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CHINA – TARIFF RATE QUOTAS FOR CERTAIN AGRICULTURAL PRODUCTS

STATUS REPORT REGARDING IMPLEMENTATION OF THE DSB RECOMMENDATIONS AND RULINGS BY CHINA

The following communication, dated 17 February 2020, from the delegation of China to the Chairperson of the Dispute Settlement Body, is circulated pursuant to Article 21.6 of the DSU.

China submits this report in accordance with Article 21.6 of the Understanding on Rules and Procedures Governing the Settlement of Disputes.

At its meeting on 28 May 2019, the Dispute Settlement Body ("DSB") adopted the Panel Report in *China – Tariff Rate Quotas for Certain Agricultural Products* (WT/DS517). At the DSB meeting on 24 June 2019, China informed the DSB of its intention to implement the recommendations and rulings of the DSB in connection with this matter. On 3 July 2019, the United States and China informed the DSB that they had agreed that the reasonable period of time for China to implement the DSB's recommendations and rulings was set to expire on 31 December 2019.

As of 31 December 2019, China had fully implemented the recommendations and rulings of the DSB in this matter. On 16 January 2020, China and the United States agreed to extend the reasonable period of time to 29 February 2020 to allow the United States additional time to evaluate China's compliance measures.

On 29 September 2019, the National Development and Reform Commission of the People's Republic of China promulgated the *Detailed Rules for Application and Allocation of Import Tariff-Rate Quotas for Grains in 2020* (Gonggao 2019 No.9). On 30 November 2019, the Ministry of Commerce of the People's Republic of China promulgated the *MOFCOM Decision to Abolish and Modify Some Rules* (Ling 2019 No.1), which modified the *Provisional Measures on the Administration of Import Tariff Rate Quotas for Agricultural Products* (Ling 2003 No.4).

The Detailed Rules for Application and Allocation of Import Tariff-Rate Quotas for Grains in 2020 and the modified Provisional Measures on the Administration of Import Tariff Rate Quotas for Agricultural Products are consistent with the recommendations and rulings of the Panel in DS517 and the WTO covered agreements, including China's commitments under its Protocol on Accession to the WTO.

As set forth in the *Detailed Rules for Application and Allocation of Import Tariff-Rate Quotas for Grains in 2020*, the overall objective of China's administration of the TRQs is to achieve full utilization of both the STE and non-STE portions of each TRQ, consistent with market conditions. China's TRQs for wheat, rice and corn for the year 2020 have been fully allocated to end-users. In accordance with China's measures, all unused and returned TRQ amounts will be reallocated and penalties for non-use will be imposed in accordance with the *Provisional Measures on the Administration of Import Tariff-Rate Quotas for Agricultural Products*.
