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UNITED STATES – ANTI-DUMPING MEASURES ON CERTAIN OIL COUNTRY TUBULAR GOODS FROM KOREA

RECOURSE TO ARTICLE 22.2 OF THE DSU BY KOREA

The following communication, dated 29 July 2019, from the delegation of the Republic of Korea to the Chairperson of the Dispute Settlement Body, is circulated pursuant to Article 22.2 of the DSU.

The Republic of Korea ("Korea") considers that the United States has failed to implement the recommendations and rulings of the Dispute Settlement Body ("DSB") in the dispute United States – Anti-Dumping Measures on Certain Oil Country Tubular Goods from Korea ("US – OCTG (Korea)"). Therefore, pursuant to Article 22.2 of the Understanding on Rules and Procedures Governing the Settlement of Disputes ("DSU"), Korea requests authorization from the DSB to suspend concessions or other obligations with respect to the United States at an annual level commensurate with the level of nullification or impairment of benefits to Korea caused by the failure of the United States to comply with the recommendations and rulings of the DSB. Based on available data, this level is estimated at USD 350 million annually. This amount will be adjusted by applying the annual growth rate of the OCTG market of the United States.

On 12 January 2018, the DSB adopted the Panel Report in US – OCTG (Korea). In its recommendations and rulings, the DSB ruled that the United States' anti-dumping measures are inconsistent with the Article 2.2.2 chapeau, Article 2.2.2(i) and (iii), and Article 2.2 of the Agreement on Implementation of Article VI of the GATT 1994 ("Anti-Dumping Agreement") and recommended that the United States bring its measures into conformity with its obligations under this Agreement.

At the DSB meeting held on 9 February 2018, the United States indicated its intention to implement the recommendations and rulings of the DSB in this dispute. Korea and the United agreed that the reasonable period of time ("RPT") for the United States to implement the DSB's recommendations and rulings would be 12 months, expiring on 12 January 2019. On 11 January 2019, Korea and the United States agreed to extend the RPT until 12 July 2019. Korea considers that the United States has failed to implement the DSB's recommendations and rulings within that period. Korea and the United States have not reached an agreement on compensation pursuant to Article 22.2 of the DSU. Therefore, Korea is entitled to authorization by the DSB to suspend concessions or other obligations under Article 22 of the DSU.

Korea has applied the principles and procedures of Article 22.3 of the DSU and seeks to suspend tariff concessions and related obligations in the goods sector under the General Agreement on Tariffs and Trade 1994 ("GATT 1994"). Korea will provide to the DSB a list of goods and the level of the tariffs to be applied to those goods in due course.