

2 June 2026

(26-4083) Page: 1/37 **Committee on Subsidies and Countervailing Measures**

**MINUTES OF THE REGULAR MEETING
HELD ON 30 APRIL 2026**

CHAIR: MR JUNGSOO HUR (REPUBLIC OF KOREA)

1. The Committee on Subsidies and Countervailing Measures ("Committee") held a regular meeting on 30 April 2026, convened in [WTO/AIR/SCM/67](#) dated 17 April 2026. The meeting was held in person and virtually via Interpretrefy.

2. Before the adoption of the agenda, China reiterated its opposition to the inclusion of item 9 on the agenda and emphasized that the SCM Committee was not the appropriate forum to discuss the so-called overcapacity issue, which was not trade-related and fell outside the scope of the Committee's functions under Article 24.1 of the SCM Agreement.

3. China further stated that continued discussion of the topic was of no constructive benefit. Despite repeated discussions and positions stated by China and other concerned Members, no substantive progress had been achieved. There was no clear definition of overcapacity, and the causal link between overcapacity and subsidy was even more obscure. China was particularly concerned that the United States had recently initiated Section 301 investigations into 16 economies, including China, on the ground of overcapacity. WTO panels had ruled that tariff measures taken on the Section 301 investigations were inconsistent with WTO rules. Before completing its investigations, the United States had imposed an additional 150 days 10% tariff on various countries under Section 122 of the Trade Act of 1974, which China firmly opposed.

4. China stated that the United States had no right to unilaterally determine whether trading partners had overcapacity through Section 301 investigations, or to take unilateral restrictive measures. It noted that some other Members shared China's positions and that the media had criticised US trade policy as increasingly showing political logic overriding economic logic by blaming others for overcapacity. Such an approach had neither structural basis nor accorded with economic logic.

5. China noted that the latest developments confirmed its longstanding position that overcapacity was not a rigorous academic or legal concept, but had become a politically manufactured label used by certain Members to address their own trade deficits, attack other Members, and pursue unilateralism and protectionism. China reiterated its unchanged position opposing discussion of this topic in the Committee. However, to support and facilitate the Committee's work, China would not block adoption of the agenda. This did not imply endorsement of the issue or any consensus among Members on including similar issues in the agenda of the Committee or any other subsidy body of the WTO in the future, and China requested that the Committee take note of this clear position.

6. The United States noted that it would provide its responses under the relevant agenda item. 7.

The Committee adopted the following agenda:

1 NATIONAL LEGISLATION – NEW NOTIFICATIONS 3

1.1 Review of notifications of new or amended legislation or regulations not previously reviewed by the Committee (including supplemental notifications of existing provisions not previously reviewed).....3

G/SCM/M/135

1.1.1 Botswana (G/SCM/N/1/BWA/1; G/ADP/N/1/BWA/2/Suppl.1 - G/SCM/N/1/BWA/1/Suppl.1 - G/SG/N/1/BWA/2/Suppl.1; G/ADP/N/1/BWA/2/Suppl.2 - G/SCM/N/1/BWA/1/Suppl.2 - G/SG/N/1/BWA/2/Suppl.2).....	3
1.2 Review of notifications of new or amended legislation or regulations with outstanding written questions.....	3
1.2.1 Saint Kitts and Nevis (G/ADP/N/1/KNA/1 - G/SCM/N/1/KNA/1).....	3
1.2.2 Solomon Islands (G/ADP/N/1/SLB/1 - G/SCM/N/1/SLB/1 - G/SG/N/1/SLB/1)	3
2 NATIONAL LEGISLATION – CONTINUING REVIEW OF LEGISLATIVE NOTIFICATIONS PREVIOUSLY REVIEWED BY THE COMMITTEE	4
2.1 Written follow-up questions concerning previously reviewed legislative notifications	4
2.1.1 Cambodia (G/ADP/N/1/KHM/2/Suppl.1 - G/SCM/N/1/KHM/2/Suppl.1 - G/SG/N/1/KHM/2/Suppl.1)	4
2.2 Outstanding written follow-up questions concerning previously reviewed legislative notifications posed under this agenda item at previous committee meetings:.....	4
2.2.1 European Union (G/ADP/N/1/EU/3/Suppl.2 - G/SCM/N/1/EU/2/Suppl.2 and G/ADP/N/1/EU/3/Suppl.3 - G/SCM/N/1/EU/2/Suppl.3)	4
3 SEMI-ANNUAL REPORTS OF COUNTERVAILING DUTY ACTIONS (ARTICLE 25.11)	5
4 PRELIMINARY AND FINAL COUNTERVAILING DUTY ACTIONS: NOTIFICATIONS: AD HOC NOTIFICATIONS.....	11
5 ARTICLE 27.4 EXTENSIONS OF THE TRANSITION PERIOD FOR THE ELIMINATION OF EXPORT SUBSIDIES – 31 DECEMBER 2015 END OF FINAL PHASE OUT PERIOD AND FINAL NOTIFICATION DUE 30 JUNE 2016	11
6 IMPROVING THE TIMELINESS AND COMPLETENESS OF NOTIFICATIONS AND OTHER INFORMATION FLOWS ON TRADE MEASURES UNDER THE SCM AGREEMENT.....	12
7 CONSTANT DOLLAR METHODOLOGY FOR GRADUATION FROM ANNEX VII (B).....	15
8 PERMANENT GROUP OF EXPERTS	16
9 SUBSIDIES AND OVERCAPACITY – ITEM REQUESTED BY AUSTRALIA, CANADA, THE EUROPEAN UNION, JAPAN, THE UNITED KINGDOM, AND THE UNITED STATES	16
10 FRANCE'S EV SUBSIDIES PROGRAMME – ITEM REQUESTED BY REPUBLIC OF KOREA	29
11 SUBSIDIES AND THE LEVEL PLAYING FIELD – ITEM REQUESTED BY CHINA	30
12 TRANSNATIONAL SUBSIDIES – ITEM REQUESTED BY THE UNITED STATES	32
13 CHINA'S FIRST SET TECHNOLOGY EQUIPMENT PROGRAMME – ITEM REQUESTED BY THE UNITED STATES	36
14 OTHER BUSINESS	37
15 ELECTION OF OFFICERS	37

1 NATIONAL LEGISLATION – NEW NOTIFICATIONS

1.1 Review of notifications of new or amended legislation or regulations not previously reviewed by the Committee (including supplemental notifications of existing provisions not previously reviewed)¹

8. The Chair indicated that item **1.1** of the agenda concerned the review of new legislative notifications not previously reviewed by the Committee, and noted that the reviews would follow the procedures in document [G/SCM/W/293/Rev.1](#).

9. The Chair recalled the applicable deadlines: written questions were due to the Member concerned and the Secretariat by **7 April 2026**; any oral questions for which a Member sought a written reply had to be submitted in writing by **22 May 2026**; and written replies to all written questions were due by **12 June 2026**.

10. The Chair also recalled that the primary review of those legislative notifications was held in the Committee on Anti-Dumping Practices, requesting delegations to limit their questions to issues which were specifically related to countervailing measures.

1.1.1	Botswana	(G/SCM/N/1/BWA/1;	G/ADP/N/1/BWA/2/Suppl.1	-
		G/SCM/N/1/BWA/1/Suppl.1	-	G/SG/N/1/BWA/2/Suppl.1;
		G/ADP/N/1/BWA/2/Suppl.2	-	G/SCM/N/1/BWA/1/Suppl.2
		G/SG/N/1/BWA/2/Suppl.2)		-

11. China posed the following questions regarding this notification:

- [G/ADP/Q1/BWA/2](#) - [G/SCM/Q1/BWA/2](#) - [G/SG/Q1/BWA/2](#) - Questions from China 12.

Botswana submitted its written replies before the meeting:

- [G/ADP/Q1/BWA/5](#) - [G/SCM/Q1/BWA/5](#) - [G/SG/Q1/BWA/5](#) - Replies to China 13.

The Committee took note of the notifications, questions and replies.

1.2 Review of notifications of new or amended legislation or regulations with outstanding written questions

1.2.1 Saint Kitts and Nevis (G/ADP/N/1/KNA/1 - G/SCM/N/1/KNA/1) 14. Written

questions regarding this notification were posed and can be found in document: •

[G/ADP/Q1/KNA/1](#) - [G/SCM/Q1/KNA/1](#) – Questions from the United States

15. **Saint Kitts and Nevis** was not present at the time. Oral replies were not provided at the meeting, nor were written replies received to date.

1.2.2 Solomon Islands (G/ADP/N/1/SLB/1 – G/SCM/N/1/SLB/1 – G/SG/N/1/SLB/1)

16. The following written questions were posed with respect to this notification:

- [G/ADP/Q1/SLB/1](#) – [G/SCM/Q1/SLB/1](#) – [G/SG/Q1/SLB/1](#) - Questions from the United States

17. **Solomon Islands** was not present at the time. Oral replies were not provided at the meeting, nor were written replies received to date.

¹ Relevant deadlines for written questions and written replies regarding the notifications of legislation can

2 NATIONAL LEGISLATION – CONTINUING REVIEW OF LEGISLATIVE NOTIFICATIONS PREVIOUSLY REVIEWED BY THE COMMITTEE

18. The Chair recalled that Members wishing to ask questions about previously reviewed notifications of legislation or regulations were to have submitted them in writing to the notifying Member and to the Secretariat by 16 March 2026. China had posed a question on Cambodia's previously reviewed legislative notification in document [G/SCM/N/1/KHM/2/Suppl.1](#), and Cambodia had provided a written answer. He also indicated that the Committee would turn to the written questions posed under this agenda item at previous Committee meetings, which remained unanswered to date.

2.1 Written follow-up questions concerning previously reviewed legislative notifications

2.1.1 Cambodia ([G/ADP/N/1/KHM/2/Suppl.1](#) - [G/SCM/N/1/KHM/2/Suppl.1](#) - [G/SG/N/1/KHM/2/Suppl.1](#))

19. China posed the following question regarding this notification:

- [G/ADP/Q1/KHM/3](#) - [G/SCM/Q1/KHM/3](#) - [G/SG/Q1/KHM/3](#) - Question from China 20.

Cambodia submitted its written reply before the meeting:

- [G/ADP/Q1/KHM/4](#) - [G/SCM/Q1/KHM/4](#) - [G/SG/Q1/KHM/4](#) - Reply to China 21.

The Committee took note of the notification, question and reply.

2.2 Outstanding written follow-up questions concerning previously reviewed legislative notifications posed under this agenda item at previous committee meetings:

2.2.1 European Union ([G/ADP/N/1/EU/3/Suppl.2](#) - [G/SCM/N/1/EU/2/Suppl.2](#) and [G/ADP/N/1/EU/3/Suppl.3](#) - [G/SCM/N/1/EU/2/Suppl.3](#))

22. The written follow-up questions posed by the Russian Federation can be found in document:

- [G/ADP/Q1/EU/15](#) - [G/SCM/Q1/EU/15](#) – Follow-up questions from the Russian Federation

23. The Russian Federation reiterated, for the record of the Committee, its systemic concern about the amendments to EU legislation on countervailing measures. It was faced with a practice in which every new investigation and EU measure raised many questions regarding the EU's special interpretation of the WTO rulebook. It referred to its follow-up questions on Regulation (EU) 2017/2321 and Regulation (EU) 2018/825, submitted in 2021, and expected the EU to stick to its transparency obligations by responding to questions that had remained unaddressed for five years. It continued to believe that the amendments introduced discriminatory and WTO-inconsistent methodologies and called on the EU to adhere to WTO rules.

24. No other delegation took the floor on this agenda item.

25. Before moving on to the next agenda item, the Chair, recalling the Committee's agreed procedures, informed Members that for new legislative notifications to be placed on the agenda of the **autumn 2026** meeting, they should be circulated in all three languages by **14 September 2026**. Shortly after that date, on **18 September 2026** the Secretariat would circulate a document informing Members of all legislative notifications to be reviewed at the next meeting. Pursuant to paragraph 8 of the agreed procedures, all unanswered written questions pertaining to new legislative notifications reviewed at the meeting, as well as the subject notifications, shall automatically be retained on the agenda of the next Committee meeting and on the agendas of subsequent Committee meetings until written replies are submitted.

26. Written questions concerning new legislative notifications for the **autumn 2026** meeting of

the Committee should be submitted to the Member concerned and to the Secretariat by **5 October 2026**.

G/SCM/M/135

- 5 -

27. In order to place previously-reviewed legislation on the agenda of the next meeting for further review, written questions must be submitted to the Member concerned and the Secretariat, not later than **14 September 2026**; and written replies to such questions must be submitted to the Member concerned and the Secretariat, not later than **12 October 2026**. The Secretariat would circulate the usual triple-symbolled document containing all the relevant deadlines shortly after the meeting.²

28. The Chair drew Members' attention to the fact that 18 Members had yet to submit any legislative notification and stated that this remained a matter of concern for all Members, both from the perspective of transparency and mutual understanding. The Chair noted that, for many Members, fulfilling this obligation would require only the submission of a simple nil notification, either through the notification portal or via the **Central Registry of Notifications ("CRN")**. For those Members conducting countervailing duty ("CVD") investigations but not yet having notified their legislation, it was especially important that the Committee have the opportunity to review and discuss such legislation. The Chair therefore strongly encouraged all Members who had not yet submitted a legislative notification to do so as soon as possible.

29. The Chair also referred to the document [G/SCM/N/18/Add.65](#) which contained the latest revision of the list of authorities competent to initiate and conduct investigations within the meaning of Article 25.12 of the SCM Agreement and invited all Members with such an authority to submit the required notification pursuant to Article 25.12 of the SCM Agreement, or to review and update as necessary their previously-submitted notifications.

30. The Committee took note of the notifications, questions, replies, and the statements made. **3**

SEMI-ANNUAL REPORTS OF COUNTERVAILING DUTY ACTIONS (ARTICLE 25.11)

31. The Chair recalled that document [G/SCM/N/443](#) and [G/SCM/N/443/Suppl.1](#) had invited all Members to submit their semi-annual reports under Article 25.11 of the SCM Agreement of CVD actions taken during the period **July - December 2025**. Document [G/SCM/N/443/Add.1](#) provided the current status of Members' reporting for that period. Paragraph 1 of the document listed those Members reporting CVD actions during the period. Paragraph 2 listed Members that had notified having taken no CVD action during the period. Paragraph 5 of the document listed Members that had submitted a one-time notification that they had no investigating authority, had taken no countervailing actions to date, and did not anticipate taking any such actions in the foreseeable future. Those notifications were contained in [G/SCM/N/202](#) document series.

32. One-time notifications served a useful transparency function, as they assisted non-active Members to meet their notification requirements in a streamlined way. Any eligible Member that had not already done so thus was urged to submit a one-time notification. The Secretariat was ready to assist any Member in this regard.

33. Unfortunately, as listed in paragraphs 3 and 4 of the document, a number of Members had not submitted their semi-annual reports. The Chair urged those Members to submit their reports as soon as possible.

34. No comments or questions were raised concerning the semi-annual reports of Australia, Brazil, Canada, China, Colombia, the European Union, Iceland, Mexico, Peru, Türkiye, and Viet Nam.

35. On the semi-annual report of **India**, Indonesia expressed serious concerns regarding India's initiation of the countervailing duty investigation on clear float glass originating from Indonesia.

36. First, the vast majority of the programmes alleged by the petitioner had failed to comply with the *prima facie* evidence required to justify initiation of an investigation, as strictly required under Article 11.2 of the SCM Agreement. An application had to include sufficient evidence of the existence of a subsidy, and simple assertions were explicitly insufficient. In this case, the petitioner had alleged 30 programmes based merely on unauthorized website snippets that were often redundant or duplicated.

37. Second, Article 11.3 mandated that authorities review the accuracy and adequacy of evidence before initiation. India failed to fulfil this obligation, as the petition lacked correct legal references and failed to establish the essential elements of a subsidy, namely financial contribution, benefit and specificity.

38. Indonesia reiterated that Articles 11.2 and 11.3 were indispensable to prevent "fishing expeditions". Initiating an investigation without a valid evidentiary basis placed an undue and inconsistent burden on the Government of Indonesia. In light of these procedural and substantive flaws, Indonesia strongly urged India to adhere to its obligations under the SCM Agreement and terminate the investigation immediately.

39. In response, India took note of the issues raised by Indonesia and reiterated that it conducted countervailing duty investigations in a fair, transparent and rules-based manner, fully consistent with the SCM Agreement and India's domestic laws and regulations.

40. Throughout an investigation, all interested parties were provided ample opportunities to present their views, make submissions and raise concerns, including through participation in public hearings followed by written comments.

41. Before issuance of the final determination, and in accordance with Article 12.8 of the SCM Agreement, the Authority issued a disclosure statement setting out the essential facts under consideration, ensuring that all stakeholders had the opportunity to defend their interests before a final decision was taken.

42. India also provided a robust and independent mechanism for appeal against any findings of the Authority and assured Members that its investigating authority consistently upheld the principles of natural justice and transparency in all trade remedy proceedings.

43. On the semi-annual report of the **United Kingdom**, the European Union expressed concern about the United Kingdom's initiation of an anti-subsidy investigation on 14 January 2026 on imports of limestone from Portugal, as it considered that the criteria for initiation had not been met.

44. The investigation targeted subsidies granted to Portuguese companies under the European Regional Development Fund (ERDF) and the Recovery and Resilience Facility (RFF). However, the claims made by one UK limestone producer concerning the countervailable nature of some subsidies received by the Portuguese limestone industry were unfounded. As had been explained during the pre-initiation consultations held in November 2025, those payments were clearly not specific and not countervailable under the SCM Agreement, and therefore fully in line with international rules.

45. Moreover, the information provided was insufficient to conclude that the domestic industry was suffering injury. The domestic industry was increasing prices and profits during the period of investigation, and Portuguese prices also seemed to be increasing. In any case, the UK authorities needed to define the volume of imports at stake, as the volumes used to initiate the investigation had covered a wide range of natural stones imports, not the product concerned.

46. Furthermore, import trends had been provided in value and not volume, in breach of Article 11.2 of the SCM Agreement. Such import data should not have been accepted to initiate the investigation. The European Commission and the Government of Portugal had already submitted their respective replies to the subsidy questionnaire. The European Union trusted that the United Kingdom would refrain from imposing unwarranted and unjustified measures in this case.

47. Indonesia expressed concern regarding the United Kingdom's plan to continue the imposition of a CVD on Indonesian biodiesel during the transition anti-subsidy review. First, on the absence of

imports and injury, Indonesia had repeatedly informed the investigating authority that there were zero exports of Indonesian biodiesel to the UK market. Under Articles 11.2, 15.1 and 15.2 of the SCM Agreement, any measure had to be based on positive evidence of subsidized import volumes and their impact. Without actual imports, the United Kingdom's claims of injury and causal link were purely speculative and failed to meet the requirements of Articles 15.5 and 19.1. A CVD could not legally be maintained to counteract a "potential" surge based on assumptions rather than objective examination.

G/SCM/M/135

- 7 -

48. Second, on the transition review mechanism, as the review followed the Brexit transition, Indonesia sought clarification on its legal basis, including the definition and mechanism, as well as the differences between the United Kingdom's review mechanism and review investigations in general, given that the United Kingdom's review mechanism was not common among WTO Members.

49. Indonesia requested the United Kingdom to ensure that its actions were fully consistent with its obligations under Articles 21.1 and 21.2, and that the CVD must remain in effect only as long as necessary to counteract harmful subsidies. Given the five-year history of those measures and the current lack of trade, their continuation was no longer necessary or justified. Indonesia therefore formally requested the United Kingdom to initiate a review pursuant to Article 21.2 of the SCM Agreement and revoke the CVD on Indonesian biodiesel immediately.

50. In response to the European Union, the United Kingdom stated that the United Kingdom's independent Trade Remedies Authority (TRA) had initiated a subsidy investigation into imports of creamy white limestone from Portugal on 14 January 2026 and that the investigation was ongoing. The United Kingdom was aware that both the European Union and the Portuguese Government had registered their interest in the investigation and encouraged them to continue to engage with the TRA as the investigation continued.

51. In response to Indonesia, the United Kingdom noted that the matter was an ongoing investigation undertaken by the TRA. As such, the United Kingdom could not comment while the investigation was live, and encouraged parties to contact the TRA if they had any comments or concerns regarding the investigation.

52. On the semi-annual report of the **United States**, Indonesia expressed serious concerns over the United States Department of Commerce's ("Commerce") approach in the CVD investigation on crystalline silicon photovoltaic products from Indonesia, particularly the unprecedented finding of alleged "transnational subsidies".

53. First, under Article 1 of the SCM Agreement, a subsidy required a financial contribution by a government within its own territory. Treating inputs imported from a third country as less than adequate remuneration (LTAR) across jurisdictions created a far-reaching and systemic risk, overstepping the established disciplines of the SCM Agreement.

54. Second, the treatment of cross-border transactions as LTAR, without reflecting prevailing market conditions or international pricing, led to determinations that did not align with market realities.

55. Third, Indonesia was deeply concerned by the preliminary affirmative determination, particularly for exporters in the "Others" category. Despite being fully cooperative and offering to be voluntary respondents, Indonesian exporters had been ignored by Commerce, citing "internal workload" and "tight timelines".

56. Pursuant to Article 13.2, internal administrative limitations of an investigating authority must not deprive a Member or its exporters of their right to a fair defence and meaningful consultation. Finally, Indonesia urged the United States to exercise caution and ensure that its final determination remained firmly grounded in the jurisdictional limits and rules-based principles of the SCM Agreement.

57. Türkiye recalled that the United States had been applying countervailing measures on aluminium foil imports from Türkiye since 12 November 2021. Commerce had recently conducted an administrative review covering the year 2023, which had also included a new subsidy allegation

regarding transnational subsidies.

58. Türkiye considered that the new subsidy allegation concerning alleged transnational subsidies had no valid legal basis and should be disregarded immediately. Commerce's investigation into transnational subsidies involving Türkiye, as well as its previous decision to countervail such alleged subsidies, was neither consistent with WTO rules nor supported by any legal authority under United States' domestic law and regulations.

G/SCM/M/135

- 8 -

59. Under WTO rules, the application of the SCM Agreement was subject to clear territorial limitations and had never been intended to cover cross-border or transnational subsidies. Similarly, the Tariff Act of 1930 contained territorial limitations and had never been intended to be applied to cross-border or transnational subsidies. Türkiye questioned how the long-standing interpretation of the concept of a "subsidy" under United States countervailing duty law, an interpretation consistently maintained for decades and grounded in the territorial scope of both the SCM Agreement and the underlying United States statute, could be fundamentally altered through a mere regulatory amendment, without any corresponding change to the statutory framework itself. Such a unilateral reinterpretation could not override the territorial limitations that were inherent in both the SCM Agreement and United States law.

60. Türkiye added that United States had been applying countervailing measures against aluminium sheet imports from Türkiye since 8 March 2021 noting that Commerce had conducted an administrative review covering the year 2023.

61. Türkiye recalled that, during the previous Committee meeting in October 2025, it had made statements regarding several issues concerning that proceeding. In summary, the Government of Türkiye (GOT) had been requested to respond to several detailed supplemental questionnaires within short periods, and that this pattern had placed Türkiye under unreasonable procedural pressure. It had sought clarification as to why Commerce had issued so many separate supplemental questionnaires and had claimed that the timing and frequency of those questionnaires suggested that the compressed schedule was the result of Commerce's own delay in managing the process, not any lack of diligence or cooperation on Türkiye's part, and that Türkiye had not been given ample opportunity to respond to the questionnaires. It had also remarked that Commerce had intentionally asked for information that was not available in order to base its specificity determination on thorough adverse facts available (AFA) for several programmes. In one programme, even though Türkiye had provided the number of recipient companies and the amount of assistance received by corporate taxpayers, Commerce had resorted to applying AFA by stating that "the actual number of enterprises who received this reduction is limited in number", and therefore deemed it to be *de facto* specific, while it was available to all taxpayers that met the criteria that could be achieved.

62. Türkiye had made comments regarding those issues and prepared a case brief about the proceeding. However, none of its statements had been given due consideration and, in its Issues and Decision Memorandum for the Final Results dated 6 April 2026, Commerce had made no changes to its preliminary findings for the issues raised by Türkiye.

63. Notwithstanding the arguments stated in its case brief, Türkiye explicitly addressed one of Commerce's comments regarding its statements and request clarification on its meaning. Commerce had stated in its final decision that "the GOT also cites the WTO SCM Agreement to support its argument that it was not afforded opportunity to present its responses. We find that the GOT's reliance on provisions of the SCM Agreement is misplaced. Commerce makes its determinations in accordance with U.S. law, which is consistent with its WTO obligations. Indeed, as we have previously explained: Our CVD laws are consistent with our WTO obligations. Moreover, it is the Act and [Commerce's] regulations that have direct legal effect under U.S. law, and not the WTO Agreements or WTO reports. In this regard, WTO reports do not have any power to change U.S. law or to order such a change. Because our decisions here are consistent with the Act and our regulations, they are also consistent with our obligations under the SCM Agreement. The GOT's WTO-related arguments lack merit in this regard."

64. Türkiye was seriously concerned by that statement and found the underlying reasoning difficult to reconcile. It remained unclear how Türkiye's invocation of the SCM Agreement and its contention that Commerce's decisions were not consistent with the SCM Agreement could be

characterized as misplaced. Commerce itself asserted that US law was consistent with the SCM Agreement; if that was indeed the case, a party's reference to the SCM Agreement as a benchmark for evaluating Commerce's decisions should not be deemed irrelevant or misplaced. Türkiye therefore requested that Commerce provide clarification on that matter. Türkiye also noted that this outcome could not be justified under the relevant provisions of the SCM Agreement.

65. China thanked Indonesia and Türkiye for their statements. Regarding the clearly illegal and unreasonable practices of Commerce in a series of cross-border subsidy investigations involving China over the past two years, China once again reiterated its position and concerns.

G/SCM/M/135

- 9 -

66. First, transnational subsidy investigations did not comply with Articles 1.1 and 32.1 of the SCM Agreement. Those provisions clearly implied that the granting authority and the recipient of the subsidy should be within the same jurisdiction. Article 32.1 further clearly remarked that WTO Members should not take action against subsidies that were not subject to the SCM Agreement.

67. Second, the United States abused AFA to determine inflated duty rates. Article 12.7 of the SCM Agreement, WTO panels, the Appellate Body and United States domestic courts had all clarified the rules governing the application of "facts available" in countervailing duty investigations. The use of facts available was intended to fill information gaps, not to penalize interested parties. The investigating authority was obligated to take into account all information submitted in order to select reasonable alternative information to fill in the missing necessary information. However, in the CVD investigation on solar photovoltaic products from Lao PDR, the interested parties and responding enterprises had made every effort to cooperate, answering questionnaires and submitting evidence. Nevertheless, Commerce had still unilaterally relied on assumptions or speculations put forward by the petitioners, resorting to AFA, and imposed on Lao enterprises a countervailing duty rate of 80.67%, of which the cross-border subsidy duty rate accounted for 80.22%.

68. China concluded that the United States was using cross-border subsidy investigations as a tool to restrict and exclude other countries or regions from participating in the global industrial chain and supply chain, and to disrupt normal economic and trade cooperation among nations. Such practices disregarded WTO rules and obligations and contravened the core values and fundamental principles of the multilateral trading system. China hoped that the United States would strictly abide by WTO rules and refrain from abusing trade remedy instruments.

69. The European Union expressed concern about the initiation of the CVD investigation concerning oil country tubular goods (OCTG) from Austria, as it targeted programmes that were not specific within the meaning of Article 2 of the SCM Agreement and therefore were not countervailable. As regards injury, if any, it was not caused by the allegedly subsidized imports but by other factors.

70. The US industry appeared to have been in a very difficult situation for a long time despite many trade defence measures in force. There were anti-dumping orders against nine countries and CVD orders against five countries concerning the product. Moreover, since 2018, the US industry had been protected by other forms of import relief measures, such as the Section 232 or Section 301 measures. Demand for OCTG was cyclical and largely driven by oil and natural gas activity. Oil and natural gas drilling activity had decreased over the period of investigation, therefore having an effect on OCTG demand. The European Commission was following the investigation closely and trusted that the US authorities would refrain from imposing any unwarranted, unjustified measures.

71. The United States noted that a number of Members had raised questions and concerns regarding the countervailing of transnational subsidies in various investigations. It would respond briefly to those comments but also recalled that the United States had put a topic on the agenda to discuss that issue under a separate agenda item. There would therefore be far more fulsome discussions under that agenda item later on why transnational subsidies were permitted to be countervailed under the SCM Agreement.

72. On the issue of transnational subsidies, the United States had conducted those investigations pursuant to US countervailing duty law, which was fully consistent with its WTO obligations. It was the US CVD law that had direct legal effect in the United States. The United States disagreed with

comments made, particularly by Türkiye, that US law precluded Commerce from countervailing transnational subsidies.

73. The United States responded that Section 701(a) of the Act provided that, if Commerce determined whether the government of a country or any public entity within the territory of a country was providing, directly or indirectly, a countervailable subsidy with respect to the manufacture, production or export of a class or kind of merchandise imported or sold, or likely to be sold, for importation into the United States, Commerce shall impose a countervailing duty upon that merchandise equal to the amount of the net countervailable subsidy. As the United States had explained to the Committee before, in 2024 Commerce repealed a regulation that previously restricted the countervailing of transnational subsidies. In that repeal, Commerce clarified that such a regulation was not required by US CVD law. Therefore, Commerce's self-imposed restriction on its

G/SCM/M/135

- 10 -

ability to countervail subsidies, only if those subsidies were provided to entities of a country solely by the government of that country, when subsidies from other foreign governments would otherwise be determined countervailable under CVD law and injurious to producers of the domestic-like product, was inconsistent with the very purpose of Commerce's law. Therefore, Commerce had the authority to investigate and countervail transnational subsidies and would continue to combat unfair trade practices by disciplining such subsidies where appropriate.

74. It then responded to specific comments made on specific investigations, beginning with Türkiye's comments on aluminium foil. The final determination in that review was issued on 6 April 2026, which was outside the scope of the period for discussion in the Committee. The United States nevertheless responded briefly to Türkiye's comments and noted that Commerce collected the necessary information to fully analyze each programme at issue and made a countervailability determination, including findings on specificity, based on the record information. Despite multiple opportunities and extensions given by Commerce, the Government of Türkiye had not provided the requested information. Thus, Commerce had to rely on adverse facts available to make a finding that certain programmes were countervailable. The United States referred Türkiye to the full decision memorandum for full details on Commerce's decision.

75. In response to Indonesia's comments on solar cells, in February 2026, Commerce issued a preliminary determination in that case, which was also outside the scope of the discussion in the Committee. In that investigation, Commerce preliminarily determined CVD rates of 85.99% and 143.30% for two respective mandatory respondents and an all-others rate of 104.38%. In the preliminary determination, Commerce found that certain transnational subsidies, i.e. the provision of certain Chinese-origin goods and a tax programme, as well as certain import duty and VAT exemptions, were countervailable and explained those findings fully in its decision memorandum accompanying the determination notice. The final determination was currently scheduled to be released on 6 July 2026. Given that this case was still ongoing, the United States could not comment further on its investigations at that stage, but noted that countries could submit comments for the record in that investigation.

76. In response to Türkiye's comments on the administrative review of aluminium foil, the United States had a good discussion with Türkiye on that case on the previous day. The deadline for preliminary results was that day, therefore those preliminary results would again be outside the scope of discussion. In that case, the petitioners alleged that, through collaboration between the Government of Türkiye and the Government of Russia, Turkish aluminium producers were able to purchase Russian primary aluminium for less than adequate remuneration to produce the subject merchandise. The petitioner further alleged that the Government of Russia controlled Russia's sole aluminium production through a senior official of the Government of Russia and the single largest shareholder of the company. Commerce decided to initiate an investigation into the allegation based on the reasonably available evidence indicating the existence of such a countervailable subsidy: the provision of primary aluminium from the Government of the Russian Federation through a Russian company, in cooperation with the Government of Türkiye, to the respondents for less than adequate remuneration. Given that the case was still ongoing, it would be inappropriate to provide further comment at that stage. However, the United States appreciated that the Government of Türkiye and other interested parties participated and provided comments on record information.

77. With regard to the European Union's comment on OCTG, the investigation had been initiated on 22 April 2026, which was also outside the scope of the reporting period. Commerce initiated the investigation based on information reasonably available to the applicant, which was consistent with US CVD law and Article 11 of the SCM Agreement. That requirement was distinct from information that Commerce would typically require in order to fully analyse the alleged subsidies that Commerce had initiated during the course of the investigation. Because the investigation was ongoing, the United States welcomed the European Union and the Government of Austria to submit comments during the course of the investigation.

78. The Committee took note of the semi-annual reports and the statements made.
G/SCM/M/135

- 11 -

4 PRELIMINARY AND FINAL COUNTERVAILING DUTY ACTIONS: NOTIFICATIONS: AD HOC NOTIFICATIONS

79. The Chair reported that since the Committee's last regular meeting, notifications under Article 25.11 of the SCM Agreement with respect to preliminary and final CVD actions had been received from Australia, Brazil, Canada, China, the European Union, Iceland, Mexico, the United Kingdom, and the United States. Those notifications were listed in documents [G/SCM/N/442](#); [G/SCM/N/444](#); [G/SCM/N/445](#); [G/SCM/N/446](#); [G/SCM/N/447](#); and [G/SCM/N/448](#).

80. The Chair drew the attention of Members to the continued lack of full compliance with this important notification requirement. These notifications represent a key element of the required transparency concerning Members' countervailing actions, and the Committee could not effectively carry out its monitoring and discussion functions if Members did not fulfil their obligations in this regard.

81. The Chair strongly urged all Members taking countervailing actions to provide these notifications of preliminary and final actions, regularly, consistently and in a timely fashion. In this regard, the Chair noted that the minimum information format for these notifications adopted by the Committee in November 2009 (document [G/SCM/3/Rev.1](#)), contained important guidance as to the kinds of actions that should be notified and the information that should be provided.

82. The Chair recalled a standing request: *ad hoc* notifications, like all other notifications, should be sent electronically and only once to the **CRN**, with a copy to the Secretary of the Committee, and should not duplicate previously submitted notifications. The Chair asked Members to attach the underlying document in Word or PDF rather than providing a link to a general website. Materials from the 2015 Secretariat workshop on notifications remained available on the SCM page of the WTO website.

83. The Committee took note of the notifications and the Chair's statement.

5 ARTICLE 27.4 EXTENSIONS OF THE TRANSITION PERIOD FOR THE ELIMINATION OF EXPORT SUBSIDIES – 31 DECEMBER 2015 END OF FINAL PHASE OUT PERIOD AND FINAL NOTIFICATION DUE 30 JUNE 2016

84. The Chair recalled that Members that had been granted extensions under Article 27.4 pursuant to the procedures in [WT/L/691](#) were required to eliminate their export subsidies by 31 December 2015. They also had to provide a final transparency notification in respect of calendar year 2015 not later than 30 June 2016. A reminder concerning that final round of Article 27.4 – related notifications had been circulated in document [G/SCM/N/299](#).

85. To date, 15 of the beneficiary Members out of a total of 19 had submitted their final transparency notifications which had been circulated in the [G/SCM/N/299](#) series. The Chair reminded other four Members with extensions, namely, **Barbados, Fiji, Panama, and Uruguay** to submit their final transparency notifications as soon as possible. The deadline for the elimination of the export subsidies and for submitting the final transparency notifications had been more than eight years earlier. He emphasized the importance for the system that the Members benefitting from extensions complete their compliance with the corresponding substantive and transparency obligations.

86. The United Kingdom noted that the item remained on the agenda despite the agreement to submit a final notification on export subsidies by 30 June 2016. It strongly encouraged the remaining Members that had yet to submit their final notifications to make all efforts to do so, to seek assistance from the Secretariat where necessary, and to update the Committee on the challenges they faced.

87. New Zealand referred to its previous statements on the recurring agenda item and again highlighted the importance of notifications in enhancing transparency at the WTO. It encouraged the remaining Members to complete their outstanding notifications as soon as possible, requested that the topic remain on the agenda for the next Committee meeting, and encouraged Members to seek the Secretariat's support if needed.

G/SCM/M/135

- 12 -

88. The United States encouraged all Members that had not done so to properly submit their notifications, which, as the Chair had noted, had been due almost 10 years earlier. It said that it was about time that these notifications were submitted.

89. The Chair noted that since Barbados, Fiji, Panama, and Uruguay had not yet submitted their final transparency notifications, the Committee would revert to that issue at the next meeting.

90. The Committee took note of the statements made.

6 IMPROVING THE TIMELINESS AND COMPLETENESS OF NOTIFICATIONS AND OTHER INFORMATION FLOWS ON TRADE MEASURES UNDER THE SCM AGREEMENT

91. The Chair recalled that, since the request of the Chairman of the Trade Policy Review Body in spring 2009, the Committee had been discussing ways to improve the timeliness and completeness of notifications and other information flows on trade measures, with discussions reflected in the minutes of previous meetings, and that at the Committee's previous meeting a number of Members had indicated their willingness to continue those discussions. The Secretariat had prepared and was updating, twice a year before each regular meeting, a background note providing a snapshot of compliance with notification obligations under the SCM Agreement since 1995; the most recent version had been circulated in [G/SCM/W/546/Rev.20](#). The Chair also recalled the Secretariat's presentation of 21 January 2025 on the notification obligations under the SCM Agreement, in particular new and full subsidy notifications.

92. Despite all the efforts and calls, compliance with the obligation to notify subsidies unfortunately remained significantly low and the chronic low compliance with this fundamental transparency obligation constituted a serious problem in the proper functioning of the Agreement. The Chair also recalled that at the previous meetings of the Committee, in the context of the ongoing discussion of ways to improve transparency and information flows, Members had stressed the importance of the information provided through subsidy notifications, and the value of complying with the relevant provisions of the SCM Agreement.

93. The Chair observed that as of 30 April 2026, 100 Members had not submitted their new and full subsidy notifications for 2025, despite the deadline being 30 June 2025. Furthermore, 78 Members had failed to submit their 2023 notifications, even though the deadline was more than two years ago. Additionally, 80 Members had yet to submit their 2021 notifications, which had been due more than four years before. Many of these Members either had never notified or had only done so in the distant past.

94. Members that had not yet submitted their 2025 notifications were: Afghanistan; Angola; Antigua and Barbuda; Armenia; Australia; Kingdom of Bahrain; Bangladesh; Barbados; Belize; Benin; Bolivia; Botswana; Brazil; Brunei Darussalam; Burundi; Cabo Verde; Cameroon; Central African Republic; Chad; Colombia; Congo; Côte d'Ivoire; Democratic Republic of Congo; Djibouti; Dominica; Ecuador; Egypt; Eswatini; Fiji; Gabon; the Gambia; Georgia; Grenada; Guatemala; Guinea; Guinea-Bissau; Guyana; Iceland; India; Indonesia; Israel; Jamaica; Kazakhstan; Kenya; State of Kuwait; Kyrgyz Republic; People's Democratic Republic of Lao; Liberia; Madagascar; Malawi; Maldives; Mali; Mauritania; Moldova; Mongolia; Morocco; Mozambique; Myanmar; Namibia; Nepal; Nicaragua; Niger; Nigeria; North Macedonia; Oman; Pakistan; Panama; Papua New Guinea; Paraguay; Peru; Qatar; the Russian Federation; Rwanda; Saint Kitts and Nevis; Saint

Lucia; Saint Vincent and the Grenadines; Samoa; Kingdom of Saudi Arabia; Senegal; Seychelles; Sierra Leone; Solomon Islands; South Africa; Sri Lanka; Suriname; Tajikistan; Tanzania; Thailand; Togo; Tonga; Trinidad and Tobago; Tunisia; Uganda; United Arab Emirates; Vanuatu; Venezuela; Viet Nam; Yemen; Zambia; and Zimbabwe.

95. The Chair strongly urged those Members to submit their notifications so as soon as possible. He stressed that, while all Members were required to notify, they also had a vested interest in the notification information of others, which was only accessible through the collective effort of all Members. Therefore, it was in every Member's interest to provide complete and timely notifications.

96. The Chair reminded Members that the Secretariat remained available to respond to any enquiries regarding the notification of subsidies. The Secretariat had assisted many Members in the
G/SCM/M/135

- 13 -

past and encouraged those experiencing difficulties in meeting their obligations to engage with the Secretariat.

97. The United Kingdom referred to the document circulated by the Secretariat which confirmed that participation in subsidy notifications was at its lowest level since the WTO was created. As of 30 April 2026, only 58 Members had submitted a subsidy notification in the current cycle, pointing to persistently low compliance with core transparency disciplines.

98. The longer-term trend was even more concerning: in the mid-1990s, around three-quarters of Members had engaged with the subsidy transparency system in some form, while by 2025 overall engagement had fallen to under 40%, with only 39% of Members submitting a subsidy notification. Six out of every ten Members had not notified anything at all, the lowest level of compliance witnessed, with serious consequences. This significant decline threatened Members' ability to resolve issues related to subsidies and increased the prospect of unilateral actions by Members.

99. The United Kingdom recognised that one factor contributing to declining transparency was the difficulty of completing notifications, which were resource-intensive and often required significant coordination across ministries and sub-central authorities. It encouraged Members to seek Secretariat assistance where needed and to update the Committee on the challenges they faced in completing notifications.

100. The United Kingdom continued to explore the potential role of artificial intelligence in supporting subsidy transparency. Its in-house trials had progressed further, and it was increasingly seeing where AI could add value. It was continuing exploratory work on the potential use of AI tools to support internal analytical processes related to subsidy notifications. As AI systems evolved, this had involved revisiting and stress-testing earlier work to ensure any lessons remained relevant. It was collating findings with a view to sharing them in detail, in due course, for the benefit of interested Members.

101. The United Kingdom stressed that no technical tool, including AI, would resolve the challenge on its own. Low participation in subsidy transparency pointed to a broader, systemic weakening of compliance with SCM transparency obligations. Preparing notifications could be complex and resource-intensive, but this was no excuse for not making a notification or not seeking assistance. The United Kingdom appreciated Members that continued to notify their subsidies and commended in particular those that had submitted a notification for the first time.

102. The United States remained concerned by the significant and increasing number of Members that had failed to complete their notifications under Article 25.1 of the SCM Agreement. For the 2025 notifications, almost a year after the deadline, only 58 Members had notified their subsidy notifications, while 101 Members had not made any notification. Excluding nil notifications, only 36% of Members had submitted notifications. At least 24 of these represented the EU and its member States, underscoring the extent and breadth of the lack of notification.

103. There were 16 Members that had not only failed to submit the notification due the previous year, but had never submitted a notification of their subsidy programmes. At least eight G20 members had not submitted their subsidy notification almost a year after the deadline. This was not just a problem for small Members with possible capacity constraints, but an obligation being

shirked by some of the biggest economies in the world. Many small Members and those with obviously limiting current situations had managed to submit their notifications.

104. While Members had had a productive discussion that morning during the special meeting, the United States continued to be concerned that much of the information being reviewed in the notifications was out of date. Its notification contained information for fiscal years 2023 and 2024, beginning on 1 October 2022, meaning that some information in its notification was 3.5 years old as it was being reviewed by the Committee.

105. Some of this was inevitable due to the nature of fiscal years and to notifications being submitted on a biannual basis. However, the United States considered the delay from June submission to April review unnecessarily long and looked forward to ideas from Members on improving the procedure so the review could be accomplished closer to the time of submission.

G/SCM/M/135

- 14 -

106. New Zealand echoed its previous interventions on the topic and emphasised the importance of timely and complete notifications for enhancing transparency, effective monitoring and the effective functioning of the WTO. It was concerned with the growing trend of non-compliance with this important obligation under the SCM Agreement. It appreciated the efforts and resources required to compile and submit notifications and noted Members' capacity constraints, particularly those of developing Members. New Zealand encouraged Members experiencing such difficulties to seek assistance from the Secretariat and thanked the Secretariat for its work in delivering technical assistance on subsidy notifications, which it considered valuable to continue.

107. Canada remained deeply concerned by the low level of compliance with the notification requirements of the SCM Agreement. It was particularly concerned that, based on the Secretariat's most recent update, for the first time since the Agreement had come into force, over 100 Members had not made any notifications, representing a significant increase in Members that had neither notified subsidies nor provided a nil notification.

108. Canada recalled that the notification process was a cornerstone of the SCM Agreement and the starting point for examining potential trade impacts of subsidies and facilitating meaningful discussion of subsidy practices in the Committee. This benefited all Members by furthering collective understanding of the subsidy landscape and other Members' practices.

109. Preparing a subsidy notification was a genuinely demanding and resource-intensive task, requiring consolidation and review of vast amounts of information and significant internal coordination with other government departments. For some Members, including Canada, it also required collaboration with different levels of government, adding another level of complexity.

110. Canada strongly encouraged Members that had not made notifications to do so ahead of the next Committee meeting. Members facing challenges in preparing notifications were encouraged to use available resources, including technical assistance from the Secretariat and existing resources such as handbooks. With advancements in artificial intelligence, some Members had begun to explore using AI to streamline the subsidy notification preparation process. Canada considered this another tool available to Members and would be happy to participate in technical discussions if there was interest in exploring how it could facilitate preparation of subsidy notifications and increase compliance.

111. Japan remained concerned that the percentage of Members notifying subsidies in 2023 had been 51%, a significant drop from 77% in 1995. Although 2025 was the year for biennial subsidy notification, only 39% of Members had submitted notifications to date, raising deep concern about the significant decline in transparency.

112. Submitting timely and complete notifications with all necessary information was an obligation under the SCM Agreement to which all Members had committed. Proper submission was both the starting point and an indispensable foundation for meaningful discussions among Members on subsidies that might have negative effects on trade. Failure to notify, or submission of an incomplete notification lacking requisite information, constituted a breach of a Member's obligations under the WTO Agreements and prevented the Committee from reviewing notified information, thereby undermining the effective functioning of the SCM Agreement and harming the interests of all Members.

113. Enhancing transparency would benefit not only other Members but also the notifying Member itself. Domestic transparency regarding subsidies would increase business predictability, secure fair competition and a level playing field, and ultimately lead to greater reliability and attractiveness as a market, inducing foreign direct investment and invigorating domestic economic activities.

114. Japan appreciated the Secretariat's continued support in improving the timeliness and completeness of notifications. While understanding that some countries faced challenges in preparing notifications, including resource limitations, Japan highlighted that the Secretariat had made extensive materials available, including the handbook and websites. It encouraged Members invited to the Secretariat's technical assistance programme to take advantage of the opportunity to enhance transparency.

G/SCM/M/135

- 15 -

115. The European Union thanked the Secretariat for updating the report on the state of play of notification obligations. While the overview was very useful, the picture was extremely negative, with the graph on page three of the report showing a growing red line indicating the number of Members not notifying.

116. The European Union noted that, although the report said 58 Members had notified, the European Union had lodged its final notification for one of its member States after the report was prepared, so the number was actually 59. This was a difficult and demanding exercise. In the European Union, it was very complicated, given the need to coordinate subsidies granted at EU level and on behalf of 27 member States, which involved gathering information across regions within those member States. Of the 59 notifications reported, the European Union was responsible for 47%, almost half.

117. In the last meeting of the Committee, the European Union had expressed hope and optimism that, as the 2025 notification exercise was still ongoing, the situation would improve, even though it was many months after the deadline. Unfortunately, that did not seem to have taken place. Lack of transparency was one of the most serious breaches of obligations under the SCM Agreement. Notifications were a crucial aspect of the Committee's work to understand the type and level of subsidies being granted that impacted international trade. The European Union urged Members that had not notified to catch up with overdue notifications and make every effort to complete the notification exercise that had been due in June 2025. It also urged Members that had not made, or did not know how to make, a notification to avail themselves of the invaluable technical assistance offered by the Secretariat.

118. China thanked the Secretariat for its continuous efforts in monitoring and collating Members' notifications and for its capacity-building assistance. China attached great importance to the WTO transparency principle and had made every effort to fulfil its transparency obligations since its accession to the WTO.

119. As a developing Member, China fully understood the difficulties faced by some Members, especially developing Members, and believed that sustained and targeted technical support was of crucial importance. In September 2025, with the Secretariat's support, China had held a training seminar on rules on subsidy and related transparency obligations for relevant officials at the central and local levels in China, and participants had reported that they had benefited greatly.

120. China hoped that the Secretariat and capable Members would continue to increase capacity-building support for Members in need, share experiences, and work constructively to enhance transparency. It called on all Members to jointly strengthen confidence in the multilateral trading system, noting that a robust and credible multilateral framework was the foundation that encouraged Members to fully and faithfully fulfil their transparency obligations. China remained fully committed to cooperating with and supporting the Secretariat and other Members in the shared endeavour to enhance transparency and uphold the authority of the multilateral trading system.

121. The Committee took note of the statements made.

7 CONSTANT DOLLAR METHODOLOGY FOR GRADUATION FROM ANNEX VII (B)

122. The Chair recalled that, pursuant to the Doha Ministerial Decision on Implementation-Related Issues and Concerns (document [WT/MIN \(01\)/17](#), paragraph 10.1), Annex VII (b) to the SCM Agreement listed Members until their GNP per capita reached USD 1,000 in constant 1990 dollars for three consecutive years. As of 1 January 2003, the methodology set forth in [G/SCM/38](#), Appendix 2 had applied for making those calculations. In accordance with that Decision, since then the Secretariat had circulated annual notes in document series [G/SCM/110](#) updating the GNP per capita figures for the Members listed in Annex VII (b) based on that methodology. The most recent version, [Addendum 23](#), was circulated on 10 April 2026.

123. The Chair also recalled that, at its regular meeting on 28 October 2025, the Committee had requested the Secretariat to present GNP per capita calculations for all WTO Members using the methodology in [G/SCM/38](#), in conjunction with that year's update of the GNP per capita figures for Members listed in Annex VII(b) of the SCM Agreement. These calculations had been circulated in document [G/SCM/W/598](#) on 10 April 2026.

G/SCM/M/135

- 16 -

124. The United Kingdom thanked the Secretariat for the updated data on GNI per capita figures for Members listed in Annex VII (b) of the SCM Agreement. The data were helpful and informative and contributed to transparent, evidence-based discussion in the Committee. They were also important in light of the proposals put forward by the Least Developed Country Group on Annex VII of the SCM Agreement.

125. The Committee took note of the statements made.

8 PERMANENT GROUP OF EXPERTS

126. The Chair recalled that the term of Mr Donald Cameron Orth was expiring and therefore the Committee should elect a new expert to replace him. He had explained the procedures to be followed in document [G/SCM/175](#). In particular, he had established a deadline for nominations, which would be strictly enforced, and also stipulated that nominations should include a summary CV as well as the full CV of the nominee. Two nominations had been received by the deadline: Ms Michèle Govier from Canada and Ms Nan-hsun Chang from Chinese Taipei. The summary CVs of the nominees had been shared with Members on 19 January 2026.

127. As there were two nominees, the Chair had made time available for in-person consultations over three days and had also invited Members to submit written expressions of views by 12 February 2026. These arrangements had been shared with all Members in the Chair's email of 19 January 2026.

128. During the consultations, no reservations had been expressed regarding the nomination of Ms Michèle Govier. After concluding the consultations, the Chair had contacted both nominating Members individually to convey the outcome and request any additional views. No objections had been received from them. The Chair expressed particular appreciation to the delegation of Chinese Taipei for its constructive and cooperative approach throughout the process.

129. The Chair had invited all Members to an informal open-ended transparency meeting held on 16 February 2026, during which the outcome of the consultations had been reported. Given that there was one vacancy and one unopposed nominee, he had proposed that the Committee consider appointing the nominee from Canada to succeed Mr Donald Cameron Orth. To this end, he had sent an email on 16 February 2026 inviting Members to express their views on whether they could join a consensus to elect Ms Michèle Govier as the new PGE Member, setting 20 February 2026 as the deadline to express any objections. In an email dated 23 February 2026, the Chair informed the Committee that no Member had raised any objection by the deadline.

130. On this basis, the Chair proposed that the Committee elect Ms Michèle Govier from Canada to fill the vacancy on the PGE created by the expiry of the term of office of Mr Donald Cameron Orth.

131. The Committee so decided.

9 SUBSIDIES AND OVERCAPACITY – ITEM REQUESTED BY AUSTRALIA, CANADA, THE

132. The United Kingdom stated that the current system had not been designed to deal with the demands of modern trade or with the ways in which governments intervened to grow their domestic economies. As WTO Members had realised the gains from trade, their economies had become increasingly interlinked. This had driven global growth, but had also meant that WTO Members were more exposed to harms resulting from market-distorting practices and resulting overcapacity, although they experienced those harms in different ways. Members were operating in a self-perpetuating cycle that was undermining the system from within: the inability to act against harms from market-distorting practices reduced trust and resulted in increased use of unilateral measures, which in turn prompted additional unilateral or market-distorting actions in response. The pace and scale of that cycle were driving fragmentation of the system, and Members had to ask themselves whether that was the outcome they wanted, because that was the outcome they were getting.

133. The United Kingdom fully supported Members in leveraging their natural comparative advantages, which drove sustainable economic development and growth across the Membership and

G/SCM/M/135

- 17 -

benefited economies of all sizes. However, the evidence was clear that structural overcapacity was driven by the persistent use of market-distorting practices, including distortive subsidisation, below-market inputs and discriminatory practices by state-owned enterprises. This was not a case of temporary demand fluctuations or normal market cycles, but reflected a sustained, policy-driven capacity expansion. The scale and depth of pervasive overcapacity in some sectors had impacts beyond domestic markets and harmed other Members. Despite years of discussion, the subsidies and overcapacity item continued to be on the agenda, reflecting the persistence of the problem and the fact that, regrettably, overcapacity was not self-correcting under the current framework but was becoming more concerning.

134. The steel industry perfectly illustrated the problem and had already been the focus of many interventions that week. Global excess capacity had reached 179.6 million metric tonnes in the third quarter of 2025, representing a 1.4% year-on-year increase, with a significant share concentrated in a small number of producers. Finished steel exports from excess-capacity sources had increased by 7.8% year on year to 34.6 million metric tons. Decreasing domestic demand and increasing exports from countries with significant excess capacity were exacerbating the negative impacts on the global market, showing a clear mismatch between demand and supply, with falling domestic demand leading to surges in exports. In addition, a further 31 million metric tons of global capacity was expected for the first part of 2026. Those numbers made clear that overcapacity was a very real problem and was getting worse. Members could not be surprised at the actions that the United Kingdom and other Members were taking to support manufacturing. All Members recognised the challenges created by overcapacity, and the United Kingdom welcomed recent acknowledgements by Members of the need to address industrial overcapacity challenges.

135. The United Kingdom said that overcapacity was a global issue affecting all Members. OECD analysis of steel showed that import penetration from subsidised producers had risen more sharply in developing markets. The impact was also felt in export performance: OECD analysis showed that most emerging and developing economies had not increased their global export shares in key manufacturing sectors, while producers in regions such as Latin America had lost market share. Over time, that reinforced concentration of production globally and narrowed development pathways for affected Members. Overcapacity denied Members the opportunity to develop and utilise their own comparative advantages.

136. The United Kingdom highlighted how the effects of market-distorting subsidies were exacerbated by persistent and deliberate gaps in transparency. This added further pressure to the system and made it more difficult for Members to assess and respond to the drivers of overcapacity. In that context, Members would inevitably and increasingly, turn to unilateral actions.

137. Overcapacity was not the only issue faced by Members, nor the only concern with modern trade that needed to be addressed, but it was a key issue within the remit of the Committee. WTO Members should be able to take industrial policy measures, including subsidies, to grow and

develop their economies and to provide economic security for critical supply chains. However, they should not take measures that undermined growth in neighbouring countries. That was the balance Members needed to strike and were unable to manage under the current system. Members needed to design rules that acknowledged structural differences between their economies and mitigated their effects in a fair and balanced way. They needed rules that drove consideration of both the positive and negative impacts of policy choices, directed the greatest attention to the greatest harms, and incentivised transparency through strong enforcement. Members could discuss and resolve the issue at the WTO, or resort to more unilateral measures and eventually make new rules elsewhere. The opportunity for change was not lost, but it was disappearing fast.

138. Canada stated that it continued to share the serious concerns expressed over the years by other co-sponsors of the item regarding the role that government interventions, including the provision of unfair subsidies and other non-market policies and practices, could play in leading to persistent, structural and global overcapacity. The SCM Committee had been a forum for the discussion of such issues for almost 10 years, and Canada saw value in having open and constructive discussions in the Committee about the link between overcapacity and trade-distortive subsidies.

139. Canada's concerns were not about temporary excess capacity linked to normal business cycles. That type of excess capacity was short-lived as a sector adjusted to changes in market signals and did not create the sustained spillovers or displacement effects associated with trade-distortive government practices. Canada also recognized the legitimate role that subsidies could play in

G/SCM/M/135

- 18 -

achieving important public policy objectives. Rather, Canada's concerns lay with situations where significant overinvestment in firms, facilitated by non-market policies and practices, including the extensive provision of trade-distortive subsidies, drove persistent and structural overcapacity that distorted global trade as firms sought to export excess supply.

140. Canada stated that this was not a theoretical concern, but a reality that continued to worsen, as evidenced by work of the OECD and other respected organizations and think tanks. The co-sponsors of the item had highlighted that research and the negative impacts of unfair subsidy practices on excess capacity across a variety of sectors, such as steel, aluminium, electric vehicles, solar and semi-conductors. The impacts of those practices were not limited to a small number of economies but were felt at a global level, spreading into global value chains, and should therefore be of global concern. For example, they could prevent developing countries from building industrial capacity in strategic sectors by keeping prices at artificially low levels. While access to cheap imports could be beneficial in the short term, in the long term it could constrain export growth, affect industries' ability to compete domestically and impede efforts to create secure supply chains through diversification.

141. As Members continued to seek to further their shared understanding of global overcapacity and the role that trade-distortive subsidies played in driving it, Canada viewed the SCM Agreement and the work of the Committee as playing an important role. Only through having full information and discussions with a diverse group of Members on the nature and scope of subsidies being provided could Members truly understand their potential impacts on global trade and structural overcapacity. A critical first step would be to work collectively to improve subsidy notification compliance trends. Canada encouraged all Members to fulfil their notification obligations and to take advantage of technical assistance provided by the Secretariat when needed.

142. Japan highlighted that overcapacity was a topic that should be discussed in the Committee and had in fact been discussed at previous meetings over the past decade. Overcapacity could result from subsidies provided for the creation, expansion or maintenance of production capacity in a manner inconsistent with market principles, and that was a relevant issue for discussion in the Committee. Japan emphasized that the issue was neither the legitimate expansion of market share by competitive businesses nor temporary excess in production capacity resulting from economic cycles that was adjusted through the market mechanism. Rather, its concern was structural overcapacity caused by non-market governmental support, such as large-scale and non-transparent subsidies that encouraged capacity expansion not in response to market signals and sustained production that would otherwise be adjusted according to demand through the market mechanism.

143. Subsidies were one of the necessary tools to attain public policy objectives and are used at all stages of industrial development. However, subsidies could also lead to structural overcapacity, excess supply and spillover effects to third countries, and create an unfair competitive environment when they encouraged the creation, expansion or maintenance of production capacity in a way inconsistent with market principles. For example, past OECD reports, including the report entitled "Government Support in Industrial Sectors", had shown evidence supporting the view that certain types of industrial subsidies had encouraged additional investment in capacity, which had in turn put downward pressure on prices.

144. Overcapacity was not a problem faced only by developed Members. There was a serious and real risk for all Members, including emerging and developing Members, of losing opportunities to develop their domestic industries when they faced large volumes of imports at unfairly low prices. Japan therefore encouraged not only developed Members, but as many Members as possible, to take part in discussions on the problems caused by overcapacity. Despite years of discussion, the issue remained unresolved; on the contrary, the situation had worsened, and the growing number of Members expressing concerns highlighted how serious the issue had become.

145. Japan referred to a report published by the Rhodium Group in 2024, which highlighted the industrial policies of certain countries had resulted in subsidies for many industrial sectors, including, but not limited to the semiconductor industry. The report noted an increase in the number and percentage of loss-making companies supported by subsidies granted regardless of profitability or operational efficiency. It also pointed out that the subsidized goods were not consumed domestically, and that a certain country's trade surplus with developing countries had more than tripled, hindering their ability to develop their own domestic industries. In this way, the problem of overcapacity had had a significant impact on developing countries.

G/SCM/M/135

- 19 -

146. With regard to the steel sector, the OECD Steel Committee had issued a warning at its meeting in March 2026, stating that a certain country had set a record high for steel exports in 2025, reaching 131 million tonnes, while global steel demand had been declining for four consecutive years. As a result of weakening domestic demand, surplus production that could not be absorbed domestically had been diverted to exports, allowing excess supply to flow into the markets of other Members. Those developments were exerting pressure on producers in Europe, North America and Latin America. Furthermore, the analysis contained in the OECD Steel Outlook published in May 2025 stated that a certain country's subsidies, measured as a share of corporate revenue, were ten times larger than those of OECD countries, thereby encouraging overcapacity and unprofitable investment. The report also noted a sharp increase in steel exports by that Member, a surge in trade measures and growing concerns regarding tariff circumvention practices. In fact, in the steel sector, despite a recent downturn in apparent steel consumption, steel production had remained high. As a result, the supply-demand gap had widened significantly each year since 2020, leading to a situation where surplus production not consumed domestically was redirected towards exports.

147. Overcapacity problem could negatively affect developing and emerging economies as well. The number of anti-dumping investigations initiated against a certain country had significantly increased in 2024. According to notifications to the WTO Trade Remedies Portal, there had been 152 such cases in 2024, more than double the 63 cases initiated in 2023. Furthermore, by the end of June 2025, such cases had already reached 64, and an additional 67 investigations had been initiated in the second half of 2025 according to the notifications submitted. This upward trend was observed not only among developed Members, but also among emerging and developing Members. An increasing number of emerging and developing economies had become aware of the impact of overcapacity and were suffering from it. Japan wished to discuss this global issue together with as many Members as possible.

148. Japan also stressed the importance of transparency. Market-distorting subsidization could be exacerbated when it was opaque and difficult to detect. In connection with countervailing duty investigations, the complexity and opaqueness of subsidy programmes made it difficult for investigating authorities to verify and prove their existence, hindering the effective use of legitimate trade remedy measures. The Rhodium Group report issued in 2025 had also pointed out that, in a certain country, inconsistencies in companies' financial reporting, as well as frequent changes to disclosure rules regarding items representing subsidies, made it difficult to track and

compare subsidies received by those companies. Japan therefore considered it important to continue discussing how to address overcapacity problems at meetings of the Committee, including ideas on possible ways to improve the transparency of subsidies.

149. The United States recalled that, as it had made clear in its December 2025 paper on WTO reform, "the pervasive use of non-market policies and practices", including excessive subsidization, "is the root cause of two systemic problems in the global trading system: overcapacity and overconcentration of production in numerous industrial sectors."

150. Since 2016, the United States had raised those systemic problems and described how subsidies were creating overcapacity that was causing serious damage to the efforts of both developed and developing Members to industrialize. As the United States had also noted in that December 2025 paper, when a country subsidized its steel firms at 10 times the rate at which other countries subsidized their firms, and developed capacity for almost twice the number of vehicles its own market purchased, global trade was distorted. When a country pursued such a beggar-thy-neighbour economic model, its output growth came at the expense of the rest of the world.

151. The Mercator Institute, in an article from February, had written that "Chinese firms are increasingly turning to exports to sell goods that the saturated Chinese market cannot absorb. But instead of focusing on policies to boost domestic demand, Beijing is relying on supply-side measures that support China's industrial dominance. Sending excess goods abroad means Beijing can continue to ignore its demand-side problems. China's policies threaten to undercut both developed and developing countries' industrial bases – huge job losses in the EU are already one result and other areas like ASEAN are even more concerned. To prevent further damage to their industrial bases,

G/SCM/M/135

- 20 -

governments need to rely even more on trade defense instruments and to develop more domestic capacity in critical sectors."³

152. The United States further noted that Mercator had stated that "Beijing relies on a broad set of policy tools that in several cases have been found to contravene international trade rules. These include vast subsidies—estimated at around 4.5 percent of GDP by the IMF, as well as preferential loans, tax breaks, land concessions, and other tariff and non-tariff measures" and that "China's global trade surplus hit a new record in 2025 at USD 1.2 trillion, a rise of 5.5 percent over 2024."

153. The United States stated that the Financial Times had written that a second China shock was under way, "one that is even more threatening to China's trading partners: an assault on high-end manufacturing. Vicious domestic competition, coupled with vast industrial scale, ample pools of engineering talent and some of the highest subsidies in the world, has generated world-beating Chinese champions in EVs, solar panels, batteries, wind turbines and a lengthening list of advanced manufacturing sectors. But the same forces that forge those companies also tend to generate overcapacity, crushing margins in China while flooding global markets and fuelling trade tensions."

154. The Financial Times had also stated that "China has a ream of policies to help companies get off the ground, with local governments in particular battling with each other to offer the best subsidies, cheap land, financing and tax breaks to lure in manufacturers and seed new industries on their turf."

155. Despite having raised those concerns for a decade, the United States was seeing the problem deepen in steel and expand across many sectors, demonstrating that the WTO was not able to address such systemic problems. For that reason, the United States had made clear in its March reform paper that "Members need to explore options so that they can more easily adjust their tariffs in response to threats to their economies, including from countries that run persistent and large surpluses or drive imbalances by building and maintaining overcapacity."

156. The European Union stated that the agenda item remained a priority, as subsidies contributing to overcapacity continued to distort global trade and undermine the industrial development of both developed and developing WTO Members. Since the G20 Hangzhou Summit in 2016, the Committee had repeatedly examined the harmful effects of state-induced overcapacity, yet the problem persisted and had worsened. The European Union reiterated that this was a systemic

issue requiring urgent multilateral attention.

157. Overcapacity was not a temporary market fluctuation, but a structural distortion perpetuated by state interventions. When subsidies artificially sustained or expanded production beyond market demand, the result was chronic excess supply, depressed global prices and displaced competitors. That was not theoretical: sectors such as steel, aluminium, solar and wind energy, electric vehicles and batteries were all affected. The European Union was particularly alarmed by the spillover into new high-tech and green transition industries, where overcapacity risked undermining the sectors critical to global climate goals.

158. The European Union referred to a recent European Parliament study published in April 2026 entitled "Global Overcapacity: Challenges for EU Industry and Developing Economies", which provided compelling evidence of this trend. The publicly available study highlighted how state-driven overcapacity in third countries had led to a 30% increase in excess capacity in key industrial sectors since 2020; price suppression of 15–25% in markets such as solar panels and EVs, directly linked to subsidised production; and market share losses for EU and developing-country producers, particularly in sectors vital for economic diversification. The study confirmed what the Committee had long discussed: overcapacity was not a natural market outcome, but the result of deliberate industrial policies, often lacking transparency.

159. Developing economies bore the brunt of those distortions. Many developing and least developed-country Members sought to industrialise and integrate into global value chains. Yet when subsidised overcapacity flooded markets, their fledgling industries faced barriers that were often impossible to overcome. These included unfair competition, since new entrants could not compete with artificially low-priced imports, which stifled domestic investment. They also included

³ <https://merics.org/en/comment/chinas-overcapacity-threatens-reshuffle-global-industrial-bases>
G/SCM/M/135

- 21 -

dependence risk, as short-term gains from cheap imports were outweighed by long-term deindustrialisation and lost jobs. Finally, they included policy space erosion, as developing countries with limited fiscal resources could not match the subsidy levels of larger economies, creating a race to the bottom. The European Parliament study cited cases where African and Southeast Asian producers had abandoned plans for solar panel or battery manufacturing due to unsustainable price pressures from subsidised imports. This was not just a trade issue, but also a development issue.

160. The European Union remained deeply concerned by the scale and opacity of state interventions in China, which continued to drive global overcapacity. While China argued that its export performance stemmed from market dynamism, the evidence pointed to systemic state support. The IMF's 2025 report, which the European Union had also cited at the previous meeting, had found that China's industrial subsidies led to misallocation of resources and excess production. The European Union's 2024 report on distortions in China's economy had documented how state-directed pricing of land, energy and capital fuelled overinvestment in heavy industry. The 2026 European Parliament study further noted that China's share of global overcapacity had risen in 70% of tracked sectors since 2020, with state-owned enterprises playing a dominant role.

161. The European Union stated that transparency was critical. Without full disclosure of subsidy programmes, including indirect support such as below-market loans, land grants or energy subsidies, Members could not assess the true extent of distortions. The European Union called on China and all Members to enhance notification compliance under Article 25 of the SCM Agreement and engage constructively in discussions on improving transparency. In that respect, the European Union noted that the OECD Manufacturing Groups and Industrial Corporations (MAGIC) database, which tracked industrial subsidies for 482 major companies across 14 key manufacturing sectors from 2005 to 2022, would be made public in May 2026. The findings from that database should provide a reliable factual backdrop for discussions in the Committee.

162. The European Union was not alone in acting against market distortions caused by overcapacity. It observed a growing number of trade defence investigations by developing and emerging economies targeting subsidised imports linked to overcapacity. This reflected a shared frustration with the inadequacy of current WTO rules to address the root causes. However, unilateral actions were no substitute for multilateral solutions. As the European Union had

consistently argued, most recently in its submission on WTO reform, a level playing field was essential for the functioning of the multilateral trading system.

163. According to the European Union, the current WTO rulebook had not been designed to address the systemic distortions created by state-driven overcapacity, particularly in economies where the state played a dominant role in resource allocation. WTO rules needed to reflect 21st-century economic realities. This gap undermined the predictability and fairness of global trade. The persistent discussions in the Committee proved that overcapacity was an unaddressed gap in WTO rules.

164. The European Union stood ready to engage with all Members to modernise the SCM Agreement, ensuring that it could effectively address the challenges posed by state-induced overcapacity. Overcapacity was a shared challenge that required a shared response. The European Union stood ready to work with all WTO Members to find long-term solutions to shared challenges and to tackle the root causes of the problem.

165. Australia welcomed the discussion and encouraged other Members to share their views and experiences on the issue. It acknowledged the interventions made by several Members, including some developing Members, at the previous meeting in October. The topic of excess or overcapacity and its link to subsidies had seen valuable discussion in the Committee over the past ten years and clearly remained relevant to the work of the Committee. Increased focus on industrial policy and non-market policies and practices in other international forums, such as at that year's OECD Ministerial Council meeting, highlighted the urgency of those issues. Structural global excess capacity in specific sectors driven by non-market policies and practices had not abated and continued to be a major issue for the world economy. It posed a critical challenge for the future of the WTO unless Members found ways to address it.

166. Having concluded its tenure as Chair of the Global Forum on Steel Excess Capacity, Australia shared some recent observations. It echoed the Q3 2025 capacity-demand gap cited by the United Kingdom and noted that imbalances between capacity and demand persisted at the domestic

G/SCM/M/135

- 22 -

level in different economies. Since January 2025, non-Global Forum steel industries had indicated a nine-month declining trend in capacity utilisation. Steel exports continued to accelerate in line with global excess capacity. Countries with persistent overcapacity had exported 32.3 million metric tonnes of finished steel and 4.6 million tonnes of semi-finished steel in the third quarter of 2025, an increase of 7.2% and 119% year on year, respectively.

167. It was no coincidence that 2025 had been another boom year for trade remedies, with 45 new anti-dumping investigations and 7 countervailing duty investigations into steel initiated in the first half of the year alone, and 11 new anti-dumping measures imposed over the same period. However, traditional countervailing and anti-dumping measures had not been designed to cope with persistent structural overcapacity driven by non-market policies and practices. As other Members had said, over a decade of experience demonstrated that fact. As a result, Members were turning to other solutions both within and outside the WTO framework.

168. Australia recalled that it had initiated its first safeguard investigation since 2013, examining fabricated structural steel. Other Members had been driven to reduce quotas and raise tariffs to give their domestic industries some breathing space. Thus, global excess capacity affected all economies, whether through direct import competition or the flow-on effects of trade disruption.

169. Australia was committed to an open, fair and rules-based global trading system and to maintaining a level playing field for manufacturers and producers. It was in all countries' interests to deal with potential global imbalances and the short- and long-term impacts on domestic and global markets. Members needed effective and cooperative approaches to manage those issues and engage in serious negotiations and discussions to address their root causes, in order to deliver a rules-based approach that preserved open markets. Subsidies and their role in overcapacity would be a key element of future discussions and negotiations.

170. Chinese Taipei noted that the Committee had addressed the matter on numerous occasions and stated that it believed that ongoing discussion was more crucial than ever, because overcapacity continued to burden key global trade sectors, ranging from steel and aluminium to

solar photovoltaics, petrochemicals and, most recently, legacy chips, causing substantial negative effects.

171. As observed in past discussions in the Committee, there had been, and still remained, divergent views regarding the definition and meaning of "overcapacity". Nevertheless, such differences should not preclude Members from continuing an open and constructive dialogue on the issue.

172. Chinese Taipei shared the view that overcapacity became a problem deserving serious consideration when imbalances between demand and supply were persistent and production levels were sustained or even expanded beyond reasonably expected and temporary fluctuations in market demand. It was particularly concerned when such expansion was fuelled by massive, non-transparent state interventions, including grants, state ownership, tax concessions and below-market financing. Those enormous subsidies and government support measures had led to global capacity far surpassing demand and had caused distortive trade effects by pouring immense quantities of products into the international market.

173. Chinese Taipei was also concerned about the lack of transparency in those subsidies and government support policies and measures, which undermined other Members' ability to accurately evaluate their impact and undertake appropriate responsive actions.

174. On that basis, Chinese Taipei remained committed to supporting further in-depth, open and substantive discussions on the issue, with the aim of improving transparency and establishing reasonable and workable parameters that could be monitored for Members' various forms of supportive measures and state intervention in support of industrial sectors.

175. Norway welcomed the opportunity to discuss subsidies and overcapacity in the Committee. The implications for global markets of industrial subsidies and other non-market policies and practices that incentivised overcapacity had been discussed for several years across various trade fora. Members had that day and previously referred to concrete examples, evidence and analysis from a range of sources, including the IMF, the Rhodium Group, the OECD and the Global Forum on Steel Excess Capacity.

G/SCM/M/135

- 23 -

176. Those analyses had shown that the effects of subsidies and support granted to upstream production could pass through the entire value chain all the way downstream. Members could be affected in different ways, directly in their own domestic markets, in the market of the subsidising Member, or indirectly in third markets. The consequences could include the closure of industries in other Members and an increased market share for the subsidised Member, while some Members might, in the short term, benefit from lower import prices. Over the long term, however, such dynamics risked discouraging investment and innovation and, as had been seen, could ultimately lead to the overconcentration of global production and trade in a limited number of Members.

177. It was therefore critical that Members intensify their efforts to address the problem of excess capacity and the role that subsidies played in creating it. Their discussions should lead to negotiations with relevant and operational outcomes. Improved WTO rules should form part of the solution to the level playing field concerns identified on the reform agenda.

178. In addressing that problem, there was a need for robust analysis of Members' economies, as well as a careful examination of their subsidies, institutions and regulatory frameworks. There were many ways to support industries, and subsidies were often only part of a broader policy mix. Even so, the SCM Agreement did not capture all forms of subsidies.

179. Excess capacity could be difficult to define. Members needed to distinguish between, on the one hand, market-based economies with production capacities driven by supply, demand and commercial decision-making and, on the other hand, economies with government-promoted excessive capacity build-up, as well as between comparative advantage and subsidised excess capacity. It could therefore be more efficient to focus on the subsidies and government actions themselves. This included the role of state-owned enterprises, both as a subsidiser and as a subsidy recipient. Norway welcomed discussions on those issues in the Committee and underlined the need to turn attention to the gaps in the rulebook and how to fill them.

180. New Zealand stated that, while there was a range of views across the Membership on overcapacity, it considered the Committee to be a place for open discussion on subsidy issues. It was important that Members continued to discuss those issues and hear other Members' experiences in the forum.

181. New Zealand noted that the growing reliance on trade-restrictive measures, coupled with increasing subsidisation, risked undermining Members' ambitions for boosting economic prosperity and living standards around the globe. New Zealand, as a small export-oriented Member, relied on predictable and transparent rules and on being able to compete on an even playing field with others. In that respect, New Zealand viewed predictability and transparency as fundamental cornerstones for the effective functioning of the WTO. It urged all WTO Members to fully disclose measures relevant to WTO disciplines, including subsidies and other forms of economic support.

182. China firmly opposed the discussion of the so-called "overcapacity" as a formal agenda item, indicating that "overcapacity" was neither a rigorous academic concept nor a clearly defined term within the WTO legal framework. In current international trade discussions, the concept had been heavily politicized, its definition was vague, its criteria were arbitrary and its application was highly selective. Certain Members were using the concept as a tool to push forward protectionist policies and erect discriminatory barriers against products from China. Such practices not only lacked any basis in multilateral rules, but also seriously violated the core principles of the WTO and the spirit of multilateralism.

183. First, China's industrial competitiveness did not come from subsidies, but was the natural result of respecting the laws of economic development. There had been a narrative that simply attributed the competitive edge of China's manufacturing sector to government subsidies. That story was convenient and spread quickly, but could not withstand serious data scrutiny. Given the sheer scale of China's manufacturing industry, it would be fiscally impossible for the government to sustain it through subsidies. The foundation of China's manufacturing lay in decades of continuous technological innovation, proactive market opening, deeply integrated industrial chains and sustained talent development. Such a large scale naturally brought significant economies of scale: lower costs, higher efficiency and faster R&D cycles. This was a self-reinforcing virtuous cycle, and the real driving force was genuine competitiveness, not subsidies.

G/SCM/M/135

- 24 -

184. It noted that the actual returns of foreign companies in China were the best proof. Over the past five years, the return on direct investment for foreign enterprises in China had been around 9%, which was relatively high by international standards. China was a testing ground, application hub and profit centre for global innovation, and that was why foreign companies chose China. In 2025, China's innovation index ranked among the top ten globally, and R&D spending intensity reached 2.8%, surpassing most EU member States.

185. China offered two additional concrete analytical perspectives. The first was per capita physical output, which it called the truest measure of efficiency, because it directly compared the per capita physical output of Chinese and American workers while bypassing price differences and exchange-rate fluctuations. Calculations showed that, in the four sectors of electric vehicles, shipbuilding, photovoltaic modules and steel, China's per capita physical output was more than double that of the United States. This was not an illusion caused by different statistical methods, but a real difference on the production floor. Taking Tesla as an example, China stated that Tesla had factories in both Shanghai and California, producing electric vehicles of the same brand and on the same technology platform, which was like a natural experiment with controlled variables. The Shanghai factory produced about 50 vehicles per person per year, while the US factory produced 28, a difference of nearly two times. Chinese workers' wages were only 17% of what American workers earned. Taken together, the cost-effectiveness of the Shanghai factory was 8 to 14 times that of the California factory. The facts were clear: the advantages of the Shanghai factory came from faster production cycles, shorter commissioning periods and more efficient supply chain responses, and ultimately from a systematic gap in productivity, not because the Shanghai Government provided higher subsidies than the California Government.

186. The second perspective was total factor productivity, which China described as the academic measure of overall competitiveness. According to Penn World Table data from the University of Pennsylvania, between 2013 and 2023, China's total factor productivity growth rate had

consistently exceeded that of developed economies such as the United States, Germany and Japan, and the gap with those Members had continuously narrowed. This meant that China's technological innovation and capital investment were continuously improving in quality and efficiency, and the quality of its economic growth was rising.

187. The "Lighthouse Factories" selected by the World Economic Forum represented the highest benchmark for digital transformation in global manufacturing. There were 224 Lighthouse Factories globally, and China had 101 of them, accounting for nearly half. Those factories were spread across more than a dozen industries, including home appliances, semiconductors, biopharmaceuticals and heavy machinery. They were the most direct proof that China was using AI, the Internet of Things and big data analytics to improve the resilience and efficiency of its industrial and supply chains. China concluded from that analysis that its industrial competitiveness was real capability, not something propped up by subsidies. It came from sustained productivity growth, efficient coordination across industrial chains and faster iteration of technological innovation. To simply attribute those advantages to "subsidies" ignored the hard-won accumulation of China's industry over decades and departed from basic economic analysis.

188. Second, China had been continuously expanding domestic demand, while certain countries were artificially distorting global markets. There was a narrative that insufficient domestic demand in China had worsened "overcapacity" and that large-scale exports were disrupting other countries' markets. The expansion of a country's export scale was not due to its domestic market being unable to accommodate its own products, but to the fact that the global division of production chains determined that no country could, or should, rely solely on its own market to absorb all of its production capacity. This was basic common sense in international trade: around 70% of the cars produced in Germany were sold overseas, Japan's automobile exports had exceeded 50% of its production at its peak, and Korea's semiconductor exports had accounted for over 80% of its output, none of which had ever been labelled as "overcapacity". China's manufacturing value added accounted for nearly 30% of the global total, while its population represented 17% of the world. Under such deep involvement in the global division of labour, a considerable share of China's production capacity was naturally directed to the international market. This was not "insufficient domestic demand", but precisely a natural reflection of China's deep integration into global industrial chains.

189. China had already become the world's second-largest consumer market, with total retail sales of consumer goods reaching 50 trillion yuan in 2025 and, in purchasing power parity terms, China's
G/SCM/M/135

- 25 -

real consumption capacity was 1.6 times that of the United States. The consumer goods trade-in policy implemented by China over the past two years provided incentives exclusively at the consumption stage, which had further driven the sustained expansion and upgrading of consumption. Those facts showed that China's domestic demand was not "insufficient"; on the contrary, it was at a leading level globally. What truly distorted supply and demand was not China's production capacity, but the protectionist measures adopted by certain Members. China's photovoltaic modules, electric vehicles, power batteries and other products, which could have met the real needs of enterprises and consumers of certain Members, were blocked behind tariff barriers. To blame China's "overcapacity" for the supply-demand distortion caused by protectionism was a classic case of reversing cause and effect.

190. Third, China's subsidy policies had always been compliant and transparent. China firmly upheld the WTO-centred multilateral trading system, and that position was not just empty talk. As previously stated at the special meeting, China attached great importance to and continuously strengthened its trade policy compliance work, also placed great emphasis on fulfilling its transparency obligations, overcame many difficulties, submitted subsidy policy notifications in a timely manner and had continuously made breakthroughs in subsidy notification work. After the notifications were submitted, China had provided written replies to the written questions raised by Members. China made every effort to enhance transparency by responding to Members' questions and concerns. For example, China had held a seminar during China's ninth TPR to introduce China's central and local policies and practices, and had held a workshop together with Switzerland the previous year discussing "industrial policy from the perspective of supply chain resilience". It had also made an overview and detailed introduction of China's new notification in the special meeting that morning. The purpose was to let Members have more and better understanding of China's subsidies, even if they did not raise written questions.

191. Fourth, industrial subsidies were not China's "secret weapon", but a common practice among many countries and a policy instrument that developing Members had every right to use. Multiple recent reports by UNCTAD clearly pointed out that the number of industrial policies globally had grown rapidly over the past five years, and that providing R&D subsidies, setting up industrial funds, granting tax incentives and offering low-interest loans for emerging industries had become common international practices. However, certain Members, on the one hand, accused Chinese subsidies of causing "overcapacity", while, on the other hand, they themselves were massively implementing industrial interventions, including discriminatory and exclusive subsidy measures. China would elaborate on this under agenda item 11. This was a clear double standard.

192. Fifth, China proactively opened its market and provided opportunities to the vast number of developing countries. China not only demonstrated efficiency advantages on the production side, but also showed genuine openness on the market side. Currently, China's average tariff level had dropped to 7.3%, far below the 9.8% ceiling committed upon WTO accession, and was among the low levels for developing Members. Over the past five years, China's total cumulative imports had reached USD 13.1 trillion. The China International Import Expo (CIIE), the world's first national level exhibition themed around imports, had been held for eight consecutive sessions, with cumulative transaction volume exceeding USD 580 billion. One noteworthy detail was that US enterprises had ranked first in exhibition area for seven consecutive years. US enterprises had expressed their recognition of China's open market environment through concrete actions.

193. China noted that a certain Member was using tariffs as a weapon, imposing them on all sorts of reasons. China, by contrast, had been continuously lowering tariffs, improving trade facilitation, opening its market wide and welcoming products from all countries. In 2024, China applied zero-tariff treatment to 100% of tariff lines for all LDCs having diplomatic relations with China. Starting on 1 May 2026, that zero-tariff measure would fully cover 53 African countries that had diplomatic relations with China. China was the first major developing country to implement such a measure, and also the first among major global economies to take such an action. In 2025, China's imports from developing countries had reached USD 1.4 trillion. Products from developing countries were truly entering the Chinese market, and China's openness was bringing development opportunities to them.

194. Sixth, China's exports were helping developing Members integrate into global industrial and supply chains. China was shifting from "exporting finished goods" to "exporting intermediate goods", which helped lower the threshold for industrialization in developing countries. This was a profound structural change. Between 2020 and 2025, the share of China's intermediate goods exports had

G/SCM/M/135

- 26 -

risen from 41.1% to 47.4%, while the share of consumer goods had fallen from 34.9% to 28.7%. This meant that what China exported to developing countries was not just finished goods, but also the raw materials, parts and equipment that factories needed for production. Those intermediate goods, together with the accompanying technology and services, helped developing countries lower their industrial production costs and the barrier to industrialization. Every manufacturer in a developing country could leverage China's supply chain system to build its own manufacturing capacity faster. Viet Nam, leveraging China's component supply chain system, had become the world's second-largest smartphone exporter. Thailand's exports of photovoltaic cells had surged after importing Chinese silicon wafers. This was a mutually beneficial model of "Chinese components + local manufacturing + global markets".

195. China explained that if exporting intermediate goods was "blood transfusion", then Chinese investment and building local factories was "blood creation". In Africa, an IMF research report pointed out that Chinese investment had increased the local processing rate from 15% to 45%. In 2025, Chinese investment had created 90,000 direct local jobs. China supported Africa's industrialization process through concrete actions. During MC14, China's special seminar on investment supporting Africa's industrialization had received enthusiastic responses from African countries.

196. In ASEAN, Latin America and Central Asia there were similar stories. The common feature of those investments was that they did not just sell products and leave; they took root locally, hired local workers, trained local technicians and contributed local taxes. China was generating

development opportunities for other developing Members. Allegations that Chinese exports deprived other Members of development opportunities were completely inconsistent with the facts.

197. Finally, certain Members were using the market as a weapon and bargaining chip, imposing tariffs and erecting barriers to "decouple and sever supply chains". By contrast, China treated the market as an opportunity for cooperation and welcomed all countries to meet it halfway. China was demonstrating through its actions that its development was not a "zero-sum game", but rather a "positive-sum scenario featuring win-win cooperation".

198. Based on those facts, discussing the so-called "overcapacity" in the SCM Committee had neither legal basis nor factual foundation. "Overcapacity" was not a rigorous academic or legal concept and had been heavily politicized in current discussions. Certain Members had broadened the definition of subsidies and wrongly attributed the competitive strengths of China's manufacturing sector to government subsidies. By doing so, they had tried to draw a connection between subsidy and "overcapacity" through a flawed logic and non-existent causal links. In essence, this practice was to disguise the discussion of "overcapacity" as a tool to pursue protectionism and adopt a "double standard" on subsidy issues. This practice seriously violated WTO rules and the spirit of multilateralism.

199. China urged the relevant Members to abandon false narratives, return to constructive dialogue within the WTO framework, and focus on upholding core WTO rules, promoting fair competition and facilitating international cooperation, rather than creating confrontation and division. China had always been a staunch supporter and constructive participant in the multilateral trading system. It was ready to work with all Members, on the basis of mutual respect and respect for facts, to jointly promote the development of the global trading system in a more just, reasonable and win-win direction.

200. The United States stated that China had claimed, as in past meetings, that overcapacity, or what China would call 'involution' in its domestic system, had no basis in the SCM Agreement. It reminded China that the SCM Agreement provided for consideration of the impact of subsidised imports on the domestic industry. Article 15.4, in discussing the impact of subsidised imports, specifically identified capacity utilisation. Under Article 15.7, in determining whether there was a threat of material injury, Members should consider factors including sufficient freely disposable, or an imminent, substantial increase, in capacity of the exporter, indicating the likelihood of substantially increased subsidised exports to the importing Member's market, taking into account the availability of other export markets to absorb any additional exports.

201. China also contended that there was no such thing as overcapacity. President Xi had been quoted by state media as saying that there were "some difficulties and challenges that must be
G/SCM/M/135

- 27 -

tackled to achieve further economic recovery". These included a lack of effective demand, overcapacity in some industries, and weak social expectations and many hidden risks. The United States asked China to explain how the comments discussed at the previous meeting on involution and President Xi's acknowledgement of overcapacity could be reconciled with China's view in the Committee that overcapacity did not exist and was merely a figment of the imagination of Members raising concerns.

202. The United States also recalled China's trade policy review of a few years earlier and reminded China that the Secretariat report for that TPR noted that China was cognisant of overcapacity in the steel sector and cited China's lack of transparency on government support. It encouraged China to take those comments under advisement. Lastly, China had made arguments related to the productivity and competitiveness of its industry and the size and scale of its manufacturing sector. These were not mutually exclusive from a system built and maintained on extensive government subsidisation, whether the four-plus percent noted from the IMF or support noted by CSIS that was multiple times that of other countries. No explanation was possible for China's provision of that level of subsidisation if its claim to be as productive and naturally competitive as it asserted were to be believed.

203. China responded by focusing on three aspects: China's trade surplus, the so-called overcapacity of China's steel industry, and the involution-style competition. Regarding China's trade surplus, it was true that in 2025 China's goods trade surplus had historically exceeded USD 1

trillion, reflecting China's comprehensive industrial strengths, the hard work of its people, its contribution to economic globalization and the resilience of global industrial and supply chains.

204. China stated that surplus figures were only the surface and that its trillion-dollar surplus was not a one-sided gain but the result of mutual benefit. First, global industrial and supply chain cooperation was mutually beneficial. Taking the iPhone as an example, the screen and camera came from Samsung of Korea, the chip was designed in the United States and produced in Chinese Taipei, the image sensor came from Sony of Japan, and the phone was finally assembled in China. According to estimates from a study by the University of California, out of the profit of each iPhone, Apple took 58.5%, Korea took 4.7%, Japan and Chinese Taipei each took 0.5%, and Chinese labour costs accounted for only 1.8%. For a phone priced at USD 1,000, with China exporting 150 million units, these iPhones alone generated a USD 60 billion surplus for China. Apple captured USD 30 billion in profit, while China made only several hundred million dollars. The surplus stayed in China, but the profits went to other, mostly developed, Members.

205. Second, and as China had illustrated earlier with reference to Tesla's Shanghai factory, the global expansion strategies of multinational corporations resulted in the surplus remaining in statistical records, while profits flowed to parent companies. Over the past 20 years, 200,000 foreign-funded enterprises had set up operations in China, and 27% of China's total exports came from these enterprises. In 2025, foreign-funded enterprises in the manufacturing sector had generated nearly USD 240 billion in surplus, accounting for over 20% of China's total surplus. The same pattern applied to Audi and BMW. This created the paradox whereby "the surplus stays in China, but the profits go to the United States."

206. Third, China had run long-term deficits in certain goods and in services trade. In 2025, China's combined deficit in integrated circuits, crude oil, agricultural products, iron ore, natural gas and aircraft had exceeded USD 800 billion. Its services trade deficit had exceeded USD 116 billion in 2025, with a cumulative deficit of over USD 400 billion over the previous three years. By contrast, the United States and the European Union had long maintained services trade surpluses of over USD 200 billion.

207. Regarding the alleged overcapacity of China's steel industry, China's steel production was primarily for domestic consumption and that the share of exports in total production had always been below 10%. China had a huge downstream market, and new demand such as rural infrastructure upgrading and steel for emerging manufacturing sectors meant there was still enormous room to expand domestic consumption. China's steel exports effectively filled weak links in global supply chains. The global distribution of steel production capacity and demand was uneven, and regions such as Africa and Southeast Asia had strong demand for steel but limited production capacity and could not meet their own development needs. With its stable production capacity, China could effectively fill supply shortages in these regions, ensure stable regional market supply, and

G/SCM/M/135

- 28 -

provide reliable support for infrastructure construction and economic and social development in relevant countries.

208. The Chinese Government had not provided subsidies to stimulate production capacity in the steel industry. On the contrary, in recent years, it had taken proactive action to reduce capacity and had continuously pushed forward supply-side structural reforms in the steel industry, achieving tangible results. China's crude steel production had been on a downward trend overall, with capacity utilisation staying at a reasonable level. In 2025, China's crude steel production had been 961 million tons, down 4.4% year-on-year; apparent crude steel consumption had been 829 million tons, down 7.1% year-on-year, with the decline in consumption exceeding that of production by 2.7 percentage points. The increase in China's steel exports and the decline in prices reflected the comparative advantages of China's steel industry, as well as factors related to supply and demand changes in upstream and downstream international markets.

209. From an overall perspective, the number of trade remedy investigations initiated did not indicate that Chinese steel products had had an impact on other countries' markets. The steel industry had long been a frequent target for trade remedy cases, related to factors such as relatively low technological barriers in steel, intense homogeneous competition, high price sensitivity and strong industry associations. These factors were common across the global steel

industry and were not unique to China. On a case-by-case basis, initiation of anti-dumping and countervailing duty investigations did not necessarily mean that the relevant products had caused injury to the importing country's domestic industry.

210. On the involution-style competition, China emphasized that involution-style competition was not normal market competition, but a type of self-draining, disorderly competition where market players, lacking breakthroughs in core technology and differentiation, resorted to low-price dumping, redundant construction and other practices. It existed in China, but its causes were multifaceted. First, some enterprises suffered from path dependence, lacked sufficient innovation-driven capacity, focused their competition narrowly on efficiently using existing resources rather than creating better resources, and lacked the ability to escape homogeneous competition. Second, market supply and demand conditions played a role. In the steel industry, in 2025, China's crude steel production had been 961 million tons, and in a market characterised by comparatively strong supply, some enterprises had blindly pursued economies of scale and competed for market share through price wars. Third, certain industries had high exit barriers. Some manufacturing sectors required huge investments with assets dedicated to specific uses, locking enterprises into upfront investments; even in a downturn, they found it difficult to exit and were forced to participate in price wars to survive, resulting in persistently low resource allocation efficiency.

211. China acknowledged that some local governments, in pursuit of short-term performance, had eroded market unity and encouraged some enterprises to engage in policy arbitrage. For that reason China was firmly committed to building a unified national market and the Chinese Government had been taking a series of measures to address involution-style competition and promote normal, healthy competition under market economy conditions. It was therefore unreasonable to simply attribute involution-style competition to subsidy policies.

212. China concluded that some Members had claimed they had to resort to unilateral measures when considering their industries threatened. China believed that no Member had the right to unilaterally determine whether its trading partners had overcapacity, nor to take unilateral restrictive measures, and called on Members to notice this dangerous trend.

213. In response to China's claim that it did not provide subsidies to steel firms, the United States stated that that claim was patently false. The OECD had noted in a recent report that steel-producing firms in economies, particularly the People's Republic of China, received substantively higher subsidies than their OECD counterparts. Typical Chinese firms received five times more subsidies per unit of revenue than firms in other partner economies and ten times more than firms in OECD Member economies.

214. Second, China appeared to present involution as having nothing to do with subsidies, however, the Michigan Journal of Economics had used the term to describe Chinese business sectors' over-competition price wars, especially in industries with heavy government subsidies and low consumer demand. The United States recalled that it had been raising concerns for many years

G/SCM/M/135

- 29 -

about how China's subsidies caused, maintained, created and exacerbated excess capacity. Those concerns had not been resolved and the United States would continue to raise them going forward.

215. China stated that the United States had claimed that China had huge steel production and referred to data in an OECD report. China emphasized that, given the sheer scale of China's manufacturing industry, including its steel industry and steel production, the Chinese Government had not provided subsidies to stimulate production capacity in the steel industry, and that, given the scale of China's steel industry, it would be fiscally impossible for the Government to sustain it through subsidies.

216. Regarding the United States' reference to China's trade policy review, China had cooperated constructively with the Secretariat team throughout the preparation of the Secretariat Report, and that its active engagement had been recognized by the Secretariat team. Most Members had highly appreciated China's practices of further trade and investment liberalisation and its efforts to establish an open, international business environment in their statements during the TPR.

217. The Committee took note of the statements.

10 FRANCE'S EV SUBSIDIES PROGRAMME – ITEM REQUESTED BY REPUBLIC OF KOREA

218. Korea regretted that it was raising this issue for the sixth consecutive time and reiterated its concerns regarding the impact of the scheme on international trade and fair competition. The current French EV subsidy scheme, based on total carbon emissions throughout the production and transportation processes of EVs, placed EVs manufactured outside Europe at a disadvantage.

219. Korea considered that the subsidy programme was inconsistent with the rules and principles of relevant WTO agreements and urged France to ensure that its subsidy scheme did not impede free trade or create barriers undermining fair competition. It asked France to consider three points: first, the current criteria for determining carbon emission coefficients contained methodological flaws, as Korea was not subject to a separate category for aluminium emission coefficients but classified under a broad "other countries" group, failing to reflect adequately the specific circumstances of each major vehicle-producing country. Second, including carbon emissions from transportation, based on distance and types of transport, had the effect of discriminating against foreign-made EVs exported by sea over long distances, and Korea hoped France would also consider calculating coefficients based on car carriers. Third, France had recently been pursuing differentiated EV subsidies by region for electric light commercial vehicles (eLCVs), and Korea was concerned that such measures might expand discrimination against imported products.

220. Korea urged France to improve its current discriminatory vehicle subsidy scheme. It also noted France's recent willingness to engage in consultation to address the matter and would continue working with France going forward.

221. Japan stated that it also had an interest in the matter and was closely following developments. It understood that, in October 2025, the subsidy programme had been amended to offer additional subsidy amounts granted only to vehicles assembled in the European Union and equipped with batteries made in the European Union. Japan was concerned that the programme might be inconsistent with the national treatment obligation under Article III:4 of the GATT and might also be found to be a prohibited subsidy contingent upon the use of domestic over imported goods under Article 3.1(b) of the SCM Agreement. Japan reiterated that subsidy programmes must be implemented and applied in a manner consistent with WTO rules.

222. The European Union took note of the continued interest of Korea and Japan, and recalled the information it had provided at the previous meetings of the Committee as well as the last meetings of the Council for Trade in Goods. The French measure aimed to encourage consumers to acquire environmentally friendly vehicles throughout their entire life cycle.

223. The methodology used was uniform, robust, in-depth, and transparent. It had been subject to public consultation, and applied to every vehicle regardless of origin. The methodology was based on objective criteria consistent with international standards and a scientifically supported simplified life-cycle analysis approach. Any changes to the framework would be subject to a public consultation

G/SCM/M/135

- 30 -

process, in which Korea, Japan, or any other country could participate. France remained available to respond to further questions and was open to organizing additional technical exchanges if needed.

224. The Committee took note of the statements made.

11 SUBSIDIES AND THE LEVEL PLAYING FIELD – ITEM REQUESTED BY CHINA

225. China noted Members' broad concerns about the impact of subsidies on the level playing field ("LPF"). The SCM Committee could provide diverse perspectives through discussions on subsidies-related issues to play a more constructive role in strengthening LPF.

226. China shared several observations in the area of industrial subsidies. First, some developed

Members had continued to introduce a huge amount of discriminatory subsidy policies. These WTO-inconsistent policies and measures seriously disrupted the normal order of international trade and investment, triggered a race to the bottom in industrial subsidies and fragmentation of global governance, and negatively affected the integration of developing Members into global industrial and value chains.

227. The "guardrail provisions" in the U.S. CHIPS and Science Act required subsidy recipients not to engage in investment cooperation in frontier and advanced technologies in certain countries. Relevant provisions of the EU Industrial Accelerator Act set "Union-origin" as a precondition for granting subsidies, making subsidies contingent upon the use of domestic goods, and deemed goods produced in countries with a customs union or free trade agreement with the EU as "Union-origin". China considered that those provisions violated the principles of national treatment and most-favoured-nation treatment and might constitute "import-substitution" subsidies. In March 2026, one Member had announced its clean-energy vehicle subsidy policy for fiscal year 2026, significantly increasing subsidies for domestically produced vehicles and vehicles from the United States and Europe, while reducing subsidy amounts available to vehicles exported from China.

228. Second, some developed Members had intervened in the market on a large scale through non-market practices and had become deeply involved in micro-level operations of enterprises. China was not sure whether this fell within the scope of "new state capitalism". For example, the U.S. Government's equity investment and grants to Intel Corporation had reached USD 11.1 billion, making the Federal Government one of Intel's largest shareholders. In 2024, the U.S. Government had repeatedly obstructed Nippon Steel Corporation's acquisition of U.S. Steel. The two companies had subsequently filed lawsuits alleging that their commercial decisions had been subject to government interference, undermining fair competition. In June 2025, the U.S. Government had approved Nippon Steel's USD 14.1 billion acquisition of U.S. Steel on the condition that the U.S. Government would hold a "golden share", giving it considerable influence over the company's future decisions.

229. Third, some developed Members had initiated large-scale countervailing investigations based on so-called "transnational subsidies", seriously disrupting global industrial and supply chains, impeding normal investment cooperation, and harming developing Members' interests.

230. Fourth, other international organizations had continued to issue reports on subsidies or industrial policies based on self-collected data lacking official endorsement, self-defined concepts of subsidies and industrial policies, and assumptions or models with many deficiencies, thereby constructing false narratives and diluting the WTO's important role as a platform for global economic governance and the primary forum for industrial subsidies issues.

231. Subsidies inconsistent with WTO rules and direct intervention by some Members in enterprises' micro-level operations had significantly affected fair competition. Discussions on subsidies among Members should return to the WTO as the core platform to avoid further fragmentation of global governance. Against this background, China had placed subsidies and LPF as a new agenda item of the regular meeting and proposed following points.

232. First, Members should fully recognize the irreplaceable role of the WTO as a multilateral governance platform. In response to current disorder in industrial subsidies, Members should strengthen coordination and dialogue on industrial policies within the WTO in pursuit of consensus

G/SCM/M/135

- 31 -

and jointly address challenges and divergences. Members should strongly oppose measures and practices leading to beggaring thy neighbour and should not resort to unilateralism and protectionism, which undermined the rules-based multilateral trading system and led to greater unfair competition. Discussions on LPF under WTO reform were being advanced at the General Council level, while this regular meeting brought together officials and experts from Members' capitals and could also serve as an avenue for in-depth discussion. These two channels could complement and reinforce each other and jointly advance WTO reform. China stood ready to exchange views with Members on industrial policies in a broader sense.

233. Second, Members should take a balanced view of the relationship between industrial subsidies and LPF. Industrial subsidies or industrial policies should be regarded as legitimate policy tools, at

whose core lay the question of setting the boundary between government and the market. When properly used, they could address market failures, promote social equity and balanced development, foster technological innovation and green transition, and contribute to economic and social progress. Developing Members also needed to make proper use of this policy tool during industrialization. By placing this item on the agenda, China hoped that Members could fully discuss the relationship between industrial subsidies and LPF, identify a sound balance and positive interaction, give full play to the positive role of industrial subsidies in promoting fair competition, and minimize their negative effects.

234. China was advancing in-depth domestic reform of industrial subsidies, coordinating an efficient market with a well-functioning government, giving full play to the decisive role of the market in resource allocation, and building a unified national market. In that process, China was continuously improving its industrial subsidy policies. On the basis of respecting Members' development stages and economic systems, China was willing to strengthen exchanges and experience-sharing with other Members on the design, implementation, supervision and evaluation of subsidies.

235. Third, transparency was a cornerstone of the WTO's basic principles and a fundamental prerequisite for future discussions on industrial subsidies or industrial policies. China had always attached great importance to transparency and stood ready to engage in exchanges and cooperation with other Members on enhancing transparency of industrial subsidies to uphold the effectiveness and authority of the multilateral trading system.

236. Lastly, discussions on subsidies, LPF and development should fully take into account the concerns and interests of developing Members. Unilateral and protectionist measures adopted by some Members in the name of safeguarding fair competition might further expand the development deficit, constrain developing Members' policy space, and create greater unfairness. The discussions on subsidies and LPF should fully incorporate the development dimension.

237. China concluded that Members should make full use of the SCM Committee as a platform for in-depth discussions on the relationship between subsidies and LPF, thereby laying the groundwork for future discussion under WTO reform with development and transparency as major elements. China remained open to the topic and formats of discussion and welcomed constructive comments and suggestions from Members.

238. The United States stated that the objective of the agenda item was an attempt by China to blame the United States and other Members for seeking to address and resolve problems of China's own making and design, namely the concentration of key manufacturing inputs in one economy. China had taken concerted action to subsidise, support, develop and target a plethora of industries for both domestic and global domination, and sought a world where developed and developing countries alike were dependent on China for key technologies and products.

239. The United States recalled that, in various studies throughout the Committee, including agenda items the previous year on a differently named but similar topic, it had explained the ways in which China provided subsidies in various sectors. Responding to examples that China had sought to blame on the United States, including the CHIPS Act and support for Intel, the United States noted that the World Bank had quantified how below-market borrowing played into China's government support, reporting in 2023 that the implied interest rate for legacy semiconductor firms was less than 1%, while the average rate for all industrial loans was 4%, amounting to a 3% interest rate subsidy for legacy semiconductor firms in China.

G/SCM/M/135

- 32 -

240. China had accounted for 31% of global legacy semiconductor chip production at the end of 2023, up from 17% in 2015, and was set to increase this share with more planned fabrication facilities from mature node production. China was projected to account for 39% of global legacy chip capacity by 2027, making up 55% of current planned production expansion in legacy chips. China's National IC Fund had invested USD 50 billion into semiconductor companies to date and in 2024 had announced a new financing round of an additional USD 40 billion. The idea that one or two subsidies or one programme from the United States was equivalent to this was patently false.

241. On China's claims regarding the golden share in U.S. Steel, the United States stated that no financial contribution was being provided as part of the arrangement. It was a national security

agreement to mitigate national security concerns and was not relevant to discussion of subsidies in the SCM Committee. The United States agreed that subsidy policies could be discussed in the SCM Committee and that the Committee could focus on the impact of subsidies on all Members' ability to industrialise and reach their goals. However, China had to recognise its own role in creating the problems highlighted in its intervention.

242. The European Union thanked China for raising the important discussion on subsidies and LPF, which lay at the heart of fair and rules-based trade. China had raised a number of points that the EU would assess and return to in further discussions.

243. While recognizing the value of constructive dialogue, the European Union acknowledged the challenges posed by the scale and scope of subsidisation in large economies, which could distort competition and undermine the principles of a level playing field. It noted that analyses by international organizations pointed to a wide gap between the level of subsidies granted in China and in other countries. According to the OECD, subsidies accounted for 2.5%-3% of annual firm revenue in China, whereas EU state aid amounted to only 0.5% of firm revenue.

244. The European Union stated that discussions on this important topic should be based on factual evidence and welcomed the publication of the OECD Manufacturing Groups and Industrial Corporations (MAGIC) database, which would further strengthen the evidence base needed for the Committee's work.

245. The European Union noted that the Industrial Accelerator Act (IAA) was a European Commission proposal for an EU Regulation and had not been finally adopted. It was still subject to the ordinary legislative procedure and would likely be subject to changes before a final version was adopted. In its current shape, the proposal set requirements designed for selected strategic sectors and technologies to increase the economic security, resilience and strategic autonomy of EU industry, which was necessary as the European Union was increasingly facing unfair global competition in those strategic sectors. The IAA set certain conditions for public funding and procurement, introduced low-carbon requirements, sped up permits, and ensured that foreign investments delivered real value to EU businesses and citizens. The IAA Act had been designed in a way respecting the European Union's international commitments.

246. China thanked the United States and the European Union for their interventions. Discussions from different perspectives showed that Members attached great importance to fair competition. Although some opinions lacked a factual basis, the attempt itself had fully shown that inclusive and rational discussion within the WTO, rather than entrenched camps or unilateralism, was better able to safeguard fair competition and achieve result-oriented global governance of subsidy issues. China stood ready to work with Members to design, improve and deepen discussion of this agenda item in the Committee.

247. The Committee took note of the statements made.

12 TRANSNATIONAL SUBSIDIES – ITEM REQUESTED BY THE UNITED STATES

248. The United States recalled that, at the February meeting of the Dispute Settlement Body, it had used the context of a recent dispute, European Union — Countervailing and Anti-Dumping Duties on Stainless Steel Cold-Rolled Flat Products from Indonesia (DS616), to raise its views and positions with respect to the ability of Members to address the injury caused by transnational subsidies through the imposition of countervailing duties or other actions under the SCM Agreement. Many Members in that forum had expressed a similar view to that of the United States.

G/SCM/M/135

- 33 -

249. The United States' interest in the topic, and its importance, went beyond a singular dispute and concerned the fundamental question of addressing unfair, distortive and injurious subsidies, including those provided across borders or transnationally. It therefore brought the topic to the SCM Committee for continued discussion. Like most WTO Members, the United States had a vital interest in advancing economic growth, including through private, market-oriented investment. Central to both the GATT 1994 and the SCM Agreement was the avoidance of harm caused by states' economic action in the form of subsidies and ensuring the availability of remedies to redress any resulting injury.

250. Global markets and supply chains had evolved over the previous three decades, as had methods of subsidization. In the current landscape, cross-border subsidies were provided to promote both the subsidizing country's and the recipient country's manufacturing capacity in particular industries. Under the SCM Agreement, a Member could bring an action in the WTO or provide domestic relief to its producers if they were materially injured by certain subsidized imports. Harmful transnational subsidies were not exempt.

251. The United States gave two scenarios to illustrate. In the first, the government of Country A gave a company in its territory USD 1 billion as a grant, and that company then produced and exported subsidized products to Country B. Because of the subsidy, it could sell those products at unfairly low prices in Country B, injuring producers in Country B. All Members would agree that, under the SCM Agreement, Country B was allowed to act by imposing countervailing duties on those imports. In the second scenario, the government of Country C subsidized cross-border production in Country A, giving the same company in Country A the same USD 1 billion grant, but from Country C rather than Country A. The company still produced and exported unfairly subsidized products to Country B, and producers in Country B were injured in the same way because of the unfair subsidy.

252. In both situations, producers and workers in Country B would be injured because they were forced to compete with unfairly subsidized imports, and it made no difference which government wrote the check. Regardless of whether the grant was given in the territory of the subsidizing Member or by a different Member, the injury came from the unfair subsidy and its impact on trade. The economic reality was that unfair subsidies distorted trade and competition and injured domestic producers regardless of where the subsidy originated and which government provided it. Changing the address of the government providing the subsidy would not remove its distortive and injurious effect on trade.

253. Harmful subsidies should therefore be actionable and can be remedied regardless of whether the money came from a government within its own borders or outside those borders. Nothing in the SCM Agreement prevented a Member from addressing unfair subsidies provided in this way, and addressing transnational subsidies that were unfair, distortive and injurious was fully consistent with the SCM Agreement. Article 1.1(a)(1), which defined a subsidy for the purpose of the SCM Agreement and listed types of financial contributions that could constitute subsidies, did not prescribe a territorial limitation, nor did Article VI of the GATT 1994, which the SCM Agreement interpreted and applied.

254. Suggestions by some Members that the SCM Agreement precluded a Member from remedying a subsidy solely because the government of a different Member provided it would create a significant loophole permitting harmful subsidies to injure Members' industries. Such a loophole would clearly contradict the purpose of WTO disciplines governing state economic action, including injurious subsidies. Every WTO Member should be concerned with an interpretation of the SCM Agreement that would in effect promote unfair competition and impede Members' ability to address real harms to their businesses and workers.

255. The European Union thanked the United States for putting that very important point on the agenda of the Committee and for the points made in its intervention. The European Union stated that its statement was without prejudice to the dispute Countervailing and Anti-Dumping Duties on Stainless Steel Cold-Rolled Flat Products from Indonesia (DS616), which the European Union had appealed into the void in November 2025 and on which the European Union, along with many others, had made detailed statements at the February meeting of the Dispute Settlement Body as to why it strongly disagreed with that ruling. The European Union welcomed the opportunity to discuss the issue of cross-border subsidies in the context of the Committee, which oversaw the application of the SCM Agreement.

G/SCM/M/135

- 34 -

256. The distortive effects of subsidies on global trade were well documented, and it was recognized and accepted among all WTO Members that such measures had to be addressed when they caused injury to domestic industries. The injury inflicted on domestic producers was no less severe when subsidies were granted across the border and therefore had to be addressed under the SCM Agreement. The issue of countervailing cross-border subsidies went directly to the effectiveness of the SCM Agreement in addressing the injury caused by subsidy practices.

257. The emergence of subsidy practices where one country provided financial contributions conferring a benefit to companies in another country, which in turn exported subsidized products to a third country and caused injury, could not be ignored. The practice of granting harmful cross-border subsidies was increasingly common and spreading fast, involving different countries and sectors. There was nothing in the SCM Agreement that prohibited addressing such situations to combat the trade distortions it was designed to regulate. Any other interpretation would allow governments to circumvent the disciplines of the SCM Agreement with impunity while causing the same injurious effects to domestic industry as subsidies to operators located domestically, which could not be what the drafters of the SCM Agreement had intended.

258. According to China, the so-called "transnational subsidies" narrative was designed to provide a pretext for protectionism and would harm the interests of developing Members.

259. First, at the level of basic logic, so-called transnational subsidies were a false narrative in nature. They meant that subsidizing Members intended to create jobs, exports and income for other Members at the cost of their own fiscal resources, which was completely inconsistent with the laws of the market economy and logically unreasonable. China noted that some Members used unilateral tariff coercion to force another Member to undertake cross-border investment against the will of enterprises, which seriously ran counter to economic laws and should be regarded as a form of "transnational subsidies".

260. Second, in terms of systemic impact, what was labelled as "transnational subsidies" was in fact normal investment cooperation among enterprises. Developing Members, in particular, urgently needed external financing to achieve industrialization. If such normal cooperation were identified as "transnational subsidies", it would seriously disrupt global industrial and supply chains, hinder trade and investment liberalization and facilitation, and impede the industrialization process of developing Members. Such practices were essentially of the same nature as certain Members' attempts to obstruct normal trade and investment liberalization through bilateral agreements, and developing Members should remain highly vigilant against this. In addition, in 2024, the United States had amended its domestic law to repeal the prohibition on initiating transnational subsidies investigations. Under the United States' approach, any development aid, and even development financing provided by multilateral institutions, could be treated as transnational subsidies.

261. Third, at the micro level, identifying transnational subsidies also involved the pass-through of benefits. In practice, enterprises subject to countervailing investigations, to prove that they had not received subsidies and that the products under investigation had not benefited from subsidies, would have to trace along the supply chain and defend themselves by excluding the existence of subsidies at each stage. This was entirely unreasonable and impossible in practice. Such investigations were based entirely on conjecture and unreliable inferences, could not withstand scrutiny, and might also bring about chilling effects.

262. China concluded that "transnational subsidies" were a false narrative and served as a pretext used by some Members to adopt protectionist and unilateral measures. Such practices ran counter to WTO rules and seriously impaired the legitimate rights and interests of developing Members. China urged Members concerned to stop these erroneous practices and resolve divergences within the WTO framework.

263. The Russian Federation shared the view that the issue of transnational subsidies was of utmost importance. It was deeply concerned by the growing trend in applying countervailing duties on products allegedly produced or exported using so-called transnational subsidies. The concept of transnational subsidies had been used by some WTO Members for the single purpose of imposing yet another layer of protectionist measures.

G/SCM/M/135

- 35 -

264. Article 1.1(a)(1) of the SCM Agreement provided an exhaustive list of entities whose strictly defined actions formed a financial contribution within the meaning of the SCM Agreement. The logic behind the drafters' intention was clear: "not all cases of support may involve subsidization that is actionable under the SCM Agreement."

265. Article 1.1(a)(1) was unequivocal that only financial contributions by a government or public body within the territory of a WTO Member, as well as those by a private body entrusted or directed

by that government, could be attributed to the government of that Member. Article 2 explicitly and repeatedly used the phrase "within the jurisdiction of the granting authority", which was an integral part of the legal construction of the concept of "subsidy".

266. The Russian Federation quoted the Panel report in *US – Countervailing Measures* (DS437): "[t]he ordinary meaning and context of the chapeau, as well as the negotiating history of Article 2, suggest [...] that the reference to 'within the jurisdiction of the granting authority' firstly indicates that specificity may only exist within the territory of a Member". It stated that jurisdiction was always territorial and could not extend beyond the granting authority's territory.

267. The Russian Federation concluded that the recipient firm, enterprise or industry, or group of enterprises or industries, was always a firm in the territory and within the jurisdiction of the subsidizing Member. This inference was expressly confirmed by footnote 63 of the SCM Agreement, concerning calculation of the amount of the subsidy to the recipient, which stated that the "recipient firm is a firm in the territory of the subsidizing Member". The SCM Agreement required the subsidizing Member and exporting Member to be the same, which was not the case for "transnational subsidies". Numerous provisions in the SCM Agreement, including Articles 1.1(a)(1), 1.2, 2, 10, 11, 12, 13, 18, 22 and 32.1, and footnote 63 to paragraph 2 of Annex IV, supported this interpretation.

268. The United Kingdom welcomed the United States raising the matter in the Committee and took note of the points raised so far. Transnational and cross-border subsidies could have harmful and distortive effects. WTO Members should be able to discipline countervailable subsidies, defend their industries from injury.

269. The United States responded to the Russian Federation's point regarding Article 1.1. Article 1.1(a)(1) of the SCM Agreement reflected the reality that subsidies could occur on a transnational basis and permitted counteracting injury caused by such subsidies. The use of the indefinite article "a" in the phrase "financial contribution by a government" in the chapeau did not limit the scope of the financial contribution to the territory of the government providing it. Had the drafters intended such a limitation, they would have included a limitation such as "by the government of the subsidizing Member" or "by a government within the territory of the Member granting the subsidy", but they had not done so.

270. Responding to China's comments, the United States stated that the goal of U.S. policy was not to curtail trade but to curtail arrangements providing subsidies that caused injury to U.S. workers and businesses, even if their setup differed from those typically seen in prior CVD investigations or was arranged to mask the subsidy. The United States did not need to defend every specific fact pattern to rightfully conclude that countervailing injurious transnational subsidies was not only permitted under the SCM Agreement but necessary to protect its businesses and workers.

271. It should be obvious to all Members that China's SOEs were under China's jurisdiction wherever they operated globally and received subsidies from China, both in China and in other countries. Both countries at issue in a transnational subsidy investigation were provided the opportunity to participate fully in the investigation. There was a clear textual basis, a clear policy basis and a clear need to allow countervailing of transnational subsidies, and looked forward to continued discussions on the matter in the Committee.

272. China replied that the United States had repeatedly claimed that SOEs in China had received subsidies, while China had reiterated many times that it did not have subsidies specifically targeted at state-owned enterprises. Subsidies provided by China were available to both eligible state-owned and non-state-owned enterprises.

273. The Committee took note of the statements.

G/SCM/M/135

- 36 -

13 CHINA'S FIRST SET TECHNOLOGY EQUIPMENT PROGRAMME – ITEM REQUESTED BY THE UNITED STATES

274. The Chair recalled that the United States had raised questions on China's First Set Technology Equipment Program at the previous Committee meeting and then submitted written questions

pursuant to Article 25.8 of the SCM Agreement, circulated in document [G/SCM/Q2/CHN/140](#). China had submitted its written replies the previous week, contained in document [G/SCM/Q2/CHN/149](#).

275. The United States stated that it had made clear its goal of obtaining much-needed transparency into China's subsidy programmes. At the October 2025 meeting of the Committee, it had brought to the Committee's attention a programme to provide subsidies to cutting-edge technology development in China. At that meeting, China had been unable to provide information or details on the programme but had committed to the United States and the entire Committee to provide written responses. The United States appreciated China's acknowledgement that it needed to provide written responses to questions concerning programmes it had not notified and that China had provided responses, albeit only a few days before the meeting.

276. The United States had follow-up questions:

- China described the programme as an "insurance compensation policy". If the United States' understanding was correct, China was confirming through its response that there was no law implementing the programme. If so, China was asked to clarify the legal status or significance of administering a programme by "policy".
- China was asked whether central and sub-central levels of government were free to administer the policy in a different manner, and whether there were legal consequences for doing so.
- China was asked to explain why the "key technology equipment industry" was not a specific industry.
- If the programme intended imported products to be eligible, China was asked why the product had to have indigenous Chinese intellectual property.
- China was asked why it considered producers of technology equipment not to benefit from the programme when their insurance premiums were being paid.

277. In response, China stated that, prior to the meeting, the United States had submitted a written request concerning China's first set of technological equipment policy, to which China had provided a written response. To promote the application of relevant equipment, China's Ministry of Industry and Information Technology, Ministry of Finance and National Financial Regulatory Administration had implemented the Insurance Compensation Policy for the First Set of Major Technical Equipment and issued opinions on further improving the Insurance Compensation Policies for the First Set of Key Technology Equipment and the First Batch of New Materials, Gong Xin Bu Lian Zhuang [2024] No. 89.

278. This document contained regulations for the policy, which mainly supported complete sets of equipment, core systems and key components that had achieved major technological breakthroughs, possessed indigenous intellectual property rights, and had just entered the market but had not yet been widely recognised or accepted. The specific sectors covered were listed in the Guiding Catalogue on the Promotion and Use of First Set Key Technology Equipment, available on the website of the Ministry of Industry and Information Technology.

279. China had adopted the insurance compensation policy for the first set of key technology equipment by drawing on internationally accepted practices. The policy compensated for premiums paid for insurance of such equipment, rather than directly subsidizing research, development or manufacturing of the equipment itself. The primary beneficiaries were users, as the policy aimed to increase their willingness to use such equipment and reduce the risks associated with its application.

280. Throughout implementation, China had consistently adhered to the principle of opening up, treating equipment produced by domestic and foreign-funded enterprises equally and without discrimination. All eligible enterprises could apply to benefit from the policy, which was fully consistent with relevant WTO rules. The policy was not targeted at specific industries or enterprises, but was a generally applicable policy for the technology equipment industry as a whole. Therefore,

G/SCM/M/135

it was not specific, did not constitute a subsidy as defined by the SCM Agreement, and was not included in China's subsidy notification.

281. All the above information had been included in China's written response. China gave the example that, in 2025, the foreign-invested enterprise Kronos Medical Devices (Shanghai) Co., Ltd. had passed the qualification review, and the premium subsidy amount would be disbursed subsequently based on the enterprise's funding application, showing that such funds had also been provided for foreign-invested enterprises.

282. The Committee took note of the statements.

14 OTHER BUSINESS

283. No issues were raised under this agenda item.

15 ELECTION OF OFFICERS

284. The Chair recalled Rule 12 of the Committee's Rules of Procedure which provides that the election of the new Chair shall take place at the first regular meeting of the year and that the election shall take effect at the end of that meeting.

285. As the consultations at the CTG level regarding the selection of the new Chair of this Committee as well as of other Committees under the CTG were still under way, a new Chair could not be elected at the end of the meeting. In these circumstances, the Chair suggested that the Secretariat send a communication once the CTG has completed its work, indicating the proposed Committee Chair identified by the CTG. The new Chair would be deemed to be elected by the Committee absent any objection. This approach, which has been taken in previous years, would obviate the need for an additional meeting of the Committee.

286. It was so decided.

287. The Chair reminded Members that as agreed at the October 2025 Committee meeting, the autumn meeting of the Committee will be held in the week of 26 October 2026.
