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CHINA – MEASURES AFFECTING TRADING RIGHTS AND DISTRIBUTION SERVICES FOR CERTAIN PUBLICATIONS AND AUDIOVISUAL ENTERTAINMENT PRODUCTS

Status Report by China

Addendum

The following communication, dated 12 May 2011, from the delegation of China to the Chairperson of the Dispute Settlement Body, is circulated pursuant to Article 21.6 of the DSU.

Status Report Regarding Implementation of the

<u>DSB Recommendations and Rulings in the Dispute</u>

<u>China – Measures Affecting Trading Rights and Distribution Services</u>

<u>for Certain Publications and Audiovisual Entertainment Products</u>

(WT/DS363)

China submits this report in accordance with Article 21.6 of the *Understanding on Rules and Procedures Governing the Settlement of Disputes*.

At its meeting on 19 January 2010, the DSB adopted the Appellate Body report and the panel report, as modified by the Appellate Body report on *China — Measures Affecting Trading Rights and Distribution Services for Certain Publications and Audiovisual Entertainment Products* (WT/DS363). On 18 February 2010, China informed the DSB of its intention to implement the recommendations and rulings of the DSB in connection with this matter.

On 12 July 2010, China and the United States informed the DSB that they had agreed that the reasonable period of time for China to implement the recommendations and rulings of the DSB shall be 14 months from the date of adoption of the Appellate Body and panel reports. Accordingly, the reasonable period of time expires on 19 March 2011.

China made tremendous efforts to implement the DSB's rulings and recommendations, and so far has completed amendments to most measures at issue, including *Regulations on the Management of Publications*, *Regulations on the Management of Audiovisual Products*, and *Provisions on the Administration of the Publications Market*. The draft amendment to *Catalogue of Industries for Guiding Foreign Investment* has been published for public comment. This fully demonstrates the sincerity of Chinese Government to implement the rulings and recommendations of the DSB.

China believes that this matter will be resolved properly through joint efforts and mutual cooperations by relevant parties.