
Dispute Settlement Body
7 June 2002

MINUTES OF MEETING

Held in the Centre William Rappard
on 7 June 2002

Chairman: Mr. Carlos Pérez del Castillo (Uruguay)

1. United States – Definitive safeguard measures on imports of certain steel products

(a) Request for the establishment of a panel by China (WT/DS252/5)

1. The Chairman drew attention to the communication from China contained in document WT/DS252/5.

2. The representative of China said that his country believed that the safeguard measures taken by the United States on imported steel products on 20 March 2002 were not consistent with the United States' obligations under the covered agreements within the meaning of Article 1.1 of the DSU. On 26 March 2002, China had initiated the procedures under Article 4 of the DSU, Article XXII:1 of GATT 1994 and Article 14 of the Agreement on Safeguards by requesting the United States to enter into consultations. The request had been circulated in document WT/DS252/1 on 2 April 2002. These consultations had been held jointly with the EC, Japan, Korea, Switzerland and Norway in Geneva on 11-12 April 2002. They allowed a better understanding of the respective positions, but had failed to settle the dispute. In order to resolve this dispute, China was requesting the establishment of a panel pursuant to Article 6 of the DSU, Article XXIII of the GATT 1994 and Article 14 of the Agreement on Safeguards with regard to the safeguard measures imposed by the United States on imports of certain steel products. Specifically, China claimed and requested the panel to find that the US safeguard measures were inconsistent with the provisions of the GATT 1994 and of the Agreement on Safeguards, in particular Articles XIX:1, I:1 and II of the GATT 1994; Articles 2.1, 4, 5, 8.1, 9.1, 12.1, 12.2 and 12.3 of the Agreement on Safeguards.

3. The representative of the United States said that, as his delegation had stated at previous DSB meetings, US steel safeguard measures were fully consistent with the applicable portions of the Safeguards Agreement and the GATT 1994, and the United States hoped that the dispute settlement process would ultimately reach the same conclusion. The United States suggested that China reconsider its request, and could not, at the present meeting, accept the establishment of a panel in response to China's request.

4. The representative of the European Communities said that his delegation had taken note of another request for a panel to examine the US safeguard measures and hoped that the DSU procedures on this issue would proceed expeditiously. In addition to the EC, Japan, Korea and China, many other Members questioned the compatibility of the US measures with the WTO requirements on safeguards and had initiated the DSU procedures against these measures. All the complaining parties had alleged similar violations and the EC expected that the United States would avoid delaying tactics. In this

respect, the EC deplored the US decision to delay the DSU procedures and invited the United States to adopt a cooperative approach with regard to forthcoming panel requests on steel requests.

5. The representative of Korea said that his delegation wished to express its disappointment that the United States had blocked the establishment of a panel requested by China at the present meeting. He recalled that at the 3 June DSB meeting, a panel had already been established at the request of the EC to examine the same issue. The US refusal of China's request at the present meeting could only be interpreted as a delaying tactic. The United States had repeatedly stated from the beginning that this dispute should be dealt with through the dispute settlement mechanism. Thus, the US action at the present meeting was in contradiction with its long-standing position. He noted that this was the third special DSB meeting requested by the complaining parties in order to establish a panel to examine the US safeguard imports. Another special DSB meeting was scheduled for 14 June 2002. His delegation did not believe in the wisdom of continuing in this way and hoped that the United States would accept the requests for the establishment of a panel at the next DSB meeting, regardless of whether these requests were on the agenda for the first or the second time.

6. The representative of China said that it was regrettable that the United States had not accepted China's request at the present meeting. Considering the loss that China's industry suffered everyday, his country hoped that the panel could be established as soon as possible. However, since this case involved several complaints, in order to avoid too many special DSB meetings, China would place its panel request, for the second consideration, on the agenda of 24 June regular DSB meeting.

7. The Chairman noted the statement made by China that its panel request would be placed on the agenda of the regular DSB meeting scheduled for 24 June 2002 in order to avoid holding another special meeting.

8. The DSB took note of the statements and agreed to revert to this matter.
