Chinese trade

China hits Canada with retaliatory tariffs on agricultural goods

Beijing accuses Ottawa of 'discriminatory' levies on electric vehicles

1 of 4



China said it would impose 100% tariffs on Canadian rapeseed oil imports © Todd Korol/Reuters

Eleanor Olcott in Beijing and Ilya Gridneff in Ottawa

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Beijing will impose tariffs on Canadian agricultural and food products in retaliation for Ottawa's levies on Chinese electric vehicles, stoking greater uncertainty over the North American country's economy.

<u>China</u>'s commerce ministry on Saturday said it would impose 100 per cent tariffs on Canadian rapeseed oil and pea imports and a 25 per cent levy on pork and some seafood imports.

The government said it was responding to "discriminatory" tariffs of 100 per cent on electric vehicles and 25 per cent on steel and aluminium that Ottawa announced in August, which followed similar actions by the US.

In response, Beijing filed a complaint with the World Trade Organization and launched an anti-dumping probe into Canadian imports of rapeseed products.

Canada's international trade minister Mary Ng on Saturday said China's "unjustified tariffs" were deeply disappointing.

"Canada does not accept the premise of China's investigation, nor its findings," she

2 of 4 3/9/2025, 05:30

saiu iii a joint statement with other ministers.

The tariffs will take effect on March 20 and add to uncertainty for Canada's export industries, with US President Donald Trump threatening to impose blanket duties on imports from the North American neighbour.

Trump <u>backtracked on his threat</u> this week to impose sweeping 25 per cent tariffs on Mexico and Canada but maintained the possibility of the measures being imposed in April.

China is an important market for Canadian rapeseed, a crop also known as canola. China bought \$3.5bn worth of Canadian canola products, including oil and seeds, making it the largest market behind the US, according to the Canola Council of Canada trade group.

Canadian politicians have responded to Trump's threats by highlighting the need to diversify away from its main trading partner. But Beijing's announcement on Saturday underscores the limited options available. China is Canada's second-largest trading partner, far behind the US.

When Canadian Prime Minister Justin Trudeau announced the duties on Chinese EVs and metals in August, he accused China of "not playing by the same rules". The US and EU have imposed similar tariff increases on the Chinese EV industry for allegedly receiving unfair state support.

Carmaking is one of Canada's most important manufacturing sectors, with plants supplying the US market.

Trade minister Ng on Saturday said Canada had been forced to deal with China's "non-market policies and practices" that artificially lowered production costs for Chinese makers and distorted markets.

"Canada remains open to engaging in constructive dialogue with Chinese officials to address our respective trade concerns," she said.

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3 of 4 3/9/2025, 05:30

Trade disputes

Chinese trade

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4 of 4