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Page: 1/1

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**UNITED STATES – CONTINUED DUMPING AND
SUBSIDY OFFSET ACT OF 2000**

COMMUNICATION FROM JAPAN

The following communication, dated 30 November 2017, from the delegation of Japan to the Chairperson of the Dispute Settlement Body, is circulated at the request of that delegation.

On 26 November 2004, the Dispute Settlement Body ("DSB") granted authorization to Japan to suspend concessions and related obligations under the *General Agreement on Tariffs and Trade 1994* ("GATT 1994") in accordance with the decision of the Arbitrator in *United States – Continued Dumping and Subsidy Offset Act of 2000* (WT/DS217/ARB/JPN). The authorization was made pursuant to Japan's request made under Article 22.7 of the *Understanding on Rules and Procedures Governing the Settlement of Disputes* ("DSU") (WT/DS217/24). In that request, Japan undertook to notify the DSB every year the list indicating the level of additional import duties on the selected products, prior to the entry into force of a level of suspension of concessions or other obligations.

On 18 August 2005, Japan notified the DSB that it was suspending, as of 1 September 2005, the applications of concessions and related obligations under GATT 1994 on imports of certain products originating in the United States (WT/DS217/48). Japan was extending the suspension of concessions for the second year starting from 1 September 2006 (WT/DS217/50), the third year starting from 1 September 2007 (WT/DS217/52), the fourth year starting from 1 September 2008 (WT/DS217/54), the fifth year starting from 1 September 2009 (WT/DS217/56), the sixth year starting from 1 September 2010 (WT/DS217/58), the seventh year starting from 1 September 2011 (WT/DS217/60), the eighth year starting from 1 September 2012 (WT/DS217/62) and the ninth year starting from 1 September 2013 (WT/DS217/64). Japan notified the DSB that no suspension of concessions or other obligations in the form of the imposition of additional import duties would be applied by Japan for the tenth year, the eleventh year and the twelfth year, while it retains its rights under Article 22.7 of the DSU as it acknowledges that the considerable amount remains undisbursed and the United States might execute another round of disbursements to its domestic companies under the Continued Dumping and Subsidy Offset Act of 2000 (CDSOA).

Japan acknowledges the amount of relevant disbursements to US companies which was identified in the CDSOA Annual Report for Fiscal Year 2016, published by US Customs and Border Protection. However, considering circumstances including the current structure of Japan's relevant domestic industries, Japan continues its non-application of the suspension of concessions or other obligations in the form of the imposition of additional import duties. As Japan acknowledges that the United States might execute another round of disbursements to its domestic companies under the CDSOA, Japan retains its rights under Article 22.7 of the DSU. Further, Japan's decision not to suspend concessions and related obligations does not mean in any sense that Japan accepts the contention of the United States that its measure found to be inconsistent with the covered agreements has been removed within the meaning of Article 22.8 of the DSU.
