

WORLD TRADE ORGANIZATION

WT/DS359/7
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CHINA – CERTAIN MEASURES GRANTING REFUNDS, REDUCTIONS OR EXEMPTIONS FROM TAXES AND OTHER PAYMENTS

Request to Join Further Consultations

Communication from Australia

The following communication, dated 11 May 2007, from the delegation of Australia to the delegation of China, the delegation of Mexico and to the Chairman of the Dispute Settlement Body, is circulated in accordance with Article 4.11 of the DSU.

Pursuant to paragraph 11 of Article 4 of the *Understanding on Rules and Procedures Governing the Settlement of Disputes* (DSU), Australia notifies the Government of the People's Republic of China that, in light of the substantial trade interest of Australia, it desires to be joined in the supplemental consultations requested by Mexico in the communication entitled *China – Certain Measures Granting Refunds, Reductions or Exemptions from Taxes and Other Payments* (WT/DS359/1/Add.1).

China's acceptance of Australia's earlier request to be joined in the consultations requested by Mexico in this dispute is appreciated by Australia, and we look forward to participating in the supplemental consultations.

As noted in our earlier request, Australia's trade interests in this matter are substantial. Australia's trading relationship with China continues to grow. In 2006, two-way merchandise trade was valued in excess of A\$ 46 billion. In that year, China became Australia's second largest trading partner for the first time. Measures adopted by China can significantly affect trade between our two countries, as well as trade with third country markets. Australian producers compete with Chinese producers within China and Australia, as well as in third country markets. Australia therefore has a clear interest in the trading environment within which that competition takes place being consistent with China's WTO obligations.

Australia looks forward to receiving your reply.
