

CHINA – VALUE-ADDED TAX ON INTEGRATED CIRCUITS

Request to Join Consultations

*Communication from the Separate Customs Territory of Taiwan,
Penghu, Kinmen and Matsu*

The following communication, dated 1 April 2004, from the delegation of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu to the delegation of China, the delegation of the United States and to the Chairperson of the Dispute Settlement Body, is circulated in accordance with Article 4.11 of the DSU.

With reference to the United States' request for consultations regarding the entitlement of enterprises in the People's Republic of China (China) to a partial refund of the value-added tax on integrated circuits (IC), my authorities have instructed me to notify the consulting parties and the Dispute Settlement Body that, pursuant to Article 4.11 of the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU), the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu wishes to join the consultations.

The United States' request for consultations pursuant to Article 4 of the DSU, Article XXII:1 of the General Agreement on Tariffs and Trade 1994 and Article XXII:1 of the General Agreement on Trade in Services, was circulated to all Members in document WT/DS309/1 on 23 March 2004.

The Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu has a substantial trade interest, as well as a systemic interest, in this matter. According to our customs statistics, we are one of China's largest suppliers of integrated circuits. In 2003, China's imports from us reached a total value of about US\$ 1.8 billion. This figure, as a matter of fact, has been increasing annually at the rates of 13.9%, 181.6% and 105.1% for each of the last three years. Based on substantial trade interest involved that we would like to notify our intention to join these consultations under Article 4.11 of the DSU.

We should be most grateful if you would kindly inform us, at your earliest convenience, of the date and venue of the consultation.
