



11 September 2018

(18-5601)

Page: 1/1

Original: English

**UNITED STATES - CERTAIN METHODOLOGIES AND THEIR APPLICATION
TO ANTI-DUMPING PROCEEDINGS INVOLVING CHINA**

RECOURSE TO ARTICLE 22.2 OF THE DSU BY CHINA

The following communication, dated 9 September 2018, from the delegation of China to the Chairperson of the Dispute Settlement Body, is circulated pursuant to Article 22.2 of the DSU.

On 22 May 2017, the Dispute Settlement Body ("DSB") adopted the panel report, as modified by the Appellate Body report, in *United States – Certain Methodologies and their Application to Anti-Dumping Proceedings Involving China* (DS471) ("*US – Anti-Dumping Methodologies (China)*"), finding that the United States acted inconsistently with Articles 2.4.2, 6.10, 9.2, and 9.3 of the *Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994* ("*Anti-Dumping Agreement*"), and with Article VI.2 of the *General Agreement on Tariffs and Trade 1994* ("GATT 1994"). Accordingly, the DSB recommended that "the United States bring its measures into conformity with its obligations under the Anti-Dumping Agreement and the GATT 1994".

The arbitrator established under Article 21.3(c) of the *Understanding on Rules and Procedures Governing the Settlement of Disputes* ("DSU") determined that the reasonable period of time for the United States to implement the DSB's recommendations and rulings would expire on 22 August 2018.

China considers that the United States has failed to comply with the recommendations and rulings of the DSB in *US – Anti-Dumping Methodologies (China)* within the reasonable period of time determined by the arbitrator. The parties have not reached agreement on compensation.

Accordingly, pursuant to Article 22.2 of the DSU, China requests authorization from the DSB to suspend concessions or other obligations with respect to the United States at a level equivalent to the nullification or impairment suffered as a result of the failure of the United States to comply with the recommendations and rulings of the DSB. Based on analysis of currently available data, the level of nullification or impairment totals approximately USD 7.043 billion (\$ 7,043,000,000) annually. China will update the level of suspension of concessions or other obligations annually using the most recently available data.

In considering what countermeasures to take, China follows the principles and procedures set forth in Article 22.3 of the DSU, and in particular, Article 22.3(a). Accordingly, China requests authorization to suspend the application to the United States of concessions or other obligations with respect to goods under the agreements described in Article 22.3(g)(i) of the DSU.

We request that you please circulate this notification to the Members of the DSB.

Pursuant to Article 22.6 of the DSU, the DSB must grant authorization to suspend concessions or other obligations within 30 days of the expiry of the reasonable period of time to comply, unless the Member concerned objects to the level of suspension proposed and the matter is referred to arbitration. China therefore also requests that you convene a meeting of the DSB on 21 September, *i.e.*, 30 days of the expiry of the RPT, and place on that meeting's agenda China's request to suspend concessions or other obligations.
