

Committee on Technical Barriers to Trade

**SECOND ANNUAL TRANSITIONAL REVIEW MANDATED IN PARAGRAPH 18 OF THE
PROTOCOL OF ACCESSION OF THE PEOPLE'S REPUBLIC OF CHINA**

REPORT (2003)

1. This report reflects the results of the Second Annual Transitional Review mandated in paragraph 18 of the Protocol of Accession of the People's Republic of China that took place at the thirty-second meeting of the Committee on 7 November 2003.

I. BACKGROUND

2. Paragraph 18 of the Protocol of Accession of the People's Republic of China (WT/L/432) provides that "Those subsidiary bodies¹ of the WTO which have a mandate covering China's commitments under the WTO Agreement or this Protocol shall, within one year after accession and in accordance with paragraph 4 below, review, as appropriate to their mandate, the implementation by China of the WTO Agreement and of the related provisions of this Protocol. China shall provide relevant information, including information specified in Annex 1A, to each subsidiary body in advance of the review. China can also raise issues relating to any reservations under Section 17 or to any other specific commitments made by other Members in this Protocol, in those subsidiary bodies which have a relevant mandate. Each subsidiary body shall report the results of such review promptly to the relevant Council established by paragraph 5 of Article IV of the WTO Agreement, if applicable, which shall in turn report promptly to the General Council."

3. The Review provided for "will take place after accession in each year for eight years. Thereafter there will be a final review in year 10 or at an earlier date decided by the General Council."

4. Information to be provided by China to the TBT Committee in the context of the Review (as contained in Annex 1A of document WT/L/432) is the following:

- (a) notification of acceptance of the Code of Good Practice not later than four months after China's accession;
- (b) periodic review of existing standards of government standardizing bodies and harmonization of the same with relevant international standards where appropriate;
- (c) revision of current voluntary national, local and sectoral standards so as to harmonize them with international standards;

¹ Council for Trade in Goods, Council for Trade-Related Aspects of Intellectual Property Rights, Council for Trade in Services, Committees on Balance-of-Payments Restrictions, Market Access (covering also ITA), Agriculture, Sanitary and Phytosanitary Measures, Technical Barriers to Trade, Subsidies and Countervailing Measures, Anti-Dumping Measures, Customs Valuation, Rules of Origin, Import Licensing, Trade-Related Investment Measures, Safeguards, Trade in Financial Services.

- (d) use of the terms "technical regulations" and "standards" according to their meaning under the TBT Agreement in China's notifications under the TBT Agreement, including under Article 15.2 thereof and publications referenced therein, and in modifications of existing measures;
- (e) review of technical regulations every five years to ensure international standards are used in accordance with Article 2.4 of the Agreement and provision for adoption of international standards as the basis for technical regulation as part of its notification under Article 15.2 of the Agreement;
- (f) progress report on increase of the use of international standards as the basis for technical regulations by ten per cent in five years;
- (g) provision of procedures to implement Article 2.7 of the Agreement;
- (h) provision of a list of relevant local governmental and non-governmental bodies that are authorized to adopt technical regulations or conformity assessment procedures as part of China's notification under Article 15.2 of the Agreement;
- (i) ongoing updates on the conformity assessment bodies that are recognized by China;
- (j) enactment and implementation of a new law and relevant regulations regarding assessment and control of chemicals for the protection of the environment in which complete national treatment and full consistency with international practices would be ensured within one year after China's accession following conditions set out in 3(t) of the TBT Working Party Report;
- (k) information on whether, one year after accession, all conformity assessment bodies and agencies are authorized to undertake conformity assessment for both imported and domestic products and are following the conditions outlined in Section 13, subparagraph 4(a) of the Protocol;
- (l) assignment of the respective responsibilities of China's conformity assessment bodies solely on the basis of the scope of work and type of product without any consideration of the origin of a product no later than eighteen months after accession; and
- (m) notification of the respective responsibilities assigned to China's conformity assessment bodies to the TBT Committee 12 months after accession.

5. Documents G/TBT/2/Add.65 and G/TBT/CS/N/143 contain a statement submitted by China on the Implementation and Administration of the Agreement under Article 15.2 and a notification made by the State Administration of China for Standardization on its acceptance of the Code of Good Practice for the Preparation, Adoption and Application of Standard (Annex 3 of the Agreement).

6. The First Annual Transitional Review (TRM) mandated in paragraph 18 of the Protocol of Accession of the People's Republic of China took place at the Committee meeting on 17 October 2002 (G/TBT/W/192).

II. SECOND ANNUAL TRANSITIONAL REVIEW

7. The Second Annual Transitional Review took place at the Committee meeting on 7 November 2003 (G/TBT/M/31).

8. In the context of the Second Review, submissions were made by the European Communities, Japan and the United States (G/TBT/W/227, 229 and 231 respectively) to better understand the

implementation by China of the Agreement and the related provisions of the Protocol. Questions raised concern the following elements: notifications and transparency procedures; the use of international standards; conformity assessment procedures; issues related to the China Compulsory Certification System; and China's regulations regarding automobile, pharmaceuticals, cosmetics, chemical substances and food labelling.

9. Submission was made by China on 6 November 2003 (G/TBT/W/235) providing information relating to Annex 1 A of WT/L/432.
