SPC&B Update

February 12, 2015 - In This Issue:

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U.S. Files WTO Complaint Against China Subsidies

You may have seen an article on the front page of the *NY Times* Business Section today about the United States' challenge to China's "Demonstration Bases-Common Service Platform," which provides subsidies to Chinese exporters in certain industries, including textiles, apparel and footwear, advanced materials and metals, light industry, specialty chemicals, medical products, hardware and building materials, and agriculture. The export subsidy program provides services free or at a reduced cost to certain designated companies within the above sectors, which according to the U.S. complaint violates China's commitment at the time it joined the WTO not to provide certain export subsidies.

The general consensus is that the complaint process will take quite some time. Nevertheless, the threat of possibly losing subsidies could cause prices to increase in the interim, which bear watching. At the very least, it behooves importers in the sectors mentioned above to inquire of their Chinese suppliers whether they are benefiting from these export subsidies.

For further information on trade with China, please contact Gail T. Cumins at gcumins@spcblaw.com, Alli Baron at abaron@spcblaw.com, or Donna Shira at dshira@spcblaw.com, or call us at 212-425-0055.

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