Battery electric vehicles bevs brussels

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Brussels has accused Beijing of lavishing its BEVs with subsidies to artificially lower ...

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This is the preliminary conclusion of the European Commission"s trade investigation, announced on Wednesday after weeks of mounting speculation. Diplomats and lobbyists had eagerly waited to see how far the executive would go to confront Beijing, a task that, despite its pressing nature, remains divisive among member states.

The muscle-flexing took many by surprise.

The Commission has proposed a robust range of tariffs to even things out: 17.4% for BYD, 20% for Geely and 38.1% for SAIC. The other BEV producers based in China that cooperated in the investigation, including Tesla and BMW, will be subject to a 21% duty. Those that did not cooperate will fall under the 38.1% category.

The tariffs will enter into force on 5 July on a provisional basis. A proposal for permanent measures will come in November and be put to a make-or-break vote.

Wednesday"s announcement exceeded industry and experts" expectations of a 20% rate and showcased a firm determination to challenge Beijing"s unfair practices, which the bloc had previously excused for the sake of cooperation until it backfired on its face.

The Commission"s findings are a damning indictment that appears to be designed to convince skeptics about the urgent need to take hard-hitting action.

"In this particular case, we had no option but to act in the face of soaring imports of heavily subsidised BEVs produced in China and their rising share of this market in the EU," said Valdis Dombrovskis, the Commission"s Executive Vice-President.

During the investigation, which began in early October, Commission officials found that subsidies were virtually ubiquitous in China"s BEV sector.

Public money was detected across the entire supply chain, from the mining of raw materials to the production of battery cells and the manufacturing of cars. Even the shipping services needed to bring the goods to EU ports received state backing.

Some subsidies, such as preferential lending, tax reductions, direct grants and cheap land, were familiar to Brussels as they had been spotted in other fields before. But others, officials said, were "case-specific" to accommodate the needs of BEV production. These included the supply of lithium and batteries "below their market price," the issuance of "green bonds" that companies were compelled to buy, and the distribution of consumer benefits that were - in fact - paid out to producers.