

Chinese trade

China's premier defends free trade on eve of US presidential election

Li Qiang bemoans global rise of protectionism at Shanghai import expo amid escalating tariff brawl



Li Qiang told an import expo in Shanghai on Tuesday that China would upgrade pilot free trade zones and explore free trade and investment agreements with other countries © Bloomberg

Thomas Hale in Shanghai 50 MINUTES AGO

China's premier has issued a defence of international trade on the eve of the US presidential election, telling a flagship import forum in Shanghai that Beijing was open to investment and free trade agreements despite a "backlash against globalisation".

"Unilateralism and protectionism are clearly on the rise," Li Qiang said at the launch of the China International Import Expo (CIIE) on Tuesday. "Against such a backdrop it is all the more important for us to uphold, expand and upgrade opening up."

In an apparent reference to escalating tensions with the EU and US over electric vehicle tariffs, Li also complained of "acts of dishonesty" and "rule breaking".

"Many issues that should not have become problems keep emerging," he said.

Beijing on Monday lodged a complaint with the World Trade Organization in response to the EU's move last week to [raise tariffs on Chinese EVs](#). The bloc alleged that Chinese state subsidies for the industry were undermining European carmakers on price.

The US and Canada have also threatened to impose tariffs of up to 100 per cent on Chinese EVs, severely straining [trade](#) relations.

China has retaliated with anti-dumping investigations in sectors including European dairy products, brandy and Canadian canola imports.

President Xi Jinping launched the CIIE in 2018 to promote China as an inbound investment destination. About 3,500 foreign companies are attending this year's conference, which coincides with a pivotal US election that could lead to a further deterioration in trade sentiment given Donald Trump's pledge to levy a 60 per cent tariff on all goods from China.

The event also comes at a challenging moment for Chinese policymakers. Foreign investment into China has plunged in recent years amid concerns over the country's lagging economic momentum and a prolonged property slowdown, and authorities are expected to [unveil a fiscal stimulus package](#) this week to support struggling local governments.

Li said on Tuesday that China was on course to hit an official full-year growth target of about 5 per cent, which is the joint lowest in decades and the subject of recent doubts from analysts.

He added that China would continue to upgrade pilot free trade zones and explore "high standard" free trade and investment agreements with other countries.

On Monday, Li met representatives from foreign businesses including General Electric and chip design toolmaker Synopsys, according to Chinese state news agency Xinhua, which said the Chinese premier emphasised the importance of opening up market access in sectors such as telecommunications, healthcare and education.

The EU Chamber of Commerce in China has frequently [called for greater market access](#) for foreign businesses in the world's second-largest economy.

Separately on Tuesday, US investment bank Morgan Stanley confirmed it had gained final approval for its China futures business. It will become the second US bank to enter the mainland derivatives market, after JPMorgan in 2020, following the removal of restrictions on foreign ownership of such companies.

Additional reporting by Wang Xueqiao in Shanghai

