

# China – Anti-Dumping Measures on Stainless Steel Products from Japan (DS601) — Summary of Panel Report —

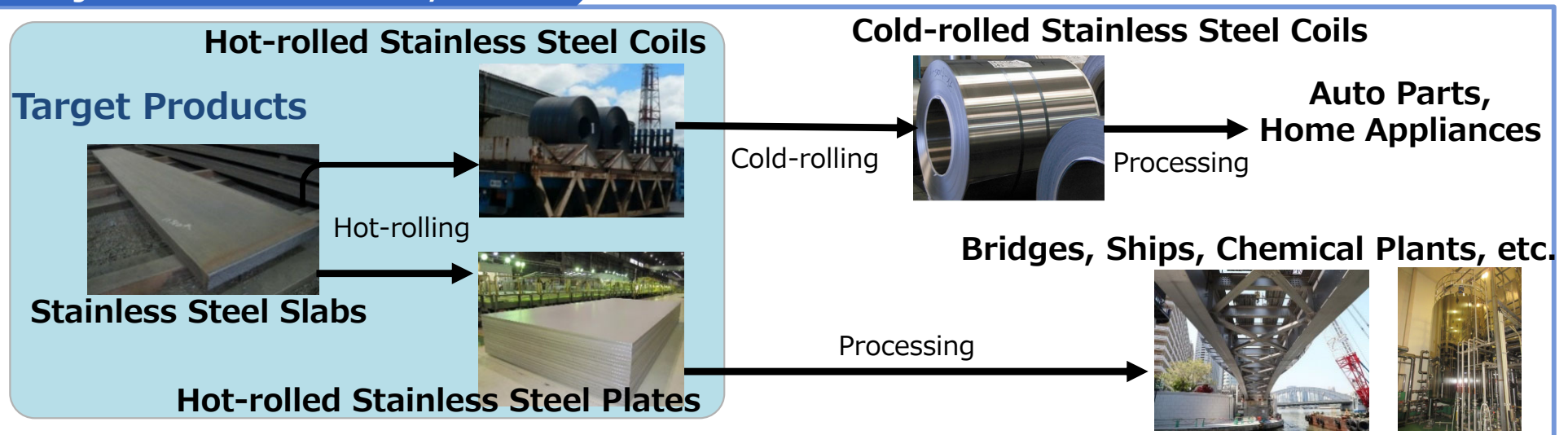
[June] 2023

Ministry of Economy, Trade & Industry, Japan

# China - AD Measures on Stainless Steel Products (DS601)

- July 2019- China's **AD measures on stainless steel from the EU, Indonesia, Korea & Japan** (2.1)  
**(Estimated Impact on Japan)**
  - ❑ Sales Decrease : JPY 5.6 billion / year
  - ❑ Tariff Burdens: JPY 1.1 billion / year (Applicable Tariff Rates:18.1%~29.0%)
- China's measures, which are inconsistent with the WTO Agreements, continued despite Japan's requests to correct them
- June 2021: Japan's request for bilateral consultation (1.1) (-> July 2021: Bilateral consultation held (without settling the case) (1.2))
- Aug 2021: Japan's request for establishing a panel (1.3)

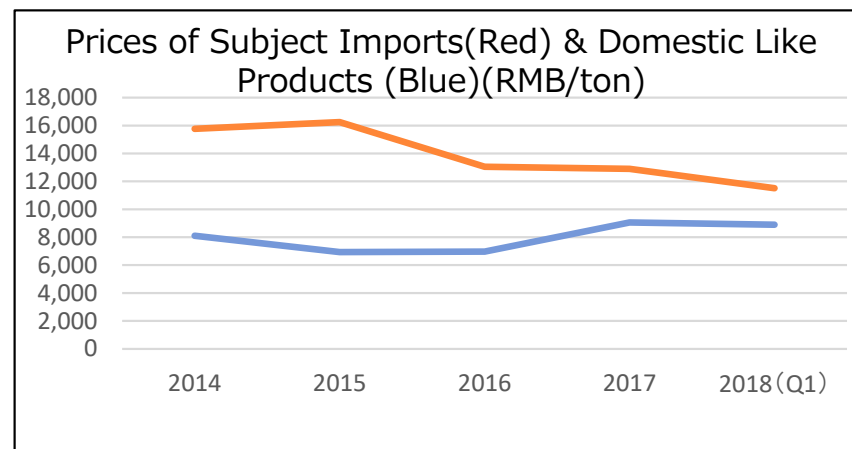
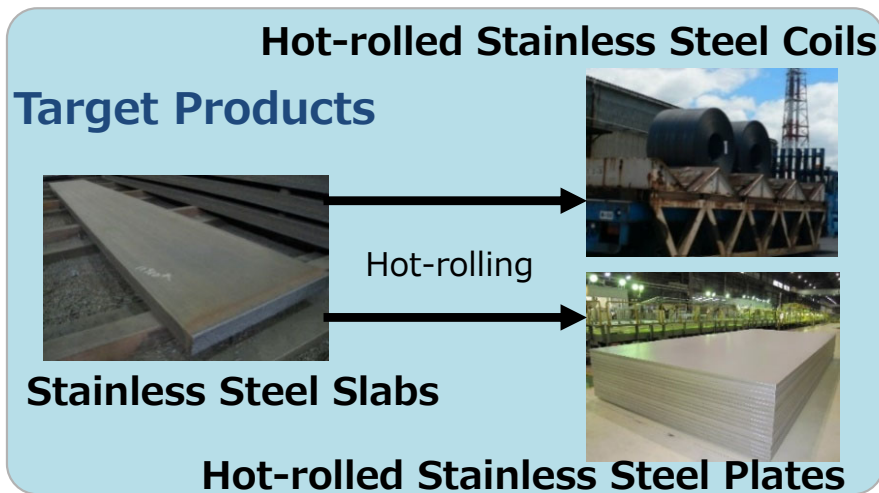
## Subject Products (2.1, FN8)



# Panel Findings on China's AD Measures

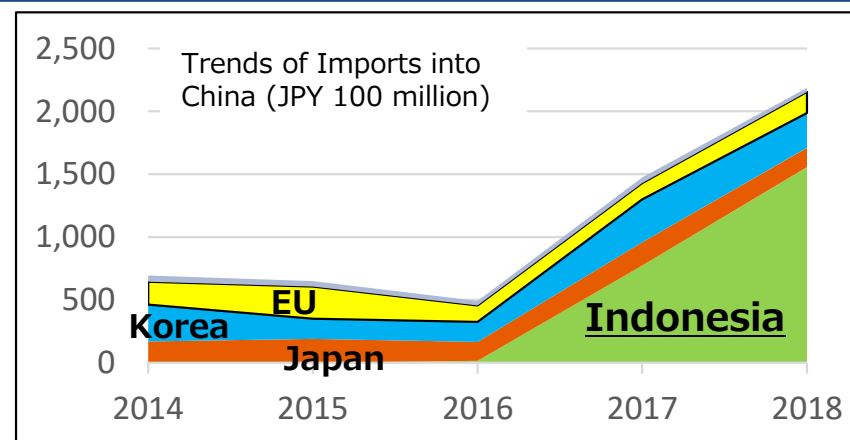
## Flawed Price Effects Analysis (ADA Art. 3.1/3.2): Adopted Japan's Claim (7.101-178)

- In comparing imported / domestic prices, China used **averaged prices of slabs, coils & plates**, ignoring their **differences in price, physical characteristics, uses**, etc.
- China's finding of overall "price depression" was not objective.



## Flawed Cumulated Assessment (ADA Art. 3.1/3.3): Rejected Japan's Claim (7.58 – 100)

- The competitive overlap – "imports from any source can make up for lower levels of imports from any other sources" – proposed by Japan, is relevant, but not required for cumulative assessment.
- The differences in product categories, volume trends, prices, sales channels among 4 sources, pointed out by Japan, do not necessarily undermine the objectivity of China's cumulated assessment.



※Only imports from Indonesia have increased sharply.

# Panel Findings on China's AD Measures

## Flawed Impact Assessment (Art. 3.1/3.4): Adopted Japan's Claim (7.179-229)

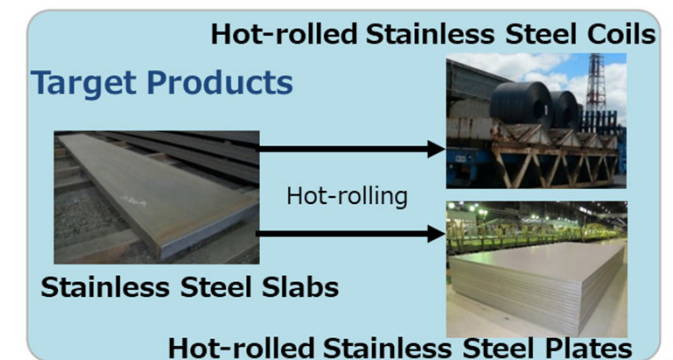
- With flawed price effects finding, its assessment of impacts of domestic industry could not be objective.
- No sufficient explanation on the correlation between the subject imports and the state of domestic industry – e.g. how & why subject imports with low market share could lead to the domestic industry suffering injury.

## Flawed Causation Analysis (Art. 3.1/3.5): Adopted Japan's Claim (7.230-262)

- With flawed price effects (Art. 3.2) & impact (Art. 3.4) analyses, causation analysis could not be objective.
- The impacts of nickel price increases, at the same time as the alleged "injury", was not adequately analyzed.

## Definition of Domestic Industry (Art. 4.1): Adopted Japan's Claim (7.1-57)

- Slabs are processed into coils or plates, so if the production volumes of 3 categories are simply aggregated, the volume would be double-counted.
- China then aggregated only the "external sales" of slabs and production of coils and plates to calculate the proportion of domestic industry.
- However, this method also poses a double-counting risk that China failed to address, since slabs are sold by on Chinese producer to another who processes them into coils/plates.



## Due Process (Art. 6/12): Adopted Japan's Core Claims (7.263-408)

- China failed to disclose essential facts on price effects finding and nickel price increases
- Redacting domestic company names was not necessarily against WTO Agreement
- Some other disclosure issues were not decided, as they are unnecessary for settling this dispute.

# Divisions in charge

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