WASHINGTON — The Commerce Department on Wednesday set preliminary anti-dumping duties of as much as 210% on millions of off-road tires from China that it said were being sold in the United States at unfairly low prices.

The tires were the sixth Chinese product to be hit with U.S. anti-dumping duties since the start of the year. The others include nails, certain steel pipe, a teeth-whitening ingredient and laminated woven sacks used to package items such as dog food and bird seed. This diverse list reflects the array of U.S. manufacturers feeling pressure from Chinese exports that many complain are unfairly priced.

"Price distortion by Chinese exporters puts American manufacturers at an unfair disadvantage," David Spooner, assistant secretary of Commerce for Import Administration, said in a statement announcing the action.

U.S. imports of the tires targeted in the case rose from 11.2 million in 2004 to nearly 15 million in 2006. The duties do not affect tires used on aircraft, all-terrain vehicles, trailers, golf carts, and lawn and garden equipment.

The U.S. International Trade Commission must make a final determination that U.S. producers have been materially harmed, or are threatened with material harm, for final duties to go into effect. That decision is expected in August.

Altogether, the United States has more than 60 anti-dumping orders in force against China. Many date back years.

Titan Tire Corp. -- an Iowa-based company that makes off-road tires for agricultural, construction and industrial vehicles for customers including John Deere -- and union workers filed two cases last year asking for import relief.

The Commerce Department responded in December to Titan's complaint that the Chinese government subsidizes off-road tire production by setting preliminary countervailing duties ranging from 2.38% to 6.59%.

The separate duties announced Wednesday are intended to stop Chinese companies from "dumping" off-road tires in the U.S. market at below fair market prices.

An unspecified number of companies now face a China-wide rate of 210.48%.
China’s probe “not revenge” for hefty tire tariff
20 September 2009, China Daily Times

BEIJING, Sep. 14 -- Just two days after the decision by the United States to levy heavy import tariffs on Chinese tires, the government here has reacted by launching an anti-dumping and anti-subsidies investigation into automotive and chicken exports from the US.

The Ministry of Commerce (MOFCOM) Sunday did not label it as retaliation against the tire dispute, but said it acted simply in a response to domestic concerns.

The probe, which is in line with World Trade Organization (WTO) rules, follows complaints from Chinese manufacturers that US-made products entered the nation's markets with "unfair competition" and harmed domestic industries, said the ministry in a statement.

US President Barack Obama's signed a document "to apply an increased duty to all imports of passenger vehicle and light truck tires from China for a period of three years" on Friday, according to the White House. In addition to the existing duties of 4 percent, tariffs will rise a further 35 percent in the first year, 30 percent in the second and 25 percent in the third. The levy will take effect before Sept 26.

The move was met with anger in China. Minister of Commerce Chen Deming branded the decision a violation of WTO rules, a grave act of trade protectionism and a breach of the commitment the US made at the Group of 20 (G20) financial summit in London in April.

"This is an abuse of special safeguard provisions and sends the wrong signal to the world," he said in a statement on the MOFCOM website. He assured China would do everything in its power to protect the legitimate rights of the tire producers but did not elaborate. However, in an earlier statement, ministry spokesman Yao Jian said the country would "reserve all legitimate rights, including referring the case to the WTO". "Chinese tire producers pose no direct competition to those in the US," he said before adding that China's tire exports to the US had not witnessed a remarkable increase as claimed by the USW. Last year, the country's tire exports to the US grew by just 2.2 percent compared to 2007 and, in the first half of this year, fell 16 percent compared to 2008, explained Yao. "Four US companies have tire production operations in China and account for two-thirds of exports to the US. The tariffs will have a direct impact on them," he said.

Washington played down the dispute on Saturday, claiming it is simply "enforcing the rules" and did not expect the move to escalate into a trade war.

Cooper Tire and Rubber Co, a US-based tire maker, warned that higher tariff could disrupt markets. The company said in a statement it believes in free and fair trade, and that the ITC's proposed remedy "is not appropriate or acceptable and could have significant negative impacts causing considerable market disruption".