

China to impose temporary anti-subsidy duties on EU dairy imports

24 December 2025 | News

The ministry said preliminary findings indicate that EU dairy exporters benefited from government subsidies that caused “material injury” to China’s domestic dairy industry



The ministry said preliminary findings indicate that EU dairy exporters benefited from government subsidies that caused “material injury” to China’s domestic dairy industry

China will impose temporary anti-subsidy measures on certain dairy products imported from the European Union, the Ministry of Commerce said, escalating trade tensions between Beijing and Brussels.

The measures will take the form of provisional countervailing duty deposits on EU dairy products, including milk, cheese and cream. The ministry said preliminary findings indicate that EU dairy exporters benefited from government subsidies that caused “material injury” to China’s domestic dairy industry.

According to the ministry, the investigation found a causal link between the subsidies and damage to Chinese producers, including price suppression, increased EU market share and declining profitability among domestic dairy companies.

The probe was launched on Aug. 21, 2024, following applications from the Dairy Association of China and the China Dairy Industry Association. Authorities examined financial support under the EU’s Common Agricultural Policy as well as additional subsidies provided by individual EU member states, including direct payments, price support and other forms of aid to farmers.

Based on the preliminary determination, China will apply tiered countervailing duty rates depending on exporters's cooperation with the investigation. EU dairy companies that cooperated by submitting detailed cost data and allowing verification were assigned a provisional tariff rate of 28.6 per cent.

Companies that failed to cooperate or provided incomplete information will face a higher punitive rate of 42.7 per cent, the ministry said. Such tiered tariff systems are standard practice in anti-subsidy and anti-dumping cases, aimed at incentivising transparency and compliance.

The ministry said the investigation was conducted in accordance with Chinese laws and regulations as well as World Trade Organisation rules.

The move comes amid broader trade frictions between China and the European Union, particularly following the EU's decision to impose tariffs on Chinese electric vehicles. In response, Beijing has launched a series of trade defence investigations into European products, including brandy, pork and now dairy.

Last week, China announced it would impose tariffs of up to 19.8 per cent on EU pork imports, significantly lower than earlier provisional rates of up to 62.4 per cent. Chinese authorities accused European exporters of dumping pork and pig by-products in the Chinese market at unfairly low prices, harming domestic producers.

Analysts say the latest measures underscore China's willingness to use trade remedies as leverage amid escalating disputes with major trading partners, while leaving room for adjustments as investigations move toward final determinations.