
Japan unlikely to follow US and EU in WTO filing against China

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An official at the Ministry of Economy, Trade & Industry told Platts that Japan is unlikely to follow the US and the European Union that have filed complaints to the World Trade Organization that China's metal export restrictions are against WTO rules.

The official in charge of WTO affairs told Platts over the phone that the minister, who is currently in Paris, will make the final decision, and Japan's stance had been to settle all bilateral trade issues, including China's metal export restrictions, through dialog.

The US and the EU claim that China's restrictions on exports of bauxite, coke, magnesium, zinc, silicon metal and other metals, create unfair advantages for Chinese industries and distort world competition.

Mr Ron Kirk US Trade Representative said this week, upon filing the complaint to WTO, that "China is a leading global producer and exporter of the raw materials in question and access to these materials is critical for US industrial manufacturers."

Although Japan appears unmoved yet by the US and the EU moves, the Japanese government nevertheless has voiced concerns over China's production and export restrictions on rare earth. The Japanese trade ministry continues to seek talks on a bilateral basis, as it was more important for Japan to understand the ultimate aim behind China's export restrictions, possibly leading to a joint solution.

Mr Norihiro Yamaji, a ministry official in charge of rare earth, during an interview with Platts on May 26th 2009, said that "In our communications with the Chinese National Development Reform Commission and Ministry of Commerce officials, we have been told that their aim was to protect natural resources but I believe their ultimate aim is to fuel the growth of competitive high tech industries, by discouraging rare metal consumptions to take place outside of China."

Mr Yamaji pointed out that China, which owns over half of the world's rare earth deposits, is looking to expand its rare earth interests in Australia.

(Sourced from www.platts.com)

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