

WORLD TRADE ORGANIZATION

G/SCM/Q2/CHN/34
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Committee on Subsidies and
Countervailing Measures

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TRANSITIONAL REVIEW MECHANISM PURSUANT TO SECTION 18 OF THE PROTOCOL ON THE ACCESSION OF THE PEOPLE'S REPUBLIC OF CHINA

Questions from the EUROPEAN COMMUNITIES to CHINA

The following communication, dated 16 November 2007, is being circulated at the request of the Delegation of the European Communities.

Question 1

With regard to question I. 2(c) and I. 3(b) in G/SCM/Q2/CHN/25 the replies submitted by China do not seem to be complete or do not address the question. The EC therefore asks China to provide a more meaningful answer to these questions.

Question 2

With regard to questions II. 1,2,3,4,5,6 in G/SCM/Q2/CHN/25, China did not provide the information requested on various subsidy schemes according to the format set out in G/SCM/6/Rev.1. The EC therefore asks China to notify these subsidy schemes according to the appropriate format.

Question 3

China did not provide any statistical data as requested in G/SCM/Q2/CHN/25. Could China indicate when it will be able to provide statistical data as stipulated in Article 25.3 SCM Agreement?

Question 4

In its last New and Full Notification, China, despite the fact that subsidies at all levels of government must be notified, only notified subsidies at central level government level. Could China please indicate whether it will submit a complete subsidy notification for the next notification?

Question 5

With regard to the VAT question, China requested further information regarding its basis. The EC would like to refer to the agricultural sector. It appears to be the case that, in China, farmers do not have to pay any VAT on the sale of agricultural products. However, VAT is levied on imports of agricultural products and no VAT is refunded to importers upon import of these products. The EC asks China to confirm that this framework exists. If it exists, we request China to notify this scheme in accordance with the format G/SCM/6/Rev.1 as this appears to be prohibited under Article 3 SCM Agreement.
