

# U.S. Department of Commerce Seeks Comments Regarding China's Non-Market Economy Status

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April 3, 2017

As part of the antidumping investigation of *Certain Aluminum Foil from the People's Republic of China*, the U.S. Department of Commerce (Commerce) is soliciting comments regarding China's status as a non-market economy. The Tariff Act of 1930 defines "non-market economy country" as any foreign country that does not "operate on market principles of cost or pricing structures, so that sales of merchandise in such country do not reflect the fair value of the merchandise." Commerce is soliciting information and comments by May 3, 2017 regarding the following six statutorily enumerated factors:

- The extent to which the currency of the foreign country is convertible into the currency of other countries;
- The extent to which wage rates in the foreign country are determined by free bargaining between labor and management;
- The extent to which joint ventures or other investments by firms of other foreign countries are permitted in the foreign country;
- The extent of government ownership or control of the means of production;
- The extent of government control over allocation of resources and over price and output decisions of enterprises; and
- Other relevant factors.

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## Practice Areas

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International Trade

Commerce is conducting its inquiry in the context of December 11, 2016 changes to China's Protocol of Accession to the World Trade Organization (WTO). On December 12, 2016, China initiated WTO consultations with the U.S. and European Union (E.U.) regarding its continued treatment as a non-market economy country in U.S. and E.U. antidumping proceedings. Commerce is unlikely to change its treatment of China as a non-market economy under U.S. law, but the information that it collects during this inquiry will be important to the U.S. defense against China's WTO claims.

Please feel free to contact us if you have any questions or would like to discuss further.