

**COMMENTS FROM AUSTRALIA ON THE UNITED STATES' PAPER ON
BASIC CONCEPTS AND PRINCIPLES OF THE TRADE REMEDY RULES
(DOCUMENT TN/RL/W/27)**

Submission by Australia

The following communication, dated 25 November 2002, has been received from the Permanent Mission of Australia.

Australia thanks the United States for its basic concepts paper. Australia agrees with a number of the broad principles outlined in the US paper. For example, Australia agrees that trade remedy rules should be underpinned by the objectives of transparency, effectiveness and due process. Australia seeks to explore these basic concepts further.

The United States notes that the Doha Ministerial looks beyond the basic concepts and principles of trade remedy rules to the need to identify disciplines on trade-distorting practices. Australia supports addressing trade-distorting practices. However, Australia considers that there needs to be a distinction between a trade-distorting practice (to which trade remedies are available to address) and the trade remedy itself. The WTO Agreements as a whole deal with various forms and aspects of trade-distorting practices but Australia considers that the primary focus of the mandate for the Negotiating Group on Rules decided by Ministers in Doha is to address the rules captured by the WTO Agreements on Implementation of Article VI of the GATT 1994 (the Anti-Dumping Agreement) and on Subsidies and Countervailing Measures.

- Does the United States consider trade-distorting practices are the subject of the wider universe of rules covered by the WTO Agreements?
- Does the United States consider that addressing trade-distorting practices should exclude consideration of improving and clarifying trade remedy rules?
- Would the United States agree that trade remedy instruments are designed to respond to certain trade-distorting practices?

Part C, Section 1: Anti-Dumping Rules as a Remedial Mechanism

The United States notes that “anti-dumping duties alone will not provide a long-term solution to distorted markets abroad, especially if foreign governments do not solve the underlying problems in their own markets”.

- Does the United States consider that dumping by companies per se stems from government industrial policies or government intervention in the marketplace, or only injurious dumping?

Part C, Section 2: The Use of Countervailing Duties to Address Subsidization

- How would the United States propose strengthening disciplines on subsidies?
- In terms of the four core principles outlined in the paper, could the United States explain on which specific areas relating to transparency and due process it wishes to see further refinement?

The United States refers to work begun in the OECD relating to trade distorting practices in the steel sector. The United States proposes that participants agree to prohibit substantially all subsidies to steel (with some exceptions) (refer page 4 of the US steel paper contained in TN/RL/W/24). It notes that this work could provide a basis for the work of the Rules Negotiating Group.

- Is the United States proposing within the Rules Group that substantially all subsidies be prohibited?
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