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**CHINA – ADDITIONAL IMPORT DUTIES
ON CERTAIN AGRICULTURAL AND FISHERY PRODUCTS FROM CANADA**

REQUEST FOR CONSULTATIONS BY CANADA

The following communication, dated 20 March 2025, from the delegation of Canada to the delegation of China, is circulated to the Dispute Settlement Body in accordance with Article 4.4 of the DSU.

The Government of Canada hereby requests consultations with the Government of the People's Republic of China ("China") pursuant to Articles 1 and 4 of the *Understanding on the Rules and Procedures Governing the Settlement of Disputes* (DSU) in conjunction with Article XXII:1 of the *General Agreement on Tariffs and Trade 1994* ("GATT 1994"), with respect to measures adopted by China, pursuant to a domestic "antidiscrimination investigation", that impose a 100 percent *ad valorem* rate of import duty on certain canola seed oil, oil residue cake and peas from Canada and a 25 percent *ad valorem* rate of import duty on certain seafood and pork products from Canada entering China as of March 20, 2025. These import duties are in addition to any duties imposed by China pursuant to its tariff commitments as set out in its GATT 1994 Schedule of Concessions.

I. Background

On September 26, 2024, China announced that it was launching an "antidiscrimination investigation" ("the investigation") under Articles 36 and 37 of the *Foreign Trade Law of the People's Republic of China*, examining certain measures of Canada, including surtaxes on electric vehicles, steel and aluminum, and fiscal incentives for clean energy vehicles in Canada. The investigation is the first of its kind ever undertaken by China, and is not subject to any publicly available rules or procedures. As part of the investigation, China invited interested parties to submit written comments and circulated a questionnaire which included questions about the consistency of Canada's measures with Canada's WTO obligations, their compliance with Canada's domestic law, and whether those measures had the potential to cause economic impact in China.

On March 8, 2025, the Ministry of Commerce of China ("MOFCOM") published Announcement No. 11 of 2025 ("the MOFCOM ruling") claiming that the investigation found that Canada's measures constituted "discriminatory prohibitions, restrictions or other similar measures against China" under Article 7 of the *Foreign Trade Law of the People's Republic of China*, and that Canada's measures "affected the normal trade order and had a serious negative impact on China." The MOFCOM ruling announced that, as a result, "anti-discriminatory measures" in the form of additional tariffs on Canadian goods would be adopted.

Also on March 8, 2025, the Customs Tariff Commission of the State Council issued Announcement No.3 of 2025 ("Customs Tariff Commission Announcement") providing that the State Council approved tariffs to be imposed on certain imported products originating in Canada beginning on March 20, 2025. The Customs Tariff Commission Announcement provided that an additional 100 percent tariff would be imposed on canola seed oil, oil residue cake, and peas. The Customs Tariff Commission Announcement also provided that an additional 25 percent tariff would be imposed on certain seafood and pork products. The precise product scope for both sets of additional tariffs was set out in Annexes 1 and 2 to the Customs Tariff Commission Announcement.

II. Measures at Issue

The legal instruments through which China conducted its investigation and imposes and administers these additional tariffs on imported products originating in Canada include the following, operating separately or in combination:

1. The Foreign Trade Law of the People's Republic of China (2022 Amendment), including Articles 7, and 35 through 39;
2. Ministry of Commerce Announcement on the Anti-discrimination Investigation on Canada's Restrictive Measures on China, Announcement No. 40 of 2024 of the Ministry of Commerce, September 26, 2024.
3. Comment Form on the Anti-discrimination survey of Canada, Announcement No. 40 of 2024 of the Ministry of Commerce, September 26, 2024, attachment;
4. Publication of the Determination in the Anti-discrimination Investigation of Certain Restrictive Measures taken by Canada against China, Announcement No.11 of 2025 of the Ministry of Commerce, March 8, 2025;
5. Findings on the Anti-Discrimination Investigation into Canada's Restrictive Measures, Announcement No. 11 of 2025 of the Ministry of Commerce, Attachment, March 8, 2025;
6. Announcement of the State Council Customs Tariffs Commission regarding Imposition of Additional Tariffs on Imports of Certain Products from Canada, Tariff Commission Announcement No. 3 of 2025, March 8, 2025;
7. Attachments 1 and 2 to the Announcement of the State Council Customs Tariffs Commission regarding Imposition of Additional Tariffs on Imports of Certain Products from Canada, Tariff Commission Announcement No. 3 of 2025, Attachments 1 and 2, March 8, 2025;
8. The Customs Law of the People's Republic of China and the Tariff Law of the People's Republic of China, (2021 Amendment) in particular, Chapter V governing the evaluation and collection of tariffs on imports;
9. The Tariff Law of the People's Republic of China, in particular, Articles 7.6 and 7.7, providing authority for the Tariff Commission to impose additional tariffs on imports.
10. The Regulation of the People's Republic of China on the Place of Origin of Import and Export Goods (2019 Revision)
11. Import and Export Tariff Schedule of the People's Republic of China (2025), Tariff Commission Announcement No. 13 of 2024, Attachment;
12. Other laws and regulations associated with the implementation process of duty collection at customs, including:
 - a. Enterprise Income Tax Law of the People's Republic of China (2018 Amendment);
 - b. Interim Regulation of the People's Republic of China on Value Added Tax (2017 Revision); and
 - c. Interim Regulation of the People's Republic of China on Consumption Tax (2008 Revision);

as well as any amendments, replacements, renewals, extensions, implementing measures, exemptions, or other related measures or instruments thereto, including any subsequent measures that alter the rate or scope of the tariffs.

III. WTO Obligations at Issue

The Government of Canada considers that the above measures appear to be inconsistent with China's obligations under the following provisions:

1. Article 23.1 of the DSU because China has failed to have recourse to, and abide by, the rules and procedures of the DSU, in a situation where it seeks redress of an alleged violation of obligations under a covered agreement.
2. Article 23.2(a) of the DSU because China's measures are tantamount to a unilateral determination that Canada's measures violate Canada's WTO obligations. China failed to make such determination through recourse to dispute settlement in accordance with the rules and procedures of the DSU. This determination is consequently and necessarily not consistent with the findings contained in a panel or Appellate Body report adopted by the DSB or an arbitration award rendered under the DSU.
3. Article 23.2(c) of the DSU because by unilaterally suspending concessions to Canada, China failed to follow the procedures set forth in Article 22 of the DSU and to obtain DSB authorization in accordance with those procedures before suspending obligations under a covered agreement.
4. Article I:1 of GATT 1994, as the measures at issue, by imposing additional tariffs on certain Canadian goods, fails to extend immediately and unconditionally to products of Canada an "advantage, favour, privilege or immunity" granted by China "[w]ith respect to customs duties and charges of any kind imposed on or in connection with" the importation of like products originating in the territory of other WTO Members.
5. Article II:1(a) of GATT 1994, as the measures at issue fail to accord to the commerce of Canada treatment no less favourable than that provided in China's Schedule of Concessions that is annexed to GATT 1994.
6. Article II:1(b) of GATT 1994, as the measures at issue impose ordinary customs duties in excess of the bound rates set forth and provided in China's Schedule of Concessions that is annexed to GATT 1994, or because China has failed to exempt certain Canadian goods from other duties and charges of any kind in excess of those set forth and provided for in China's Schedule of Concessions and Commitments.

China's measures described above nullify or impair benefits accruing to Canada directly or indirectly under those Agreements.

The Government of Canada reserves the right to address additional measures, as well as any additional factual and legal claims, in the course of consultations and in any future request for panel establishment.

IV. Consultations

As the products subject to the additional tariffs are classified as agricultural products under the Import and Export Tariff Schedule of the People's Republic of China (2025), the Government of Canada considers that this consultation request concerns a matter of urgency relating, *inter alia*, to perishable goods. Consequently, the Government of Canada requests that, in accordance with Article 4.8 of the DSU, the consultations be held within 10 days of the date of delivery of this request.

The Government of Canada looks forward to receiving China's reply to this request and to determining a mutually convenient date and place for the consultations.
