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Trade Briefs

Japan, U.S. Join to Challenge Chinese Trade Policies

Over the past couple weeks, Japan and the U.S., alongside other nations, have joined to bring pressure on China to end or change some of its trade policies. In particular, Japan and the U.S. have worked to challenge China over its raw materials exports and to put pressure on China to alter its new procurement policies.

Raw Material Export Restrictions

The U.S., along with the European Union (EU) and Mexico, have asked for and been granted a dispute panel from the World Trade Organization(WTO) to rule on its complaints over what they believe are unfair restrictions on the export of raw material exports from China. In particular, the three countries allege that China puts export quotas on bauxite, coke, fluorspar, silicon carbide, zinc, and intermediate products that incorporate these raw materials. In addition, the three countries allege that China levies export duties and export fees on some of these raw materials. These policies would, according to the U.S., the EU, and Mexico, contravene China's obligations under it's WTO accession agreement.

Japan has joined this dispute, requesting to be added as a third-party. As a third-party, Japan will be able to submit comments and to make oral arguments in front of the dispute panel.

China has resisted and denied the allegations. China initially blocked the requests for a panel, but a second request can only be blocked with unanimous consent by all countries present. Now that a panel has been formed, China claims that the requests by the U.S., EU, and Mexico failed to state a legal claim or to make a connection between the alleged activities and possible trade measures.

Procurement Policies

Japanese and U.S. trade associations have joined an international group of interested parties in urging China to refrain from enacting its new procurement preference plan. The procurement plan would allegedly grant preferential treatment to goods created with Chinese intellectual property, and it would begin at the end of the year.

China's procurement plan is designed to promote indigenous innovation, a long-standing Chinese policy goal. However, many nations fear that this will shut out foreign industry from the growing Chinese market. China says that its policy is not discriminatory, while others disagree.

Pressure from a multinational group of trade associations and diplomats may not have an effect on China's policy. China is not a party to the Government Procurement Agreement (GPA). Therefore, there is no obvious route (beyond diplomatic and private sector pressure) to put pressure on China to change its policies.

Dumping Watch

Amended Preliminary Determination in AD Investigation into Chinese OCTG

On December 30, the Department of Commerce (DOC) gave notice of significant amendments to its preliminary determination in the antidumping (AD) duty investigation into oil country tubular goods (OCTG) from China.

On April 8, 2009, AD and CVD petitions were filed against imports of OCTG from China on behalf of Maverick Tube Corporation, TMP Ipsco, V&M Star L.P., Wheatland Tube Corp., Evraz Rocky Mountain Steel, and related union interests. The scope of the petition included certain OCTG, hollow steel products of circular cross section, including only oil well casing and tubing, of iron (other than cast iron) or steel (both carbon and alloy), whether seamless or welded, whether or not conforming to the American Petroleum Institute ("API") or non-API specifications, whether finished or unfinished (including green tubes and limited service OCTG products). The scope did not cover casing or tubing containing 10.5% or more by weight of chromium, or drill pipe. Critical circumstances were also alleged in the petition.

On November 17, 2009, the DOC gave notice that it had reached a preliminary determination in this AD investigation into Chinese OCTG. The DOC found weighted-average dumping margins for every individual respondent except for Jiangsu Changbao Steel Tube Co., Ltd. (which was found to have a dumping margin of 0.00%) of 36.53%. The all others rate was 99.14%.

On December 30, 2009, the DOC gave notice that it had found significant ministerial errors in its preliminary determination calculations and subsequently amended the dumping margins. The amended individual rates for all respondents (including Jiangsu) are now 96.51%. The all-others rate remains at 99.14%.

Federal Register Notices

International Trade Administration

Request for Comments on Priorities for the Transatlantic Innovation Dialogue 74 FR 69330-69331, December 31, 2009.

[A-570-943] Certain Oil Country Tubular Goods From the People's Republic of China: Notice of Amended Preliminary Determination of Sales at Less Than Fair Value 74 FR 69065-69067, December 30, 2009.

Clarification of the 2009 Calculation of Expected Non-Market Economy Wages 74 FR 69068, December 30, 2009.

[A-475-703] Granular Polytetrafluoroethylene Resin From Italy: Rescission of Antidumping Duty Administrative Review 74 FR 69071, December 30, 2009.

[A-570-892] Carbazole Violet Pigment 23 From the People's Republic of China: Preliminary Results of Antidumping Duty Administrative Review 74 FR 68780-68785, December 29, 2009.

[A-533-843] Certain Lined Paper Products from India: Notice of Court Decision Not In Harmony with Final Determination of Sales at Less than Fair Value *74 FR 68779-68780*, December 29, 2009.

[A-570-868] Folding Metal Tables and Chairs from the People's Republic of China: Final Results of Antidumping Duty Administrative Review *74 FR 68568-68570*, December 28, 2009.

[A-357-812] Honey from Argentina: Preliminary Results of Antidumping Duty Administrative Review and Intent To Revoke Order in Part *74 FR 68579-68575*, December 28, 2009.

[A-570-898] Chlorinated Isocyanurates From the People's Republic of China: Final Results of June 2008 Through November 2008 Semi-Annual New Shipper Review *74 FR 68575-68576*, December 28, 2009.

[A-533-502] Extension of Time Limit for Certain Welded Carbon Steel Standard Pipes and Tubes from India: Preliminary Results of Antidumping Duty Administrative Review *74 FR 68586*, December 28, 2009.

International Trade Commission

[Investigation No. 337-TA-679] In the Matter of: Certain Products Advertised as Containing Creatine Ethyl Ester Notice of Commission Decision Not To Review an Initial Determination Finding Respondent EST Nutrition in Default and Terminating the Investigation; Request for Written Submissions on Remedy, the Public Interest, and Bonding *74 FR 69146-69147*, December 30, 2009.

[Inv. No. 337-TA-695] In the Matter of: Certain Silicon Microphone Packages and Products Containing Same Designation of Investigation as "More Complicated" *74 FR 69145-69146*, December 30, 2009.

[Inv. No. 337-TA-696] In the Matter of Certain Restraining Systems for Transport Containers, Components Thereof, and Methods of Using Same; Notice of Investigation *74 FR 68865-68866*, December 29, 2009.

Office of the U.S. Trade Representative

Procurement Thresholds for Implementation of the Trade Agreements Act of 1979 *74 FR 68907-68909*, December 29, 2009.

The Week Ahead

- The ITC has no hearings or votes scheduled for the week of January 4 – January 8, 2010.