

5 February 2025

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## **UNITED STATES - ADDITIONAL TARIFF MEASURES ON GOODS FROM CHINA**

## REQUEST FOR CONSULTATIONS BY CHINA

The following communication, dated 4 February 2025, from the delegation of China to the delegation of the United States, is circulated to the Dispute Settlement Body in accordance with Article 4.4 of the DSU.

1. My authorities have instructed me to request consultations with the Government of the United States of America pursuant to Articles 1 and 4 of the *Understanding on Rules and Procedures Governing the Settlement of Disputes* ("DSU"), and Article XXIII of the *General Agreement on Tariffs and Trade 1994* ("GATT 1994") with respect to the United States' tariffs measures on goods originating in China.

## I. MEASURES AT ISSUE

- 2. On 1 February 2025, the United States issued the fact sheet¹ and Executive Order² implementing a 10% additional tariff on goods originating in China. The 10% additional tariff measures are imposed under section 1702(a)(1)(B) of International Emergency Economic Powers Act (IEEPA), as part of an alleged attempt to address the "national emergency" with respect to alleged influx of synthetic opioids into the United States³. As a consequence, all products of China, as defined by the Federal Register notice⁴, shall be subject to an additional 10% ad valorem rate of duty, effective on 4 February 2025⁵.
- 3. The measures at issue, including the 10% additional tariffs, as well as the measures with respect to the availability of drawback and duty-free de minimis treatment<sup>6</sup>, as provided in Section 2(f) and 2(g) of the Executive Order, respectively, which are imposed on the basis of unfounded and false allegations concerning China, apply only to all products of Chinese origin. Furthermore, the 10% additional tariffs imposed are in excess of the United States' bound rates in its Schedule of Concessions and Commitments annexed to the GATT 1994. The measures at issue not only violate WTO rules, but are discriminatory and protectionist in nature.
- 4. The measures at issue include, inter alia:

<sup>&</sup>lt;sup>1</sup> Fact Sheet dated on 1 February 2025, entitled *President Donald J. Trump Imposes Tariffs on Imports from Canada, Mexico and China*, see https://www.whitehouse.gov/fact-sheets/2025/02/fact-sheet-president-donald-j-trump-imposes-tariffs-on-imports-from-canada-mexico-and-china/.

<sup>&</sup>lt;sup>2</sup> Executive Order dated on 1 February 2025, entitled *Imposing Duties to Address the Synthetic Opioid Supply Chain in the People's Republic of China*, see https://www.whitehouse.gov/presidential-actions/2025/02/imposing-duties-to-address-the-synthetic-opioid-supply-chain-in-the-peoples-republic-of-china/

 $<sup>^{3}</sup>$  See the Background part and Section 1 of the Executive Order, for the basis for the implementation of the measures as alleged by the United States.

<sup>&</sup>lt;sup>4</sup> See Section 2(a) and 2(d) of the Executive Order.

<sup>&</sup>lt;sup>5</sup> See Section 2 of the Executive Order, for the scope of the products affected, rates of duty, effective date, etc.

<sup>&</sup>lt;sup>6</sup> See Section 2(f) and 2(g) of the Executive Order.

- Section 1702(a)(1)(B) of the International Emergency Economic Powers Act;
- Fact Sheet: President Donald J. Trump Imposes Tariffs on Imports from Canada, Mexico and China<sup>7</sup>;
- Executive Order dated on 1 February 2025: Imposing Duties to Address the Synthetic Opioid Supply Chain in the People's Republic of China;
- Federal Register notice containing the modifications to the Harmonized Tariff Schedule of the United States, as described in section 2(d) of the Executive Order, effective on 4 February 2025.
- 5. The measures at issue also include any amendments, supplements, or extensions to the measures specified above, as well as any closely connected, subsequent, replacement or implementing measures.

## II. LEGAL BASIS OF THE COMPLAINT

- 6. The measures at issue appear to be inconsistent with the United States' obligations under the following provisions of the GATT 1994, including:
  - Article I:1 of the GATT 1994, because the measures at issue fail to extend immediately and
    unconditionally to China an "advantage, favour, privilege or immunity" granted by the United
    States "[w]ith respect to customs duties and charges of any kind imposed on or in
    connection with" the importation of products originating in the territory of other Members.
  - Article II:1(a) and (b) of the GATT 1994, because the United States imposes additional tariffs
    on all imported products originating in China as identified in measures above that are in
    excess of United States bound rates in its Schedule of Concessions and Commitments
    annexed to the GATT 1994, and therefore fails to accord to the products originating in China
    and imported into the United States treatment no less favourable than that provided for in
    the United States' Schedule of Concessions and Commitments annexed to the GATT 1994.
- 7. In addition, and as a consequence of the foregoing, the measures at issue appear to nullify or impair benefits accruing to China, directly or indirectly, under the cited agreements.
- 8. China reserves the right to raise additional measures and claims regarding the matters identified herein during the course of consultations and in any future request for the establishment of a panel.
- 9. China looks forward to receiving the reply of the United States to this request and to setting a mutually convenient date for consultations.

 $^{7}$  See https://www.whitehouse.gov/fact-sheets/2025/02/fact-sheet-president-donald-j-trump-imposes-tariffs-on-imports-from-canada-mexico-and-china/.