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**Committee on Subsidies and Countervailing Measures**

Original: English

## **SUBSIDIES**

### **QUESTIONS FROM CHINA TO THE UNITED STATES PURSUANT TO ARTICLE 25.8 OF THE AGREEMENT**

The following communication, dated and received on 20 April 2022, is being circulated at the request of the delegation of China.

China has found the following United States subsidy programs through public channels. China would like to kindly request the United States to confirm whether the following subsidy programs have been notified to the WTO, or to provide reasons for non-notification and illustrate whether some of the following subsidy programs are compliant with the WTO rules.

#### **I. The United States subsidy programs involved in the WTO dispute cases.**

1. European Union v. Kansas (United States) Industrial Revenue Bonds (DS353)
2. European Union v. United States R&D Subsidies Provided to Large Civil Aircraft (DS353)

#### **II. The United States subsidy programs involved in countervailing cases initiated by members against the United States**

Low Tax Rate Program for Solar Manufacturing Companies of Washington State (the countervailing investigation initiated by China on Solar-Grade Polysilicon imported from the United States)

#### **III. The subsidy programs in New York State published on website (refer to the annexed table)**

Please illustrate whether the program 2, 4 and 5 contained in the subsidy programs in New York State are in line with relevant provisions of the SCM Agreement.

## ANNEX

### LIST OF SUBSIDY PROGRAMS AT SUB-CENTRAL GOVERNMENTAL LEVELS IN NEW YORK STATE, UNITED STATES

No.	Title of the subsidy programme	Authority for the subsidy	Forms of the subsidy	To whom the subsidy is provided	How the subsidy is provided
1	New Markets Tax Credit Program	The Empire State New Market Corporation (ESD subsidiary)	Tax incentives	Operating companies and real estate development program	The first round sum of \$30 million and the second round sum of \$55 million have been arranged. In November 2020, an application was submitted for funding of \$77 million to the United States Department of the Treasury's Community Development Financial Institutions Fund.
2	Global NY Fund Loan Program	The Empire State Development Corporation (ESD)	Preferential loan	Provide export financing to eligible small and medium-sized companies in New York State or companies in the State serving as suppliers to big exporters	Newly established small companies engaging in export with 100 employees or less can apply for loans up to \$ 100,000; small and medium-sized companies mainly operating in New York State, with less than 500 employees and rich export experiences can apply for loans up to \$500,000.
3	Photonics Attraction Fund	New York State	Direct grant	Companies that use integrated photon technology to manufacture products or provide services to the integrated photon industry, manufacturers of photonics integrated circuits (PIC), and companies providing services to the PIC industry	Generally, the total amount of grants will not exceed 20% of the cost of eligible projects, with priority given to projects that can bring more private funding and improve the quality and level of employment.
4	Global NY Fund Grant Program	Empire State Development Corporation (ESD)	Direct grant	Companies and nonprofit organizations seeking to create or expand direct exports in New York State	Companies can get up to \$25,000 in grants and nonprofit organizations can get up to \$50,000 in grants. The fund can be used for participating in trade fairs or study tours, export seminars, remaking products to meet foreign regulatory requirements, etc.

No.	Title of the subsidy programme	Authority for the subsidy	Forms of the subsidy	To whom the subsidy is provided	How the subsidy is provided
5	Global NY State Trade Expansion Program	The Empire State Development Corporation (ESD) and Small Business Administration (SBA)	Direct grant	Small and medium-sized export companies	The grant can be used to subscribe to the services provided by the United States Department of Commerce, attend trade fairs and export training courses, etc.
6	Entrepreneurship Navigator	Division of Science, Technology & Innovation, the Empire State Development Corporation (NYSTAR)	Public service for start-ups	Start-ups engaged in incubation and companies owned by ethnic minorities and women	Providing all-round commercialization support, including guidance, R&D, prototype design, technical assistance, technical product and market verification, manufacturing support, fund raising, intellectual property rights, etc.
7	Innovate NY Fund	New York VentureCapital Management Corporation	Venture capital fund	New York State supports companies in seeding stage that have the potential to innovate, create jobs and achieve high growth	The appropriation of \$35.6 million from the United States Department of the Treasury and \$10.3 million funding from Goldman Sachs, together with private sector funding of more than \$323 million, have been invested in more than 81 companies.
8	Center for Advanced Technology	Division of Science, Technology & Innovation, the Empire State Development Corporation (NYSTAR)	Industry-University-Research Cooperation	Private enterprises	Encouraging closer cooperation between private companies and universities in the development and application of new technologies, and advancing sustained programs of basic and applied research, development and technology transfer in multiple technical fields.
9	Centers of Excellence	Division of Science, Technology & Innovation, the Empire State Development Corporation (NYSTAR)	Industry-University-Research cooperation	Private sectors	Promoting cooperation between the academy research community and the business sector; developing and commercializing new products and technologies; boosting important investments from the private sector to emerging high-tech fields in New York State, and establishing and expanding companies in the technology field.
10	New York Manufacturing Extension Partnership	National Institute of Standards and Technology (NIST)	Financial Appropriation	Small and medium-sized manufacturers	The Federal Government and the State offer funds for small and medium-sized manufacturers to provide services for growth and innovation and help them create and retain jobs so as to increase their profits.