

Weekly China Insight

Beijing, 19 December 2025

Beijing finalizes but lowers anti-dumping tariffs on EU pork

On 16 December, the Chinese commerce ministry (MofCom) released its final ruling on an 18-month anti-dumping investigation into pork imports from the European Union, announcing significantly reduced tariffs relative to preliminary levels set in September. The new five-year tariff rates, effective from 17 December, range from 4.9% to 19.8%, down from a previous range of 15.6% to 62.4%. Spanish firms emerged as clear winners, with all of its participating exporters receiving rates below 10%. In contrast, non-cooperating companies face the highest rate of 19.8%. The decision follows protracted negotiations between Beijing and Brussels, and comes amid broader retaliatory trade actions, including EU tariffs on Chinese EVs and ongoing disputes over semiconductors, dairy, and brandy.

The softened tariff schedule reflects Beijing's strategic calibration to balance market protection for its domestic pork industry with a desire to stabilize relations with key EU members like Spain. However, the anti-dumping duties still help Beijing maintain leverage with EU amid broader trade frictions.

China launches expiry review and maintains steep anti-dumping duties on US, EU, and Korean synthetic rubber

On 19 December, the Chinese commerce ministry (MofCom) announced the initiation of an expiry review into existing anti-dumping duties on ethylene-propylene diene monomer (EPDM) rubber imported from the United States, South Korea, and the European Union (EU). The duties, first imposed in December 2020, will remain in place during the review period, with rates as high as 222% for US firms such as Dow Chemical and ExxonMobil, and between 12.5% and 31.7% for South Korean and European companies. The review was requested by major Chinese petrochemical producers who argued that lifting the tariffs would likely result in continued or renewed dumping to the domestic industry.

By maintaining prohibitive duties while launching a review, Beijing signals its intent to use trade defense tools not only for protection but also as leverage in broader geopolitical and supply chain conflicts.

China approves first general license for rare earth exports

On 18 December, the Chinese commerce ministry (MofCom) confirmed it has approved some applications for general export licenses of rare earth materials, signaling an incremental

softening in its export control regime. MofCom spokesman He Yadong said the move comes after Chinese exporters accumulated compliance experience and met basic eligibility thresholds. These licenses permit longer-term, recurring shipments to pre-approved foreign buyers. Although the number of approvals and specific terms remain undisclosed. The announcement follows reports from European officials that some EU firms have received such licenses, though industry groups still call for greater clarity on the licenses' eligibility and implementation.

Beijing's selective approval of general licenses for rare earth exports aims to reassure key European partners while preserving leverage over critical mineral exports. This strategy reinforces China's strategic use of economic tools to manage geopolitical tensions and to maintain influence over key supply chains.

China launches full customs separation for Hainan, creating a new gateway for market opening

On 18 December, China officially launched island-wide customs operations for the Hainan Free Trade Port (FTP), marking a new phase in its efforts to build the world's largest duty-free trade zone. Vice Premier He Lifeng, speaking at the opening ceremony in Haikou, emphasized that the initiative – personally overseen by President Xi Jinping – is a major strategic decision to deepen reform and expand market opening. Under the new customs regime, most goods entering Hainan from abroad can now do so without import duties, value-added tax, or consumption tax. Goods moving from Hainan to the mainland will be taxed as foreign imports, unless they meet a 30% local value-added threshold.

The new system expands zero-tariff coverage to 6,600 product categories and creates “first-line” ports that allow freer trade with overseas markets, while maintaining standard customs controls for transfers to the mainland. The policy also supports liberalization of cross-border capital flows and data. Over RMB 500 million worth of goods, including crude oil and medical equipment, entered Hainan duty-free on the launch day alone.

Beijing's activation of full customs separation in Hainan is a symbolic and strategic maneuver aimed at showcasing its commitment to high-level opening amid rising global protectionism. However, the initiative's success will depend on whether it can overcome regulatory, legal, and investment hurdles to evolve beyond a showcase into a scalable model for deeper economic integration both domestically with the rest of China and with the rest of the world.