

**CHINA – CERTAIN MEASURES GRANTING REFUNDS, REDUCTIONS OR
EXEMPTIONS FROM TAXES AND OTHER PAYMENTS**

Request to Join Further Consultations

Communication from Canada

The following communication, dated 14 May 2007, from the delegation of Canada to the delegation of China, the delegation of Mexico and to the Chairman of the Dispute Settlement Body, is circulated in accordance with Article 4.11 of the DSU.

Pursuant to Article 4.11 of the *Understanding on Rules and Procedures Governing the Settlement of Disputes* (DSU), the Government of Canada hereby notifies its desire to be joined in the consultations requested by Mexico pursuant to Articles 1 and 4 of the DSU, Article XXII:1 of the *General Agreement on Tariffs and Trade 1994*, Articles 4 and 30 of the *Agreement on Subsidies and Countervailing Measures*, and Article 8 of the *Agreement on Trade-Related Investment Measures*, with regard to certain measures granting refunds, reductions, or exemptions from taxes or other payments otherwise due to the government by enterprises in China.

The relevant communication to the Permanent Mission of the People's Republic of China from the Permanent Mission of Mexico, dated 4 May 2007, was circulated to WTO Members on 9 May 2007 as *China – Certain Measures Granting Refunds, Reductions or Exemptions from Taxes and Other Payments* (WT/DS359/1/Add.1, G/L/814/Add.1, G/SCM/D75/1/Add.1, G/TRIMS/D/26/Add.1).

Canada has a significant and growing trading relationship with China. In 2006, two-way merchandise trade between the two countries reached Can\$42.1 billion, with China being the second largest exporter to Canada and the seventh largest importer of Canadian goods. The Chinese measures at issue are available to a wide range of companies doing business in China and these companies may compete with Canadian companies in Canada, in China, and in third-country markets. Canada has, therefore, a substantial trade interest in these consultations.

A copy of this letter is being sent to the Chairman of the Dispute Settlement Body, with a request that it be circulated to Members.
