

China tire row need not spark trade war: US official

Agence France Presse
August 17, 2009

SAO PAULO, Brazil — A spat over US tariffs on Chinese tires need not trigger a trade war between Washington and Beijing, US Trade Representative Ron Kirk said Wednesday.

"I don't believe it should or need spark any trade war," Kirk said during a visit to Brazil.

"In the short-term it could mean that we buy a lot more tires from Brazil," he added to a conference of Brazilian businesspeople.

The United States last week imposed punitive tariffs of 35 percent on Chinese-made tire imports -- a move that prompted Beijing to lodge a complaint this week at the World Trade Organization.

WTO chief Pascal Lamy said Wednesday that Washington's move was a "matter of concern" that could increase the risk of a "tit-for-tat spillover."

Beijing charges that Washington's move violates WTO rules but US President Barack Obama has denied that it amounted to protectionism.

Obama and his Chinese counterpart Hu Jintao pledged to resist protectionism during a meeting in April.

The Group of 20 top developed and developing countries have also made a similar pledge.

Kirk, who had argued generally against trade protectionism in his speech at the American Chamber of Commerce in Sao Paulo, defended the tariff move on Chinese tires.

He said China had agreed upon entering the WTO that certain industries in other countries could benefit from trade protection if they were threatened by cheap Chinese exports.