

**NOTIFICATION OF LAWS AND REGULATIONS UNDER
ARTICLES 18.5 AND 32.6 OF THE AGREEMENTS**

Questions Posed by CANADA Regarding
the Notification of THE PEOPLE'S REPUBLIC OF CHINA¹

The following communication, dated 3 October 2002, has been received from the Permanent Mission of Canada.

Canada's questions with regard to China's Transitional Review Mechanism (TRM) on Anti-Dumping Practices

The following questions are with respect to notification G/ADP/N/1/CHN/2, Regulations of the People's Republic of China on Anti-Dumping.

1. Article 4 concerns the determination of normal value. Canada notes that this article does not contain certain factors and concepts contained in Article 2.2 of the Anti-Dumping Agreement. For example:

- guidance regarding "particular market situations" such as sales to related parties.
- an elaboration of the concept of "expenses" and their calculation as per Articles 2.2.1 and 2.2.2
- the concept of a "representative" price to a third country.

Based on the above examples, how will the People's Republic of China ensure that the investigating authority will consider all the factors contained in Article 2.2 of the Agreement?

2. Article 6 states that a "fair and reasonable comparison shall be made between the export price and the normal value, with due allowances for factors which affect price comparability". However this article does not incorporate the factors contained in Article 2.4 of the Agreement for which allowances must be made in order to ensure a proper comparison. This includes for example, allowances concerning the level of trade, the time and conditions of sale, physical characteristics etc.

How will the People's Republic of China ensure that the investigating authority will consider all the issues contained in article 2.4 of the Agreement?

¹ G/ADP/N/1/CHN/2

3. Article 58 provides that implementing measures may be formulated. Can the People's Republic of China indicate whether and when these additional rules may be published, and more precisely whether such rules will provide additional direction regarding the timing and conduct of five year sunset reviews?

4. Article 56 states that the People's Republic of China may take corresponding measures against a country that takes a discriminatory anti-dumping measure. In what situations does China envisage using this provision? What type of corresponding measure would be used?
