Ministry of Commerce announced on Thursday its preliminary anti-dumping ruling, revealing halogenated butyl rubber originating from the US, European Union and Singapore is being dumped into China.  
China and the US have not started any form of negotiation on the latter's Section 301 investigation and tariff list, according to the ministry.  
Thilo Hanemann, director at New York-based Rhodium Group, said political influence, rather than commercial forces, has already affected two-way investment between China and the US since 2017.  
Foreign direct investment between China and the US fell 28 percent in 2017 year-on-year to $43.4 billion due to lower Chinese outflows, according to a report by Rhodium Group released this month.  
"There are two factors behind such a drop, the crackdown on the irrational outbound direct investment China launched and the regulatory restrictions the US issued, which led to various consequences such as much slower and more complicated transactions," Hanemann said.  
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