

Alan Price Discusses Whether China Must Be Treated as a Market Economy

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Alan H. Price, chair of Wiley Rein's International Trade Practice, was quoted in yesterday's *Bloomberg BNA* coverage of whether World Trade Organization (WTO) members must start recognizing China as a "market economy" in December 2016. China is not a market economy and has not met its WTO obligations to warrant such recognition, Mr. Price said in an article published in *BNA's International Trade Daily* and *Daily Report for Executives*.

According to the article, a senior Chinese official indicated in a briefing last week that WTO members must start treating China as a market economy later this year. The official said Article 15 of the 2001 protocol on China's accession to the WTO requires members to stop using an alternative, non-market economy calculation method in antidumping investigations against China after December 11, 2016. However, the U.S. Commerce Department told *Bloomberg BNA* that the WTO protocol contains no provisions requiring a change of practice in 2016 with respect to China, and that nonmarket economy status can be re-evaluated only by Commerce's Enforcement & Compliance Division in the context of an antidumping proceeding based on a formal request from China.

Mr. Price told *Bloomberg BNA* that Article 15 does not give China an automatic right to market economy status.

"China's so-called reforms are far behind where trading partners needed China to be to warrant market economy treatment, and China hasn't lived up to its WTO accession obligations on pricing, state-owned enterprises, or subsidization," Mr. Price said. "Granting

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market economy status when China clearly is not a market economy harms the entire multilateral trading system and major players like the EU and U.S.," he added.

Mr. Price and his colleagues also addressed this topic in a Wiley Rein white paper published in September 2015.