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**CHINA – ANTI-DUMPING MEASURES ON IMPORTS OF CELLULOSE PULP  
FROM CANADA**

**RECOURSE TO ARTICLE 21.5 OF THE DSU BY CANADA**

**REQUEST FOR CONSULTATIONS**

The following communication, dated 11 September 2018, from the delegation of Canada to the delegation of China, is circulated to the Dispute Settlement Body in accordance with Article 21.5 of the DSU.

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My authorities have instructed me to request consultations with the Government of the People's Republic of China ("China") pursuant to paragraph 1 of the "Understanding between China and Canada regarding procedures under Articles 21 and 22 of the DSU" ("Sequencing Agreement"),<sup>1</sup> Articles 1 and 4 of the *Understanding on Rules and Procedures Governing the Settlement of Disputes* ("DSU"), Article XXII:1 of the *General Agreement on Tariffs and Trade 1994* ("GATT 1994") and Articles 17.2 and 17.3 of the *Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994* ("Anti-Dumping Agreement") with respect to China's measures imposing anti-dumping duties on imports of cellulose pulp from Canada, as set forth in the Ministry of Commerce of China ("MOFCOM") notices below:

- Notice No. 75 of 2013 (6 November 2013), including its annex (the "Preliminary Determination");
- Notice No. 18 of 2014 (4 April 2014), including its annex (the "Final Determination");
- the "Notice on the Disclosure of the Essential Facts" (26 March 2018), including its annex (the "Redetermination Disclosure"); and
- Notice No. 37 of 2018 (20 April 2018), including its annex (the "Reinvestigation Determination").

On 22 May 2017, the DSB adopted its recommendations and rulings in the dispute *China - Anti-Dumping Measures on Imports of Cellulose Pulp from Canada* ("*China – Cellulose Pulp*") (DS483).<sup>2</sup> The DSB found that China imposed anti-dumping duties on Canadian exports of cellulose pulp in a manner that breached China's obligations under the Anti-Dumping Agreement and recommended that China bring its measures into conformity with its obligations under this Agreement.

On 1 June 2017 Canada and China agreed, pursuant to Article 21.3(b) of the DSU, that the reasonable period of time for China to implement the recommendations and rulings of the DSB in the *China – Cellulose Pulp* dispute would be 11 months from 22 May 2017.<sup>3</sup> On 20 April 2018, China issued a Reinvestigation Determination in relation to the duties at issue in this dispute, as set forth in MOFCOM's Public Notice No. 37 of 2018, including its annex. This Reinvestigation Determination continues the imposition of anti-dumping duties on imports of cellulose pulp from Canada. The reasonable period of time expired on 22 April 2018.

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<sup>1</sup> WT/DS483/8.

<sup>2</sup> WT/DS483/5.

<sup>3</sup> WT/DS483/6.

Canada considers that China has not properly implemented the DSB's recommendations and rulings. In particular, it appears that China's continuing anti-dumping measures on cellulose pulp from Canada are imposed inconsistently with the following provisions of the Anti-Dumping Agreement and the GATT 1994:

1. Articles 3.1 and 3.2 of the Anti-Dumping Agreement because China's reinvestigation of injury was not based on positive evidence and did not involve an objective examination of the volume of the subject imports and the effect of those imports on prices of the domestic like products. China failed to properly consider whether there had been a significant increase in the volume of the subject imports. China also failed to properly consider whether the effect of such imports was to depress prices of the domestic like products to a significant degree.
2. Articles 3.1 and 3.5 of the Anti-Dumping Agreement because China failed to demonstrate, through an objective examination based on positive evidence, the causal relationship between the subject imports and any injury to the domestic industry. China also failed to conduct an objective examination, based on positive evidence, of known factors other than the subject imports which at the same time were injuring the domestic industry and improperly attributed the injuries caused by those factors to the subject imports.
3. Articles 6.5 and 6.5.1 of the Anti-Dumping Agreement, because China failed to provide, or require interested parties to provide, adequate non-confidential summaries of allegedly confidential information.
4. Article 6.9 of the Anti-Dumping Agreement because China failed to adequately disclose the "essential facts" underlying its Reinvestigation Determination.
5. Articles 12.2 and 12.2.2 of the Anti-Dumping Agreement because China failed to provide public notice of all relevant information on the matters of fact and law and reasons, findings and conclusions which led to the Reinvestigation Determination.
6. Article 1 of the Anti-Dumping Agreement and Article VI of the GATT 1994 as a consequence of the breaches of the Anti-Dumping Agreement described above.

China's measures, therefore, appear to nullify or impair benefits accruing to Canada directly or indirectly under the cited agreements.

Canada reserves the right to address additional measures and claims in the course of consultations.

Canada looks forward to receiving China's reply to this request and to determining a mutually convenient date for consultations within 15 days of China's receipt of this request, as set out in paragraph 1 of the Sequencing Agreement.

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