

**NOTIFICATION OF LAWS AND REGULATIONS UNDER
ARTICLE 12.6 OF THE AGREEMENT**

Questions Posed by the EUROPEAN COMMUNITIES
Regarding the Notification of the PEOPLE'S REPUBLIC OF CHINA¹

The following communication, dated 24 September 2002, has been received from the Permanent Delegation of the European Commission.

Questions concerning the PRC's safeguards legislation (G/SG/N/1/CHN/2)

- Art. 13 of the Regulation provides that information collected during an investigation may be treated confidential if so requested and if the request is justifiable. Can the PRC please confirm that the expression "justifiable" is to be understood in the sense of Art. 3.2 of the WTO Agreement on Safeguards.
- Art. 23 states that safeguard measures shall be applied to a product irrespective of its source. Could the PRC explain how the exception to this rule for developing countries provided for in Art. 9 of the Agreement on Safeguards will be respected if this is not expressed in the Regulation?
- Art. 32 provides that the PRC may adopt corresponding measures on the products of a specific country whenever this country imposes discriminative safeguard measures on the export products of the PRC. Could the PRC explain how this provision relates to Article 8 of the Agreement on Safeguards and the WTO rules on dispute settlement, which provide that in cases of dispute or measures not compatible with the WTO rules (as discriminative measures would be), WTO members should seek to resolve the dispute amicably and, if necessary resort to the WTO Dispute Settlement Body. Only under strict conditions, defined in the rules on dispute settlement and Article 8 of the Agreement on Safeguards can "retaliatory" or "re-balancing" measures be allowed under the WTO rules. Have there already been cases of application of Art. 32? If so, could some information on these cases be provided? If not, how does the PRC envisage to apply Art. 32, in particular in the light of the WTO rules?
- When safeguard measures are applied according to the Regulation could the competent authorities consider the exclusion of certain products of the scope of the measures if such products are not produced in the PRC?

¹ G/SG/N/1/CHN/2