

China's Response to WTO Complaints Filed Against It

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Tables are in support of this blog post: <https://www.cato.org/blog/disciplining-china-wto>

Litigated Cases (12 matters / 19 complaints)

Dispute	Year Filed	Measures	Agreements	Panel/AB Rulings	Compliance
<i>China-Auto Parts DS339 (EC) DS340 (US) DS342 (Canada)</i>	2004	China imposes special charge of 25% on auto parts imported as kits (to make a completed vehicle), which is higher than the 10% tariff for auto parts.	GATT SCM TRIMs WTO Accession Protocol	Measures are inconsistent with GATT Article III (national treatment), and GATT Article II (tariff bindings). Adopted January 2009.	China repealed the measures by August 31, 2009.
<i>China-Intellectual Property Rights DS362 (US)</i>	2007	The lacked protection for unauthorized works in China IP laws; monetary threshold for criminal prosecution related to counterfeiting and piracy; confiscation and disposal procedures for infringing goods.	TRIPS	The lack of protection for unauthorized works' publication / dissemination and China's Customs measures related to disposal of infringing goods are inconsistent with TRIPS. Rejected claims with regard to China's criminal threshold. Adopted March 2009.	China revised relevant measures with regard to disposal of infringing goods and the protection of unlawful works by April 2010.
<i>China-Publications and Audiovisual Products DS363 (US)</i>	2007	Restrictions on importation and distribution in China by foreign companies of reading materials, films for theatrical release, AVHE products, and sound recordings; restrictions on foreign goods of	GATS GATT Accession Protocol	The restrictions violated China's accession commitments on trading rights and its GATS/GATT national treatment obligations.	China revised most (except for two) of the measures by April 2011, and signed a MOU in April 2012, to expand the screen quota for US movies and increase the revenue share for

		this type.		Adopted January 2010.	foreign rights-holders. However, the US claimed China did not fully implement the MOU, e.g., China has not opened up film distribution opportunities. The MOU expired in 2017, and the two sides started a renegotiation with regard to the treatment of US film companies.
China-Exportation of Raw Materials DS394 (US) DS395 (EC) DS398 (Mexico)	2009	Export restrictions on seven raw materials.	GATT Accession Protocol	Export duties and quotas were found inconsistent with China's accession commitments and GATT obligations. Adopted February 2012.	China eliminated export tax on seven products, removed export quota and/or export license on products by December 2012.
China-Electronic Payment Services DS413 (US)	2010	Various measures discriminate against foreign suppliers of electronic payment services.	GATS	Violations of China's market access commitments and national treatment commitment for certain transactions. Adopted August 2012.	China repealed multiple documents with regard to promoting the use and compatibility of China UnionPay in June 2013; invalidated provisions related to Hong Kong/Macao requirement in July 2013, and issued regulations for bank's licensing in 2016. However, China did not accept foreign suppliers' application until June 2017. Several applications have been submitted since but no approval has been granted.
China-GOES DS414 (US)	2010	AD and CVD measures on GOES (grain oriented flat-rolled electrical steel).	AD SCM GATT	China's AD and CVD decisions on GOES violated AD, GATT, and SCM, both on substance and procedure.	China revised the AD and CVD determination in July 2013. In 2014, US filed an Article 21.5 complaint. Compliance Panel

				Adopted November 2012.	found violation (August 2015). Measures had expired in April 2015.
China-X-Ray Equipment DS425 (EU)	2011	AD measures on x-ray equipment.	AD GATT	China's measures violated AD and GATT, both on substance and procedure. Adopted April 2013.	In February 2014, China reinvestigated the case and terminated the investigation after the applicant withdrew the petition.
China-Broiler Products DS427 (US)	2011	China's AD and CVD measures on broiler products.	AD SCM GATT	China's measures violated AD, SCM and GATT, both on substance and procedure. Adopted September 2013.	In 2014, China reinvestigated and adjusted the AD and CVD rate. US brought an Article 21.5 challenge in 2014. Compliance Panel found measures in violation, and China announced it had removed the duties in February 2018.
China-Rare Earths DS431 (US) DS432 (EU) DS433 (Japan)	2012	Export restrictions on rare earth, tungsten and molybdenum.	GATT Accession Protocol	China's export quotas and export duties violated its accession commitments and were not justified under Article XX of GATT; other restrictions on exports violated China's right to trade commitment. Adopted August 2014.	China eliminated export quotas and revised its export licensing requirement; eliminated export duties on rare earth, tungsten and molybdenum by May 2015.
China-Autos DS440 (US)	2012	AD and CVD measures on automobiles.	AD SCM	China's measures violated AD and SCM, both on substance and procedure. Adopted June 2014.	China terminated the AD and CVD measures before the publication and adoption of the Panel report because the original measures expired and no expiry review was petitioned.
China-HP-SSST DS454 (Japan) DS460 (EU)	2012 2013	AD measures on high-performance stainless steel seamless tubes.	AD	China's measures violated AD, both on substance and procedure.	China reinvestigated the case and terminated the AD measures in August 2016

				Adopted October 2015.	because the domestic industry withdrew the petition.
China-Cellulose Pulp DS483 (Canada)	2014	AD measures on cellulose pulp.	AD	China's measures violated AD, both on substance and procedure. Adopted May 2017.	China reinvestigated the case in August 2017; the decision has not yet been announced.

Resolved/abandoned cases (10 matters / 15 complaints)

Dispute Name	Year Filed	Measures	Agreements	Resolution
<i>China-Value-Added Tax on Integrated Circuits DS309 (US)</i>	2004	Preferential refunds on value-added tax ("VAT") for domestically-produced or domestically-designed imported integrated circuits.	GATS GATT Accession Protocol	Agreement to ensure full market access and national treatment for US integrated circuits, no new certification for VAT refunds and stop VAT refunds to current beneficiaries as of April 1, 2005. China announced the decisions in September and October 2004.
<i>China-Taxes DS358 (US) DS359 (Mexico)</i>	2007	Measures granted refunds, reductions or exemptions to enterprises which purchased domestic over imported goods, or met certain export performance criteria.	GATT Accession Protocol SCM TRIMS WTO	In two MOUs agreed in November 2007, China agreed to eliminate all of the subsidies at issue by January 1, 2008, and not to reinstate them. China repealed relevant measures between 2007 and 2011.
<i>China-Measures Affecting Financial Information Services and Foreign Financial Information Suppliers DS372 (EC) DS373 (US) DS378 (Canada)</i>	2008	Measures designated "Xinhua News Agency," a competitor, to approve foreign news agencies and for foreign financial information providers and required foreign providers to operate through an agency.	GATS GATT Accession Protocol	In three MOUs signed with the complainants in December 2008, China agreed to establish an independent regulator by January 31, 2009, and to implement new non-discriminatory and transparent regulations by June 1, 2009. China designated the State Council Information Offices as the new supervising agency and issued Provisions on Financial Information Services in China by Foreign Institutions by April 2009. But China never fully repealed one document at dispute, leaving some discriminatory measures still in effect.
<i>China-Grants, Loans, and Other Incentives</i>	2008 2008 2009	Measures provided grants, loans, and other incentives to enterprises in China on certain export performance criteria,	Agriculture GATT Accession Protocol	In an agreement reached in December 2009, China confirmed that it had eliminated all of the export-contingent benefits in the challenged measures and local governments terminated and revised related measure by June 2009.

DS387 (US) DS388 (Mexico) DS390 (Guatemala)		reflected in measures relating to the China World Top Brand Program and the Chinese Famous Export Brand Program.	SCM	
China-Provisional Anti-Dumping Duties on Certain Iron and Steel Fasteners from the European Union DS407 (EU)	2010	Provisional AD measures on certain iron and steel fasteners from the EU.	AD DSU GATT	Definitive anti-dumping duties imposed in June 2010; antidumping duty for the sole co-operating EU exporter was substantially lowered. No further action taken.
China-Measures Concerning Wind Power Equipment DS419 (US)	2010	Measure provided grants, funds, or awards to enterprises manufacturing wind power equipment if they purchased domestic goods over imports.	GATT SCM Accession Protocol	After consultations, China took actions to repeal measures in violation of the WTO rules. The challenged measure was repealed in February 2011. There is no MOU or notification to the WTO, but USTR affirmed the compliance.
China-Certain Measures Affecting the Automobile and Automobile Parts Industries DS450 (US)	2012	Measures and programs provided subsidies such as grants, loans, forgone government revenue, the provision of goods and services, and other incentives to automobile and automobile-parts enterprises based on their export performance.	GATT SCM Accession Protocol	After consultation, China repealed or did not renew key provisions. USTR affirmed the actions but continued monitoring the issue.
China-Measures Relating to the Production and Exportation of Apparel and	2012	Measures provided tax exemptions, import duty cut and VAT for some enterprises contingent on use of domestic goods and export performance, and provided low cost loans,	Agriculture GATT SCM Accession Protocol	Consultation failed to resolve the issue but Mexico never requested the establishment of a panel.

<i>Textile Products DS451 (Mexico)</i>		preferential land use, and discounted electricity rates, support for production, sale and transportation for Chinese cotton farmers and petrochemical industry.		
<i>China-Demonstration Bases DS489 (US)</i>	2015	Programs and measures to provide subsidies including discounted or free services to companies on the Demonstration Bases through a Common Service Program based on export performance.	SCM	In a MOU signed in April 2016, China stated it had terminated, amended or replaced all legal instruments in dispute and terminated all CSP service agreements. USTR confirmed that China eliminated the subsidies at issue.
<i>China-Tax Measures Concerning Certain Domestically Produced Aircraft DS501 (US)</i>	2015	VAT exemption in relation to the sale of certain domestically produced aircraft.	Accession Protocol GATT	After consultations, USTR announced that China rescinded the tax exemptions at issue in October 2016.

Recent pending cases (4 matters / 5 complaints)

Dispute Name	Year Filed	Measures	Agreements
<i>China-Raw Materials (II)</i> <i>DS508 (US)</i> <i>DS509 (EU)</i>	2016	Export duties, quantity restrictions, and restrictions on the right to trade on various forms of antimony, chromium, cobalt, copper, graphite, indium, lead, magnesia, talc, tantalum and tin. Panel established but not composed.	Accession Protocol GATT
<i>China-Domestic Support for Agricultural Producers</i> <i>DS511 (US)</i>	2016	Domestic support in exceed of the <i>de minimis</i> level for wheat, Indica rice, Japonica rice, and corn. Panel composed in June 2017.	Agriculture
<i>China-Tariff Rate Quotas for Certain Agricultural Products</i> <i>DS517 (US)</i>	2016	Administration of tariff rate quotas on wheat, short- and medium- grain rice, long grain rice, and corn. Panel composed in February 2018.	Accession Protocol GATT
<i>China-Subsidies to Producers of Primary Aluminum</i> <i>DS519 (US)</i>	2017	Subsidies to aluminum producers in the forms of loans, other financing, and services. Consultations requested, but no panel requested yet.	GATT SCM