

CHINA – GRANTS, LOANS AND OTHER INCENTIVES

Request to Join Consultations

Communication from Canada

The following communication, dated 2 February 2009, from the delegation of Canada to the delegation of China, the delegation of Guatemala and to the Chairman of the Dispute Settlement Body, is circulated in accordance with Article 4.11 of the DSU.

Pursuant to Article 4.11 of the *Understanding on Rules and Procedures Governing the Settlement of Disputes* (DSU), the Government of Canada hereby notifies its desire to be joined in the consultations requested by Guatemala pursuant to Articles 1 and 4 of the DSU, Article XXII:1 of the *General Agreement on Tariffs and Trade 1994*, Articles 4 and 30 of the *Agreement on Subsidies and Countervailing Measures*, and Article 19 of the *Agreement on Agriculture*, with regard to certain measures offering grants, loans and other incentives to enterprises in China.

The relevant communication to the Permanent Mission of the People's Republic of China from the delegation of Guatemala, dated 19 January 2009, was circulated to WTO Members on 22 January 2009 as *China – Grants, Loans and Other Incentives* (WT/DS390/1 G/L/882, G/SCM/D83/1, G/AG/GEN/82).

Canada has a significant and growing trading relationship with China. In 2007, two-way merchandise trade between the two countries reached CDN\$47.6 billion, with China being the second largest source of Canadian imports and the third largest destination for Canadian exports of merchandise. The Chinese measures at issue appear to provide a wide range of grants, loans and other incentives to Chinese enterprises in a broad range of sectors across the economy that may compete with Canadian enterprises in Canada, China and third-country markets. Canada has, therefore, a substantial trade interest in these consultations.

A copy of this letter is being sent to the Chairman of the Dispute Settlement Body, with a request that it be circulated to Members.
