



Office of the U.S. Trade Representative

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RECENT EVENTS

Tires 421 Appellate Body Hearing -

The United States participated in an oral hearing before the WTO Appellate Body in China's appeal of the dispute settlement panel decision in the Tires 421 case. In December 2010, the Dispute Settlement Panel ruled in favor of the United States that additional duties imposed by President Obama on certain tires from China do not violate WTO rules. The duties seek to remedy market disruption from Chinese tire imports. China's appeal seeks to overturn the panel's decision.

EU-ITA period of time for EU compliance ends -

The period of time for the EU to bring its measures into compliance with the WTO ruling ended on June 30, 2011, in the dispute brought by the United States on EU tariffs on certain information technology products. As of July 1, the EU may no longer apply duties to the products that were the subject of the ruling - certain set top boxes, flat panel displays,

July Enforcement Update: WTO Panel Decision Supports U.S. Efforts to Ensure Access to Raw Materials

On July 5, a WTO dispute settlement panel agreed with the United States that Chinese export restraints - including export quotas, duties and minimum export price - on some industrial raw materials violate China's WTO obligations. China is a leading producer of raw materials used in the steel, aluminum and chemicals industries. China's export restraints have restricted access and raised the prices of these raw materials for U.S. manufacturers, while providing Chinese producers with increased access at below global market price.

Coke, an important steel input and one of the raw materials in the dispute, serves as an example of the market distortions caused by China's export restraints. The export restraints contribute to huge differences in the price of coke paid by Chinese steel producers compared to the price for Chinese coke paid by U.S. and other steel producers. In late 2008, while coke cost \$472 per metric ton in China, the world price was \$740 per metric ton, providing a dramatic downstream competitive advantage to Chinese steel producers. This wide disparity in price also disadvantages U.S. producers who use other steel production methods but must compete against Chinese steel producers who have access to artificially cheap coke.

China continues to impose export quotas and duties on the raw materials at issue in this dispute as well as on other raw materials, including rare earths. In the past few days, China has announced continued restrictions on coke and silicon carbide, both of which were challenged in this dispute. The United States will continue to work with its co-complainants (the European Union and Mexico) to bring this dispute to successful conclusion, including through any appeal, at the WTO. The United States is also working with key stakeholders like the United Steel Workers and like-minded WTO Members to address China's export restraining policies on other raw materials.

and multifunction digital machines (e.g., all-in-one printers). The United States is conveying to the EU its concerns with respect to some aspects of the EU's compliance measures, which will be discussed at the July 20 meeting of the WTO Dispute Settlement Body.

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Legend	Consultations	Panel	Appellate Body	Implementation	Other
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