

### 3. Trade [37]

#### Commitment

“We will refrain from raising new barriers to investment or to trade in goods and services, imposing new exports restrictions, or implementing World Trade Organisation (WTO) inconsistent measures to stimulate exports.”

*G8 Leaders Declaration on Promoting Global Recovery*

#### Assessment

Country	Lack of Compliance	Work in Progress	Full Compliance
Canada	-1		
France	-1		
Germany	-1		
Italy	-1		
Japan			+1
Russia	-1		
United Kingdom	-1		
United States	-1		
European Union	-1		
Average Score			+0.67

#### Background

Acknowledging both the temptations and risks posed by protectionism in times of economic crisis, the leaders at the Washington G20 Summit in November 2008 pledged to “refrain from raising new barriers to investment or to trade in goods and services, imposing new export restrictions, or implementing WTO inconsistent measure to stimulate trade” within the coming year.<sup>128</sup>

In April 2009, a G20 Finance Ministerial in London once again recognized that “Reinvigorating world trade and investment is essential for restoring global growth.” To that end, G20 members “...[reaffirmed] the commitment made in Washington: to refrain from raising new barriers to investment or to trade in goods and services, imposing new export restrictions, or implementing World Trade Organisation (WTO) inconsistent measures to stimulate exports.”<sup>129</sup>

Since the beginning of the General Agreement on Tariffs and Trade (GATT) rounds, and especially since the formation of the WTO, G8 and G20 members have made significant progress in reducing barriers to global trade in goods and services as well as other trade-distorting mechanisms. However, state leaders have historically tended to resort to

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<sup>128</sup> Declaration: Summit on Financial Markets and the World Economy, G20 Summit (Washington) 15 November 2008. Date of Access: 1 November 2009. [www.g20.org/Documents/g20\\_summit\\_declaration.pdf](http://www.g20.org/Documents/g20_summit_declaration.pdf)

<sup>129</sup> “The Global Plan for Recovery and Reform,” G20 Summit (London) 2 April 2009. Date of Access: 2 November 2009. [www.g20.org/Documents/final-communique.pdf](http://www.g20.org/Documents/final-communique.pdf)

protectionism in times of economic uncertainty.<sup>130</sup> Commitments both at the Washington G20 Summit and the London G20 Finance Ministerial were made with this clearly in mind. As the G20 Finance Ministerial in London noted, “Falling demand is exacerbated by growing protectionist pressures and a withdrawal of trade credit.... We will not repeat the historic mistakes of protectionism of previous eras.”<sup>131</sup>

### **Commitment Features**

This commitment can be understood in two parts. First, G8 members have committed to keeping their markets open. The WTO defines “Tariffs, non-tariff measures, subsidies and burdensome administrative procedures regarding imports”<sup>132</sup> as barriers that limit global flows of goods and services. Thus, G8 members have committed to refrain from such activity. Second, G8 members have committed to refrain from unfairly stimulating domestic export markets.

The WTO Agreement on Subsidies and Countervailing Measures outlines five broad measures that unfairly stimulate exports: (1) Domestic subsidies that require recipients to meet certain export targets; (2) Subsidies that require recipients to use domestic goods instead of imported goods; (3) Domestic subsidies that hurt an industry in an importing country; (4) Domestic subsidies in one country that hurt exporters trying to compete in the subsidizing country’s domestic market; (5) Domestic subsidies that hurt rival exporters from another country when the two compete in third markets.<sup>133</sup> States that feel that such measures have been taken by another state can lodge a complaint with the WTO Disputes Settlement Body, which then adjudicates if the measure was inconsistent with WTO rules.<sup>134</sup> By making such a commitment, G8 members have committed to refrain from such behaviour.

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<sup>130</sup> G20 governments refrain from extensive use of restrictive measures, but some slippage evident, World Trade Organization (Geneva) 14 September 2009. Date of Access: 1 November 2009. [www.wto.org/english/news\\_e/news09\\_e/trdev\\_14sep09\\_e.htm](http://www.wto.org/english/news_e/news09_e/trdev_14sep09_e.htm)

<sup>131</sup> “The Global Plan for Recovery and Reform,” G20 Summit (London) 2 April 2009. Date of Access: 2 November 2009. [www.g20.org/Documents/final-communique.pdf](http://www.g20.org/Documents/final-communique.pdf)

<sup>132</sup> G20 governments refrain from extensive use of restrictive measures, but some slippage evident, World Trade Organization (Geneva) 14 September 2009. Date of Access: 1 November 2009. [www.wto.org/english/news\\_e/news09\\_e/trdev\\_14sep09\\_e.htm](http://www.wto.org/english/news_e/news09_e/trdev_14sep09_e.htm)

<sup>133</sup> Understanding the WTO - Anti-dumping, subsidies, safeguards: contingencies, etc (Geneva) 1 January 2005. Date of Access: 1 November 2009. [www.wto.org/english/thewto\\_e/whatis\\_e/tif\\_e/agrm8\\_e.htm#subsidies](http://www.wto.org/english/thewto_e/whatis_e/tif_e/agrm8_e.htm#subsidies).

<sup>134</sup> Understanding the WTO - Anti-dumping, subsidies, safeguards: contingencies, etc (Geneva) 1 January 2005. Date of Access: 1 November 2009. [www.wto.org/english/thewto\\_e/whatis\\_e/tif\\_e/agrm8\\_e.htm#subsidies](http://www.wto.org/english/thewto_e/whatis_e/tif_e/agrm8_e.htm#subsidies).

## Scoring

-1	Member state takes TWO distinguishable actions in the following categories: (1) raises new barriers to investment or trade as defined by the WTO; (2) imposes new export restrictions as defined by the WTO, <b>OR</b> (3) violates the WTO Agreement on Subsidies and Countervailing Measures as deemed by the WTO Disputes Settlement Body.
0	Member state takes ONE action in the following category: (1) raises new barriers to investment or trade as defined by the WTO; (2) imposes new export restrictions as defined by the WTO, <b>OR</b> (3) violates the WTO Agreement on Subsidies and Countervailing Measures as deemed by the WTO Disputes Settlement Body.
+1	Member state does NOT (1) raise any new barriers to investment or trade as defined by the WTO, (2) impose new export restrictions as defined by the WTO, <b>AND</b> (3) is not deemed to be in violation of the WTO Agreement on Subsidies and Countervailing Measures as deemed by the WTO Disputes Settlement Body.

*Lead Analyst: Sarah Ellis*

### **Canada: -1**

Canada has failed to comply with its commitment to refrain from raising barriers to investment or trade and unfairly stimulating domestic export markets in accordance with the WTO Agreement on Subsidies and Countervailing Measures.

On 8 October, Bill C-32, An Act to amend the Tobacco Act received royal assent, becoming statute C.27.<sup>135</sup> This law prohibits the import, sale, and advertising of flavoured tobacco products to Canadian youth. However, Canadian tobacco producers do not use flavouring in the manufacturing process, while foreign producers, such as those from the United States, do flavour their tobacco products.<sup>136</sup> This measure effectively bans the import of several varieties of tobacco into Canada on the basis of health standards that might be deemed non-tariff barriers by the WTO, which was not formally consulted in the drafting of the bill.<sup>137</sup>

On 23 November 2009, the Canada Border Services Agency imposed preliminary duties of up to 182% on imported Chinese steel products.<sup>138</sup> This followed the agency's

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<sup>135</sup> Status of the Bill: Bill C-32, LEGISINFO - The Library of Parliament (Ottawa) 4 December 2009. Date of Access, 4 December 2009. [www2.parl.gc.ca/Sites/LOP/LEGISINFO/index.asp?Language=E&Chamber=N&StartList=A&EndList=Z&Session=22&Type=0&Scope=I&query=5835&List=stat](http://www2.parl.gc.ca/Sites/LOP/LEGISINFO/index.asp?Language=E&Chamber=N&StartList=A&EndList=Z&Session=22&Type=0&Scope=I&query=5835&List=stat)

<sup>136</sup> Canada: Health Canada ban on flavoured tobacco, Global Trade Alert (London) 10 July 2009. Date of Access: 4 December 2009. [www.globaltradealert.org/measure/canada-health-canada-ban-flavoured-tobacco](http://www.globaltradealert.org/measure/canada-health-canada-ban-flavoured-tobacco).

<sup>137</sup> Terence Corcoran: Ottawa's fruit-flavoured tobacco bomb, National Post (Toronto) 16 November 2009. Date of Access: 4 December 4, 2009. [network.nationalpost.com/np/blogs/fullcomment/archive/2009/11/16/terence-corcoran-ottawa-s-fruit-flavoured-tobacco-bomb.aspx](http://network.nationalpost.com/np/blogs/fullcomment/archive/2009/11/16/terence-corcoran-ottawa-s-fruit-flavoured-tobacco-bomb.aspx).

<sup>138</sup> Preliminary duty on Chinese imports of well casing and tubing, Lakeside says, Winnipeg Free Press (Winnipeg) 25 November 2009. Date of Access: 4 December 2009. [www.winnipegfreepress.com/business/breakingnews/74073877.html](http://www.winnipegfreepress.com/business/breakingnews/74073877.html).

investigation into Chinese steel subsidies and dumping of these goods in Canada.<sup>139</sup> However, the Canadian allegations of dumping against the Chinese have not been brought before the WTO Dispute Settlement Body.

Thus, Canada has been awarded a score of -1 for the imposition of tariffs on Chinese steel products, and tobacco trade restrictions.

*Analyst: Lutwik Antoniuk*

### **France: -1**

France has partially complied with its commitment to refrain from raising barriers to investment or trade and unfairly stimulating domestic export markets in accordance with the WTO Agreement on Subsidies and Countervailing Measures.

On 6 October 2009, France and other EU members imposed the EC anti-dumping duties on imports of pipes and tubes from China,<sup>140</sup> and imports of aluminium foil from Armenia, Brazil, and China.<sup>141</sup>

On 12 October 2009, the European Commission recommended extending tariffs on shoe products from China and Vietnam of 10 per cent and 16.5 per cent respectively for a maximum duration of 15 months.<sup>142</sup> The tariffs were first imposed in 2006 and were renewed on 22 December 2009.<sup>143</sup>

Thus, France has been awarded a score of -1 for its participation in new barriers and restrictions to trade.

*Analyst: Hermonie Xie*

### **Germany: -1**

Germany has failed to comply with its commitment to refrain from raising barriers to investment or trade and unfairly stimulating domestic export markets in accordance with the WTO Agreement on Subsidies and Countervailing Measures.

On 6 October 2009, Germany and other EU member states implemented anti-dumping legislations on imports of seamless pipes and iron and steel tubes from China.<sup>144</sup> On the

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<sup>139</sup> SIMA - Certain Carbon Steel and Stainless Steel Fasteners - Notice of Re-investigation, Canada Border Services Agency (Ottawa) 15 September 2009. Date of Access: 4 December 2009. [www.cbsa-asfc.gc.ca/sima-lmsi/ri-re/ad1308/ad1308-ri08-ni-eng.html](http://www.cbsa-asfc.gc.ca/sima-lmsi/ri-re/ad1308/ad1308-ri08-ni-eng.html).

<sup>140</sup> EC: Antidumping duties on certain seamless pipes and tubes of iron and steel from China, Global Trade Alert (London) 16 Oct 2009. Date of Access: 4 December 2009. [www.globaltradealert.org/measure/ec-antidumping-duties-certain-seamless-pipes-and-tubes-iron-and-steel-china](http://www.globaltradealert.org/measure/ec-antidumping-duties-certain-seamless-pipes-and-tubes-iron-and-steel-china).

<sup>141</sup> EC: Antidumping duties on aluminum foil from Armenia, Brazil and China, Global Trade Alert (London) 16 Oct 2009. Date of Access: 4 December 2009. [www.globaltradealert.org/measure/ec-antidumping-duties-aluminium-foil-armenia-brazil-and-china](http://www.globaltradealert.org/measure/ec-antidumping-duties-aluminium-foil-armenia-brazil-and-china).

<sup>142</sup> UPDATE 1-EU Commission Wants Extended China Shoe Tax, Reuters US Edition (Brussels) 12 October 2009. Date of Access: 14 December 2009. [www.reuters.com/article/idUSL1C47986220091012](http://www.reuters.com/article/idUSL1C47986220091012).

<sup>143</sup> China Takes Steps Against EU in Trade Row, Deutsche-Welle (Brussels) 23 December 2009. Date of Access: 23 December 2009. [www.dw-world.de/dw/article/0,,5052687,00.html](http://www.dw-world.de/dw/article/0,,5052687,00.html).

<sup>144</sup> EC: Antidumping duties on certain seamless pipes and tubes of iron and steel from China, Global Trade Alert (London) 16 Oct 2009. Date of Access: 4 December 2009. [www.globaltradealert.org/measure/ec-antidumping-duties-certain-seamless-pipes-and-tubes-iron-and-steel-china](http://www.globaltradealert.org/measure/ec-antidumping-duties-certain-seamless-pipes-and-tubes-iron-and-steel-china).

same day, Germany conceded to imposing anti-dumping duties on imports of aluminum foil from Armenia, Brazil and China.<sup>145</sup>

On 12 October 2009, the European Commission recommended extending tariffs on shoe products from China and Vietnam of 10 per cent and 16.5 per cent respectively for a maximum duration of 15 months.<sup>146</sup> The tariffs were first imposed in 2006 and were renewed on 22 December 2009.<sup>147</sup>

Thus, for its participation in new barriers and restrictions to trade, Germany has been awarded a -1.

*Analyst: Hermonie Xie*

### **Italy: -1**

Italy has not complied with its commitment to refrain from raising barriers to investment or trade and unfairly stimulating domestic export markets in accordance with the WTO Agreement on Subsidies and Countervailing Measures.

On 6 October 2009, Italy backed the imposition of the European Community's new anti-dumping tariffs on imports of Chinese steel and iron products<sup>148</sup> as well as tariffs on aluminum foil imports from Armenia, Brazil, and China.<sup>149</sup>

On 12 October 2009, the European Commission recommended extending tariffs on shoe products from China and Vietnam of 10 per cent and 16.5 per cent respectively for a maximum duration of 15 months.<sup>150</sup> The tariffs were first imposed in 2006 and the European Union voted to renew them on 22 December 2009.<sup>151</sup>

Italy has promoted the imposition of new tariffs as well as the extension of existing duties. Therefore, Italy has been awarded an interim compliance score of -1.

*Analyst: Steven Penner*

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<sup>145</sup> EC: Antidumping duties on aluminum foil from Armenia, Brazil and China, Global Trade Alert (London) 16 Oct 2009. Date of Access: 4 December 2009. [www.globaltradealert.org/measure/ec-antidumping-duties-aluminium-foil-armenia-brazil-and-china](http://www.globaltradealert.org/measure/ec-antidumping-duties-aluminium-foil-armenia-brazil-and-china).

<sup>146</sup> UPDATE 1-EU Commission Wants Extended China Shoe Tax, Reuters US Edition (Brussels) 12 October 2009. Date of Access: 14 December 2009. [www.reuters.com/article/idUSLCA47986220091012](http://www.reuters.com/article/idUSLCA47986220091012).

<sup>147</sup> China Takes Steps Against EU in Trade Row, Deutsche-Welle (Brussels) 23 December 2009. Date of Access: 23 December 2009. [www.dw-world.de/dw/article/0,,5052687,00.html](http://www.dw-world.de/dw/article/0,,5052687,00.html).

<sup>148</sup> Council Regulation (EC) No. 926/2009, Official Journal of the European Union (Luxembourg) 24 September 2009. Date of Access 18 December 2009. [eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:262:0019:0035:EN:PDF](http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:262:0019:0035:EN:PDF).

<sup>149</sup> Council Regulation (EC) No. 925/2009, Official Journal of the European Union (Luxembourg) 24 September 2009. Date of Access 18 December 2009. [eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:262:0001:0018:EN:PDF](http://eurlex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2009:262:0001:0018:EN:PDF).

<sup>150</sup> UPDATE 1-EU Commission Wants Extended China Shoe Tax, Reuters US Edition (Brussels) 12 October 2009. Date of Access: 14 December 2009. [www.reuters.com/article/idUSLCA47986220091012](http://www.reuters.com/article/idUSLCA47986220091012).

<sup>151</sup> China Takes Steps Against EU in Trade Row, Deutsche-Welle (Brussels) 23 December 2009. Date of Access: 23 December 2009. [www.dw-world.de/dw/article/0,,5052687,00.html](http://www.dw-world.de/dw/article/0,,5052687,00.html).

### **Japan: +1**

Japan has complied with its commitment to refrain from raising barriers to investment or trade and unfairly stimulating domestic export markets in accordance with the WTO Agreement on Subsidies and Countervailing Measures.

At the November 2009 Asia-Pacific Economic Cooperation summit in Singapore, Japan joined the APEC member states in renewing their commitment to abstain from enacting policies that would deliberately restrict trade and investment.

However, the newly elected Japanese government also has recently shown signs that it is ready to protect its domestic industries. On 2 December 2009 that Japanese Agriculture Minister Hirotaka Akamatsu requested an expansion of WTO limits on protection of products from “sensitive” industries, such as agriculture.<sup>152</sup> Such an expansion would protect the Japanese agriculture industry from the losses that would result from the inflow of less expensive imports.<sup>153</sup>

The Japanese government is also advocating for increased and direct subsidies to Japanese rice farmers.<sup>154</sup> Moreover, the government is continuing a review of sanitation policies that will, if implemented, restrict food imports from many countries.<sup>155</sup>

Japan thus far has not implemented new barriers to trade or unfair export subsidies. Therefore, Japan has been awarded an interim compliance score of +1.

*Analyst: Lutwik Antoniuk*

### **Russia: -1**

Russia has failed to comply with its commitment to refrain from raising barriers to investment or trade and unfairly stimulating domestic export markets in accordance with the WTO Agreement on Subsidies and Countervailing Measures.

On 14 October 2009, the Government of Russia prolonged for 9 months import customs duties on iron-and-steel scrap and certain types of rolled metal.<sup>156</sup>

On 10 December 2009, import customs duties on rice were raised from EUR0.07 per 1 kilogram to EUR0.12 per 1 kilogram.<sup>157</sup>

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<sup>152</sup> Japan Wants WTO Flexible on Farm Tariff Cuts, The Japan Times Online (Tokyo) 2 December 2009. Date of Access 19 December 2009. [search.japantimes.co.jp/cgi-bin/nb20091202a5.html](http://search.japantimes.co.jp/cgi-bin/nb20091202a5.html).

<sup>153</sup> Japan Wants WTO Flexible on Farm Tariff Cuts, The Japan Times Online (Tokyo) 2 December 2009. Date of Access 19 December 2009. [search.japantimes.co.jp/cgi-bin/nb20091202a5.html](http://search.japantimes.co.jp/cgi-bin/nb20091202a5.html)

<sup>154</sup> Rice – a staple of unstable future, funds?, The Japan Times Online (Tokyo) 6 October 2009. Date of Access: 4 December 2009. [search.japantimes.co.jp/cgi-bin/nn20091006i1.html](http://search.japantimes.co.jp/cgi-bin/nn20091006i1.html).

<sup>155</sup> Japan: Review of Food Sanitation Law, Global Trade Alert (London) 17 August 2009. Date of Access: 4 December 2009. [www.globaltradealert.org/measure/japan-review-food-sanitation-law](http://www.globaltradealert.org/measure/japan-review-food-sanitation-law).

<sup>156</sup> Regulation of 14 October 2009 No. 809, Government of the Russian Federation 14 October 2009. Date of access: 8 December 2009. [government.consultant.ru/doc.asp?ID=54836](http://government.consultant.ru/doc.asp?ID=54836).

<sup>157</sup> Regulation of 2 November 2009 No. 881, Government of the Russian Federation 2 November 2009. Date of access: 8 December 2009. [government.consultant.ru/doc.asp?ID=55148](http://government.consultant.ru/doc.asp?ID=55148).

On 2 November 2009, import customs duties on air ejector equipment were raised by 10 percentage points (from 0 per cent to 10 per cent).<sup>158</sup>

On 14 November 2009, the Government of Russia prolonged for 9 months import customs duties on certain types of combines.<sup>159</sup>

On 14 November 2009, the Russian government prolonged for 9 months import customs duties on certain types of cars for high-speed electric trains.<sup>160</sup>

On 8 November 2009, export customs duty on scrap magnesium was introduced at the rate of 20 per cent.<sup>161</sup>

On 8 November 2009, rules of customs value fixing were changed.<sup>162</sup> Previously customs value of exported goods didn't include transportation charges, taxes-and-duties, levied in Russia and country of destination.<sup>163</sup> Under new rules export customs duties on certain goods are to rise.

No facts of the World Trade Organisation (WTO) inconsistent measures to stimulate exports implementation during the compliance cycle have been registered.

Thus Russia has been awarded a score of -1 for raising new barriers to trade in goods and imposing new exports restrictions but not- implementing WTO inconsistent measures to stimulate exports.

*Analyst: Mark Rakhmangulov*

### **United Kingdom: -1**

The United Kingdom has partly with its commitment to refrain from introducing new trade barriers and subsidies in violation of the WTO Agreement on Subsidies and Countervailing Measures.

On 28 July 2009, the UK, along with representatives of other EU member states, voted to implement anti-dumping legislations on imports of seamless pipes and iron and steel tubes from China.<sup>164</sup>

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<sup>158</sup> Regulation of 28 September 2009 No. 760, Government of the Russian Federation 28 September 2009. Date of access: 8 December 2009. [government.consultant.ru/doc.asp?ID=54551](http://government.consultant.ru/doc.asp?ID=54551).

<sup>159</sup> Regulation of 14 November 2009 No. 940, Government of the Russian Federation 14 November 2009. Date of access: 8 December 2009. [government.consultant.ru/doc.asp?ID=55515](http://government.consultant.ru/doc.asp?ID=55515).

<sup>160</sup> Regulation of 14 November 2009 No. 931, Government of the Russian Federation 14 November 2009. Date of access: 8 December 2009. [government.consultant.ru/doc.asp?ID=55471](http://government.consultant.ru/doc.asp?ID=55471).

<sup>161</sup> Regulation of 2 October 2009 No. 771, Government of the Russian Federation 2 October 2009. Date of access: 8 December 2009. [government.consultant.ru/doc.asp?ID=54661](http://government.consultant.ru/doc.asp?ID=54661).

<sup>162</sup> Regulation of 2 October 2009 No. 772, Government of the Russian Federation 2 October 2009. Date of access: 8 December 2009. [government.consultant.ru/doc.asp?ID=54662](http://government.consultant.ru/doc.asp?ID=54662).

<sup>163</sup> Regulation of 13 August 2006 No. 500, Government of the Russian Federation 17 August 2006. Date of access: 8 December 2009. [government.consultant.ru/doc.asp?ID=35071](http://government.consultant.ru/doc.asp?ID=35071).

<sup>164</sup> EU Imposes Tariffs on Imports of Steel Pipe from China, Wall Street Journal (Brussels) 29 July 2009. Date of Access: 19 December 2009. [online.wsj.com/article/SB124879089698686945.html](http://online.wsj.com/article/SB124879089698686945.html).

On 22 December 2009, tariffs on shoe products from China and Vietnam of 10 per cent and 16.5 per cent respectively for a maximum duration of 15 months were passed by a full vote of the EU.<sup>165</sup> The UK strongly opposed the proposed extension of a tariff by the European Union on shoes originating from China and Vietnam. Lord Mandelson insisted that the measures are “no longer justified” and Alisdair Gray, the Director of the British Retail Consortium said that a preliminary victory “should sound the overdue death-knell for these unjustifiable taxes.”<sup>166</sup>

The UK has supported the implementation of duties that violate its trade commitment made at the L’Aquila Summit. It is on record as opposing some trade barriers, but its participation in them still contradicts the commitment made at L’Aquila. Therefore, the United Kingdom has been awarded an interim compliance score of -1.

*Analyst: Steven Penner*

### **United States: -1**

The United States has failed to comply with its commitment to refrain from raising barriers to investment or trade and unfairly stimulating domestic export markets in accordance with the WTO Agreement on Subsidies and Countervailing Measures.

On 13 September 2009, United States President Barack Obama announced the imposition of a new duty on Chinese tire imports.<sup>167</sup> The duty on tires, which came into effect on 26 September 2009, amounts to 35 per cent the first year, 30 per cent the second year and 25 per cent for the third year.<sup>168</sup>

On 5 November 2009, the United States announced the imposition of an anti-dumping tariff on Chinese steel pipe imports of up to 99 per cent.<sup>169</sup> In addition, on 24 November 2009, the United States Commerce Department declared its “final determination” to impose a tariff of between 10 and 15 per cent on imports of “oil country tubular goods” from China.<sup>170</sup>

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<sup>165</sup> China Takes Steps Against EU in Trade Row, Deutsche-Welle (Brussels) 23 December 2009. Date of Access: 23 December 2009. [www.dw-world.de/dw/article/0,,5052687,00.html](http://www.dw-world.de/dw/article/0,,5052687,00.html).

<sup>166</sup> UK Retailers claim victory on shoe duties. The Independent (London) 20 Nov 2009. Date of Access: 04 Dec 2009. [www.independent.co.uk/news/business/news/uk-retailers-claim-victory-on-shoe-duties-1824058.html](http://www.independent.co.uk/news/business/news/uk-retailers-claim-victory-on-shoe-duties-1824058.html).

<sup>167</sup> U.S. Adds Tariffs on Chinese Tires, The New York Times (Washington) 11 September 2009. Date of Access: 4 December 2009. [www.nytimes.com/2009/09/12/business/global/12tires.html?\\_r=1&scp=1&sq=china%20tyre%20tariff&st=cse](http://www.nytimes.com/2009/09/12/business/global/12tires.html?_r=1&scp=1&sq=china%20tyre%20tariff&st=cse).

<sup>168</sup> U.S. Adds Tariffs on Chinese Tires, The New York Times (Washington) 11 September 2009. Date of Access: 4 December 2009. [www.nytimes.com/2009/09/12/business/global/12tires.html?\\_r=1&scp=1&sq=china%20tyre%20tariff&st=cse](http://www.nytimes.com/2009/09/12/business/global/12tires.html?_r=1&scp=1&sq=china%20tyre%20tariff&st=cse).

<sup>169</sup> New U.S. Tax on Chinese Pipes, The New York Times (New York) 5 November 2009. Date of Access: 14 December 2009. [www.nytimes.com/2009/11/06/business/global/06pipe.html](http://www.nytimes.com/2009/11/06/business/global/06pipe.html).

<sup>170</sup> US firm on slapping tariffs on Chinese steel pipes, Agence France-Presse, 25 November 2009. Date of Access: 14 December 2009. [news.smh.com.au/breaking-news-world/us-firm-on-slapping-tariffs-on-chinese-steel-pipes-20091125-jqre.html](http://news.smh.com.au/breaking-news-world/us-firm-on-slapping-tariffs-on-chinese-steel-pipes-20091125-jqre.html).



The United States has imposed new barriers to trade and has therefore violated its commitment to refrain from imposing trade barriers and unfair subsidies. Thus, the United States has been awarded a score of -1.

*Analyst: Saim Siddiqui*

### **European Union: -1**

The European Union has failed to comply with its commitment to refrain from raising barriers to investment or trade and unfairly stimulating domestic export markets in accordance with the WTO Agreement on Subsidies and Countervailing Measures.

On 6 October 2009, the European Commission imposed new duties on Chinese steel and iron imports<sup>171</sup> as well as imports of aluminium foil from Armenia, Brazil, and China.<sup>172</sup> These tariffs were implemented on the grounds that the goods in question had been unfairly subsidized by their respective governments and “dumped” on European markets.<sup>173</sup> However, the EC has not approached the WTO Dispute Settlement Body with its complaints regarding the Chinese steel and iron imports or the aluminium imports.<sup>174</sup>

On 12 October 2009, the European Commission recommended extending tariffs on shoe products from China and Vietnam of 10 per cent and 16.5 per cent respectively for a maximum duration of 15 months.<sup>175</sup> The tariffs were first imposed in 2006 and were renewed on 22 December 2009.<sup>176</sup>

The EU has extended tariff as well as non-tariff barriers on imports and has taken actions that violate the WTO SCM Agreement. Thus, the European Union has been given a score of -1.

*Analyst: Saim Siddiqui*

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<sup>171</sup> EC: Antidumping duties on certain seamless pipes and tubes of iron and steel from China, Global Trade Alert (London) 16 Oct 2009. Date of Access: 4 December 2009. [www.globaltradealert.org/measure/ec-antidumping-duties-certain-seamless-pipes-and-tubes-iron-and-steel-china](http://www.globaltradealert.org/measure/ec-antidumping-duties-certain-seamless-pipes-and-tubes-iron-and-steel-china).

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