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**UNITED STATES – ANTI-DUMPING AND COUNTERVAILING MEASURES  
ON LARGE RESIDENTIAL WASHERS FROM KOREA**

**RECOURSE TO ARTICLE 22.2 OF THE DSU BY KOREA**

The following communication, dated 11 January 2018, from the delegation of Korea to the Chairperson of the Dispute Settlement Body, is circulated pursuant to Article 22.2 of the DSU.

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Pursuant to Article 22.2 of the Understanding on Rules and Procedures Governing the Settlement of Disputes ("DSU"), the Republic of Korea ("Korea") requests authorization from the Dispute Settlement Body ("DSB") to suspend the application to the United States of certain tariff concessions and related obligations under the General Agreement on Tariffs and Trade 1994 ("GATT 1994") as a result of the non-compliance of the United States with the rulings and recommendations made by the DSB on 26 September 2016 with respect to *United States – Anti-Dumping and Countervailing Measures on Large Residential Washers from Korea* ("US – Washing Machines").

On 26 September 2016, the DSB adopted the Appellate Body Report and the Panel Report, as modified by the Appellate Body Report, in *US – Washing Machines*. In its recommendations and rulings, the DSB ruled that the US measures at issue are inconsistent both "as such" and "as applied" with relevant provisions of the *Agreement on Implementation of Article VI of the GATT 1994* and *Agreement on Subsidies and Countervailing Measures*, and recommended the United States to bring its measures into compliance with these Agreements.

At the DSB meeting held on 26 October 2016, the United States indicated its intention to implement the recommendations and rulings of the DSB in this dispute. Korea and the United States have consulted to reach an agreement on the reasonable period of time ("RPT") for the United States' implementation; however, no mutually satisfactory solution has been made. Thereafter, Korea requested arbitration under Article 21.3(c) of the DSU, and the Arbitrator determined the RPT to be 15 months, expiring on 26 December 2017.

Korea considers that the United States failed to comply with the recommendations and rulings of the DSB within the RPT. Korea and the United States have not reached an agreement on compensation pursuant to Article 22.2 of the DSU.

Korea has applied the principles and procedures of Article 22.3(a) of the DSU and seeks to suspend concessions and obligations in the goods sector under the GATT 1994. On this basis, Korea requests authorization to suspend concessions and related obligations at an annual amount of USD 711 million with respect to the United States' non-compliance with "as applied" recommendations and rulings on the washing machines from Korea. This amount will be adjusted by applying the annual growth rate of the washing machines market of the United States.

In addition, Korea requests authorization to suspend concessions and related obligations at an annual level based on a formula commensurate with the trade effects to be caused to exports from Korea other than washing machines by the United States' non-compliance with "as such" recommendations and rulings. This request is to reflect the possible nullification or impairment Korea will suffer if the "as such" violation continues to exist and apply to other exports from Korea in the future.

The requested annual level of the suspension of the concessions and related obligations is, pursuant to Article 22.4 of the DSU, equivalent to the annual level of nullification or impairment of benefits to Korea caused or to be caused by the US measures. Korea will provide to the DSB a list of goods and the level of the tariffs to be applied to those goods in due course.

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