

# China to contest WTO trade ruling

BBC

August 17, 2009

China is to appeal against a World Trade Organization (WTO) ruling that calls for it to end restrictions on the import of US film and music products.

Its move comes a week after the WTO said China's policy of allowing the goods to be imported only by state-run firms broke global trade rules.

A spokesman for the Chinese Ministry of Commerce said it considered that the WTO had made an "improper" decision.

The US called last week's ruling a "significant victory".

## **Counterfeit problem**

The WTO wants private Chinese firms to be able to import US DVDs, CDs, computer games, books, magazines and films, making it easier for US entertainment companies to access the Chinese marketplace.

It also ruled that US music download firms should be able to offer their services direct to Chinese consumers.

However, the WTO said China could continue to block the import of any foreign products it found objectionable.

China's current limitations on US entertainment imports have created a large domestic counterfeit industry, much to US annoyance.

The case is just the latest in a series of trade disputes between China and the US.

While Washington has long accused China of trade protectionism, the US is also unhappy at the high volume of Chinese exports to America, accusing Beijing of deliberately keeping the yuan undervalued to make its exports artificially cheap.

President Barack Obama has until 17 September to decide whether to restrict the import of Chinese car and light truck tyres.

The US trade deficit with China totalled \$103bn (£63bn) in the first half of 2009, down 13% from the same period last year.