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EU initiates WTO consultations challenging China's anti-subsidy investigation

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European Commission launched a consultation request at the World Trade Organization (WTO), challenging China's initiation of an anti-subsidy investigation against imports of certain dairy products from the EU.

This is the first time the EU has decided to challenge an investigation at its initiation stage. The EU's action was prompted by an emerging pattern of China initiating trade defence measures, based on questionable allegations and insufficient evidence, within a short period.

In so doing, the Commission is following through on its commitment to firmly defend the interests of the EU dairy industry and the Common Agricultural Policy against abusive proceedings.

The Commission has followed the investigations very closely from the beginning, in full cooperation with exporting EU producers and Member State authorities. The Commission is determined to make full use of all available legal means to defend the EU industry against the abuse of trade defence instruments.

The consultations requested by the EU today represent the first step in WTO dispute settlement proceedings. If they do not lead to a satisfactory solution, the EU could request a panel to be set by the WTO to decide on this investigation.

China initiated its dairy investigation on 21 August 2024. The investigation targets liquid milk and cream with a fat content higher than 10 per cent and various types of cheese from the EU. The investigation targets subsidies under the EU's Common Agricultural Policy as well as certain national and regional programmes. The Commission is confident that these subsidy schemes are fully in line with international rules and are not causing injury to the Chinese dairy industry.