

Committee on Ways and Means

Relief Measures and Trade Remedies

- China's accession to the WTO means that the United States can now address trade concerns with China on a government-to-government basis using the WTO's dispute settlement mechanisms.
- Individual U.S. companies and industries also have options for addressing concerns relating to China trade:
 - As part of its WTO accession agreement with the United States, China agreed to the inclusion of a China-specific safeguard.
 - This safeguard can be utilized if a surge of Chinese products is causing or threatening to cause market disruption to U.S. producers. No unfair trading need be shown.
 - It is easier to prove injury with the China-specific safeguard than for a general section 201 safeguard.
 - Relief can be provided quickly, usually in 150 days, as opposed to relief through the general section 201 safeguard, which can take more than 240 days.
 - China's WTO accession agreement also includes a textile and apparel China-specific safeguard.
 - This safeguard applies if imports of Chinese textile and apparel products are, due to market disruption, threatening to impede the orderly development of trade in these products.
 - If such market disruption exists, the U.S. government will request consultations with the Chinese government.
 - Imports of Chinese textile and apparel products can be limited for up to a year.
 - Three China textiles safeguard investigations are currently ongoing, covering knit fabric, brassieres, and dressing gowns.
- Other non-China-specific trade remedies are also available to individual U.S. companies and industries for dealing with trade concerns:
 - China agreed in its accession to the WTO to the continued use of the nonmarket economy methodology in antidumping cases.
 - Use of the nonmarket economy methodology means that surrogate fair market values, as opposed to values not based on market forces as is the case in China, are used to determine antidumping duties.
 - As of August 9, 2004, 58 Chinese products are subject to antidumping duties, including garlic, numerous steel products, and crawfish tail meat.
 - Companies and industries can also utilize the general safeguard provisions allowed for under Section 201 of the Trade Act of 1974 to address import surges that are a substantial cause of serious injury.