

EU LAUNCHES WTO CASE AGAINST CHINA FOR 'TARGETING' LITHUANIA

Relevant for: International Relations | Topic: World Trade, WTO and issues involved

The European Union angered China on Thursday by launching a case against Beijing at the World Trade Organization (WTO) for targeting Lithuania over its stance on Taiwan.

The move by Brussels was a further deterioration in ties between China and the bloc, with a long-negotiated investment deal already on the rocks after both sides exchanged tit-for-tat sanctions.

The latest spat is over Lithuania, one of the smallest countries in the European Union, which made waves in July when it allowed Taiwan to open a diplomatic outpost in Vilnius.

The move outraged Beijing, which does not recognise Taiwan as a state and considers the self-ruled democratic island a rebellious territory of the mainland.

"Launching a WTO case is not a step we take lightly," said the EU's trade chief Valdis Dombrovskis in a statement.

"However, after repeated failed attempts to resolve the issue bilaterally, we see no other way forward than to request WTO dispute settlement consultations with China," he said.

The European Commission handles trade policy for the EU's 27 member states and takes the lead on conflicts at the WTO in Geneva, even if they involve a single state.

By going to the WTO, the EU lent support to accusations by Lithuanian business leaders and officials that the row has resulted in China blocking imports from Lithuania and other economic restrictions.

The move on Thursday launches a 60-day window for the two sides to come to a solution before moving the dispute to a panel.

Beijing responded bitterly to the move, calling accusations of the "so-called" Chinese coercion "groundless and inconsistent".

"The issue between China and Lithuania is a political one, not an economic one," said Chinese Foreign Ministry spokesman Zhao Lijian.

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