

**General Council**  
**15, 16 and 18 December 2003**

Original: English

**TRANSITIONAL REVIEW UNDER ARTICLE 18 OF THE PROTOCOL OF  
ACCESSION OF THE PEOPLE'S REPUBLIC OF CHINA**

Information Required in Section 1A of the Protocol

*Communication from the People's Republic of China*

The following communication, dated 5 December 2003, has been received by the Chairman of the General Council from the Permanent Mission of the People's Republic of China.

**I. ECONOMIC DATA**

- (a) most recently available import and export statistics by value and volume, by supplier country at the HS 8-digit level
1. The most recently available import and export statistics are for year 2002 and they have been provided to the WTO integrated database.
- (b) Current account data on services, by source and destination in line with the statistical requirements of the IMF

**BALANCE OF PAYMENTS FOR CHINA (2002)**  
**Services Part of the Current Account**

Unit: thousand USD

Item	Balance	Credit	Debit
I. Current Account	35,421,968	387,534,971	352,113,002
A. Goods and Services	37,382,671	365,395,328	328,012,657
a. Goods	44,166,574	325,650,823	281,484,248
b. Services	-6,783,903	39,744,505	46,528,408
1. Transportation	-7,861,696	5,720,208	13,611,903
2. Travel	4,986,584	20,385,000	15,398,416
3. Communication Services	79,688	550,107	470,419
4. Construction Services	282,587	1,246,448	963,861
5. Insurance Services	-3,036,793	208,944	3,245,738
6. Financial Services	-38,832	51,009	89,842
7. Computer and Information Services	-494,687	638,167	1,132,854
8. Royalties and License Fees	-2,981,182	132,822	3,114,004
9. Research and Development	-1,345,589	1,284,937	2,630,527
10. Advertising and Public Opinion Polling	-21,601	372,846	394,447
11. Audio-visual and Related Services	-66,350	29,674	96,024
12. Other Business Services	3,829,110	8,761,083	4,931,974

13. Government Services, n.i.e	-85,142	363,258	448,400
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Source: State Administration of Foreign Exchange

- (c) Capital account data for inward- and outward-realized foreign direct investment by source and destination in line with the statistical requirements of the IMF

**BALANCE OF PAYMENTS FOR CHINA (2002)**

**Capital and Financial Account**

Unit: thousand USD

Item	Balance	Credit	Debit
II. Capital and Financial Account	32,290,837	128,321,306	96,030,469
A. Capital Account	-49,631	0	49,631
B. Financial Account	32,340,469	128,321,306	95,980,938
1. Direct Investment	46,789,569	53,073,619	6,284,050
1.1 Abroad	-2,518,407	330,619	2,849,026
1.2 In Reporting Country	49,307,977	52,743,000	3,435,023
2. Portfolio Investment	-10,342,485	2,286,616	12,629,101
2.1 Assets	-12,094,510	14,734	12,109,244
2.2 Liabilities	1,752,025	2,271,882	519,857
3. Other Investment	-4,106,616	72,961,072	77,067,687
3.1 Assets	-3,076,740	13,773,383	16,850,123
3.1.1 Trade Credits	1,098,006	1,098,006	0
3.1.2 Loans	-5,391,120	346,619	5,737,739
3.1.3 Currency and Deposits	-2,486,288	1,358,664	3,844,951
3.1.4 Other	3,702,661	10,970,094	7,267,432
3.2 Liabilities	-1,029,876	59,187,689	60,217,564
3.2.1 Trade Credits	2,849,350	2,849,350	0
3.2.2 Loans	-4,139,624	52,077,237	56,216,860
3.2.3 Currency and Deposits	286,818	4,102,502	3,815,685
3.2.4 Other	-26,419	158,600	185,019

Source: State Administration of Foreign Exchange

**LEADING SOURCES OF INVESTMENT TO CHINA (up to October, 2003)**

Unit: ten thousand USD

Country/Region	Project Number	Percentage in the Total Projects	Actual Paid-in Capital	Percentage in the Total Actual Paid-in Capital
Hong Kong, China	221,712	48.53	21,942,183	44.64
U.S.	40,588	8.88	4,325,330	8.80
Japan	27,730	6.07	4,023,596	8.19
Chinese Taipei	59,355	12.99	3,588,083	7.30
The British Virgin Islands	8,401	1.84	2,937,995	5.98
Singapore	11,641	2.55	2,321,973	4.72
Korea	26,079	5.71	1,891,043	3.85
U.K.	3,758	0.82	1,131,962	2.30
Germany	3,414	0.75	876,668	1.78
France	2,240	0.49	603,064	1.23
Macao, China	8,296	1.82	513,903	1.05

Source: Ministry of Commerce

- (d) The value of tariff revenues, non-tariff taxes, and other border charges levied exclusively on imports by product or at the highest level of detail possible, but at least by HS heading (4-digit) at the beginning of the review mechanism
- See attachment 1
- (e) The value of export duties/taxes by product
- See attachment 2
- (f) The volume of trade subject to tariff exemptions by product or at the highest level of detail possible, but at least by HS heading (4-digit) at the beginning of the review mechanism
- See attachment 3
- (g) The value of commissions, mark ups and other fees charged on imports subject to state trading or designated trading imposed through government regulation or guidance, if any
- None
- (h) The shares of imports and exports accounted for by the trading activities of state-owned enterprises

**SHARES OF IMPORTS AND EXPORTS OF STATE-OWNED ENTERPRISES (2002)**

Unit: hundred million USD

Item	Value of Imports and Exports of State-Owned Enterprises	Total Value of Imports and Exports	Shares of Imports and Exports of State-Owned Enterprises (%)
Import	1,145	2,952	38.8
Export	1,228	3,256	37.7

Source: General Administration of Customs

- (i) Annual economic development programmes, China's five-year programmes and any industrial or sectoral programmes or policies (including programmes relating to investment, export, import, productions, pricing or other targets, if any) promulgated by central and sub-central government entities

The 2003 Plan for National Economic and Social Development was adopted at the First Session of the 10th National People's Congress on March 18, 2003. The plan states that the main macroeconomic regulatory targets for 2003 are as follows: economic growth rate around 7%; over 8 million new jobs for urban residents, and registered urban unemployment rate confined to 4.5%; Rise in the consumer price index of no more than 1%; and Increase in the total import and export volume of 7%. The original source of the plan, *Report on the Implementation of the 2002 Plan for National Economic and Social Development and on the 2003 Draft Plan for National Economic and Social Development*, was published in Page 2 of the People's Daily on March 20, 2003, and it's also available at the website of [www.people.com.cn](http://www.people.com.cn).

- (j) Annual receipts under the Value-Added Tax (VAT), with separate information for imports and domestic products as well as information on VAT rebates

**VAT Revenues 2002**

Unit: 100 million RMB YUAN

Year	VAT Revenues			VAT Rebates
	Total VAT Revenues	VAT on Domestic Products	VAT on Imports	on Exports
2002	8,141.18	6,275.40	1,865.78	1252.74

Source: State Administration of Taxation

**III. FRAMEWORK FOR MAKING AND ENFORCING POLICIES**

**1. Structure and Powers of the Government/Authority of Sub-Central Governments/Uniform Administration (to be notified to the General Council)**

- (a) **revision or enactment of domestic laws, regulations and other measures related to China's commitments under the WTO Agreement and Protocol, including those of local governments at the sub-national level, that have been promulgated since accession or the previous meeting of the relevant body under the Transitional Review Mechanism**

To meet the needs of the WTO accession, the Chinese Government launched a massive program regarding the enactment, amendment and repeal of laws, regulations, and administrative rules, policies and measures which are relevant to or affecting trade in goods, trade in services, trade-

related intellectual property rights and assurance of transparency and uniform application of trade regime, and relevant work has been carried out ever since then. From the beginning of 2003, at the central government level, one law (“the Administrative Licensing Law of the People’s Republic of China”) and two regulations (“the Regulations on Chinese-Foreign Cooperation in Running Schools” and “the Regulations on Certification and Accreditation”) relevant to or affecting trade have been enacted or amended, and five other trade-related laws and regulations are programmed to be enacted or revised, among which, “the Commercial Banking Law” has been reviewed once by the Standing Committee of the People’s Congress, “the Foreign Trade Law”, “the Regulations on Import and Export Tariff” and “the Regulations on Intellectual Property Rights Custom Protection” are entering into a cruising phase, and “the Regulations on Rules of Origin for Import and Export Goods” are to be promulgated soon.

As for the enactment of revision of local regulations, administrative rules and measures related to or affecting trade, during the period between June 2002 to July 2003, there are 82 local regulations and 103 rules or decisions by the local government are amended, 37 local regulations and 178 rules or decisions by local government are repealed, and another 275 administrative measures have been ceased.

The revision, repeal and cessation of these trade-related or trade-affecting local regulations, rules and other administrative measures have been publicized through local media as regulated.

**(b) establishment and operation (upon accession) of the mechanism pursuant to Section 2(A), paragraph 4 of the Protocol under which individuals and enterprises can bring cases of non-uniform application of the trade regime to the attention of national authorities**

To guarantee the publicity, transparency and uniform administration of trade regime of China, the State Council promulgated the Regulations on Keeping Record of Regulations and Administrative Rules. The Regulation provides that any government entity, social community, enterprise or individual may suggest to the State Council for judicial review on cases of non-uniform application of laws, regulations, administrative rules, policies and measures. From the promulgation of the Regulations to October 2002, the Legislative Affairs Office of the State Council have received and resolved 33 cases.

From November 2002 to the end of August 2003, another 35 cases have been brought to the Legislative Affairs Office of the State Council, among which 4 are relevant to the trade-related legal system and are under consideration and solution.

