



Committee On Finance

Max Baucus, Chairman

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BAUCUS WELCOMES WTO CASE ON CHINESE SUBSIDIES

Finance Chairman calls case “first step” in more vigorous enforcement.

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) today applauded U.S. Trade Representative Susan Schwab’s announcement that the United States will file a World Trade Organization (WTO) case over illegal Chinese subsidies. The case alleges that the Chinese government provides illegal tax and tariff breaks to companies to both encourage higher exports of manufactured goods and encourage the use of Chinese – not foreign – content in domestic manufacturing. It is the third WTO action that the United States has filed against China.

“The U.S. government needs to stand up for American workers and companies when our trading partners are bending – or breaking – the rules. Forcing China to eliminate its illegal subsidies will keep world markets open to U.S. goods, keeping jobs here at home,” said Baucus. **“Ambassador Schwab is right to file this WTO case. I hope that today’s action is a signal that the U.S. Trade Representative will take more vigorous action in the future when China or any other country fails to abide by trade agreements.”**

China currently provides a number of WTO-illegal subsidies, including some that encourage exports and others that discourage purchases of American products. These subsidies harm American manufacturers and create an unfair trade advantage for China. China committed to eliminate these illegal subsidies when it joined the WTO in December 2001.

Today’s action, which requests formal WTO consultations with China, initiates the WTO dispute settlement process. Should consultations fail to resolve the issue, USTR can then request a review and judgment by an official WTO panel.

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