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Page: 1/1

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UNITED STATES – TARIFF MEASURES ON CERTAIN GOODS FROM CHINA

COMMUNICATION FROM THE UNITED STATES

The following communication, dated 26 July 2018, was received from the delegation of the United States with the request that it be circulated to the Dispute Settlement Body (DSB).

On 16 July 2018, the United States received China's letter of the same date requesting consultations pursuant to Article 4 of the *Understanding on Rules and Procedures Governing the Settlement of Disputes* ("DSU") and Article XXIII of the *General Agreement on Tariffs and Trade 1994*. The letter has been circulated as WT/DS543/1/Add.2. The letter states that China views the request as a supplement to the requests circulated as WT/DS543/1 and WT/DS543/1/Add.1.

To the extent China's requests for consultations address proposed measures, such proposals are not "measures affecting the operation of any covered agreement taken within the territory of" a Member within the meaning of DSU Article 4.2. Without prejudice as to whether each matter referenced in China's requests for consultations is a measure within the meaning of DSU Article 4.2, the United States accepts the requests of China to enter into consultations.

As the United States noted in response to China's request circulated as WT/DS543/1/Add.1, the Government of China has announced additional duties on US products. *State Council Customs Tariff Commission Public Notice on Additionally Imposing Tariffs on \$50 Billion of Imported Products Originating from the United States* (State Council Customs Tariff Commission 2018 Public Notice No. 5, June 16, 2018). Through this legal instrument, the Government of China announced two lists of tariff subheadings that would be used to impose an additional 25 percent ad valorem duty on US goods. The 25 percent additional duties on the first list, containing 545 tariff subheadings, went into effect on 6 July 2018. According to China, this list applies to US goods with an annual trade value of \$34 billion.

At the consultations, the United States looks forward to hearing China's justification for deciding to impose these additional duties. The United States also looks forward to hearing from China how it intends to address the trade-distorting policies addressed in the US investigation mentioned in China's requests for consultations.

We stand ready to confer with officials from your mission on a mutually convenient date for these consultations.
