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**EUROPEAN UNION — COUNTERVAILING MEASURES ON CERTAIN
POLYETHYLENE TEREPHTHALATE FROM PAKISTAN**

**NOTIFICATION OF AN OTHER APPEAL BY PAKISTAN UNDER ARTICLES 16.4 AND 17
OF THE UNDERSTANDING ON RULES AND PROCEDURES GOVERNING
THE SETTLEMENT OF DISPUTES (DSU) AND UNDER RULE 23(1) OF THE
WORKING PROCEDURES FOR APPELLATE REVIEW**

The following communication, dated 4 September 2017, from the delegation of Pakistan, is being circulated to Members.

Pursuant to Articles 16.4 and 17 of the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU) and Rule 23(1) of the Working Procedures for Appellate Review, Pakistan hereby notifies the Dispute Settlement Body of its decision to appeal to the Appellate Body certain issues of law and legal interpretation covered in the Panel Report entitled *European Union — Countervailing Measures on Certain Polyethylene Terephthalate from Pakistan* (WT/DS486/R), which was circulated on 6 July 2017 (the "Panel Report"). Pursuant to Rule 23(1) of the Working Procedures for Appellate Review, Pakistan is simultaneously filing this notice of other appeal and its other appellant's submission with the Appellate Body Secretariat.

For the reasons further elaborated in its submission to the Appellate Body, Pakistan appeals and requests the Appellate Body to reverse the findings, conclusions, and recommendations of the Panel, with respect to the error contained in the Panel Report described below.¹

**I. The Panel's finding under Article 15.5 of the Agreement on Subsidies and
Countervailing Measures (SCM Agreement)**

1. The Panel erred in its interpretation and application of Article 15.5 of the SCM Agreement when rejecting Pakistan's claim that the European Commission's approach of finding a causal link between the subject imports and the observed injury and then inquiring whether any injury attributable to other factors "breaks the causal link" previously found (the "breaking the causal link" approach) was inconsistent with Article 15.5.²

2. In particular, and without prejudice to the arguments developed in Pakistan's other appellant's submission, the Panel incorrectly interpreted and applied Article 15.5 of the SCM Agreement by finding that it did "not see how [the breaking the causal link] approach, in this case, led to the disregard of a relevant legal standard"³ under Article 15.5 of the SCM Agreement—that is, whether the causal link between the subject imports and the observed injury constitutes "a genuine and substantial relationship of cause and effect".⁴

¹ Pursuant to Rule 23(2)(ii)(C) of the Working Procedures for Appellate Review, this Notice of Other Appeal includes an indicative list of the paragraphs of the Panel Report containing the alleged errors, without prejudice to Pakistan's right to refer to other paragraphs of the Panel Report in the context of its other appeal.

² Panel Report, paras. 7.117-7.120 and 8.1.d.i.

³ Panel Report, para. 7.119.

⁴ Appellate Body Report, *US – Wheat Gluten*, para. 69.

II. Request for findings and completion of the analysis

3. Pakistan respectfully requests the Appellate Body to reverse the Panel's finding contained in paragraphs 7.120 and 8.1.d.i of the Panel Report, that Pakistan failed to establish that the European Commission's use of the "breaking the causal link" analytical approach was inconsistent with Article 15.5 of the SCM Agreement.

4. In addition, Pakistan requests the Appellate Body to complete the legal analysis and find that the European Commission acted inconsistently with Article 15.5 of the SCM Agreement by using the "breaking the causal link" approach in its causation/non-attribution analysis. The factual findings contained in the Panel Report, as well as the undisputed facts on the record in the determinations of the European Commission, constitute a sufficient basis to find that the measures at issue were inconsistent with Article 15.5 of the SCM Agreement.
