

TRANSITIONAL REVIEW MECHANISM¹

Communication from the People's Republic of China

The following communication, dated 27 September 2004, is being circulated at the request of the Delegation of the People's Republic of China.

Reference is made to the Committee on Import Licensing meeting scheduled to be held on 30 September 2004 (WTO/AIR/2383), of which the Transitional Review under Paragraph 18 of the Protocol of Accession of the People's Republic of China is on the agenda. For the purpose of this Review, I hereby, on instructions from my authorities, submit relevant information as provided in Paragraph IV:3 of Annex 1A of the Protocol of Accession of the People's Republic of China.

Information required by Annex 1A of the Protocol of Accession

IV. POLICIES AFFECTING TRADE IN GOODS

3. Import licensing (to be notified to the Committee on Import Licensing)

(a) implementation of the provisions of the Agreement on Import Licensing Procedures and the WTO Agreement applying the measures set out in Section 8 of the Protocol including provision of the time taken to grant an import licence

Further to the information that was provided to the Committee on Import Licensing pursuant to Annex 1A of the Protocol on the Accession of China in the previous two years, China would like to supply the following information as Annex 1A information to the Committee for year 2004.

The Chinese government has always committed to maintaining transparent, fair and non-discriminatory import licensing procedures. Upon China's accession to the WTO, all import licensing procedures are based on laws and regulations that are publicized. The fundamental principles governing import licensing are contained in the *Foreign Trade Law*, and under the Law, the State Council of the People's Republic of China promulgated the *Regulations on Administration of Import and Export of Goods* in the form of State Council Decree, through which situations where import licensing procedures apply are established. Pursuant to the Regulation, the government body

¹ Pursuant to Paragraph 18 of the Protocol on the Accession of the People's Republic of China (WT/L/432).

governing foreign trade under the State Council, i.e. the Ministry of Commerce (MOFCOM) and its predecessor the Ministry of Foreign Trade and Economic Cooperation (MOFTEC), promulgated the *Measures on Administration of Import Licences for Goods* and the *Measures on Administration of Automatic Import Licensing for Goods* in the form of Ministry Decree, which clearly set out the implementing details of import licensing procedures. In accordance with these two Ministry Decrees, MOFCOM publishes yearly, in the form of Ministry Announcement, the *Catalogue of Goods Subject to Import Licence Administration* and the *Catalogue of Goods Subject to Automatic Import Licensing Administration*, which list all the commodities subject to import licensing procedures except for those under Tariff Rate Quota (TRQ) administration. The laws, regulations, decrees and announcements mentioned above demonstrate that China has been implementing faithfully its accession commitments on import licensing as well as on eliminating non-tariff measures.

As for commodities under TRQ administration, pursuant to the *Regulations on Administration of Import and Export of Goods*, MOFCOM and the National Development and Reform Commission (NDRC) jointly promulgated the *Interim Measures on Administration of Tariff Rate Quota for Importation of Agricultural Products* in the form of Ministry Decree, and the former State Economic and Trade Commission and the General Administration of Customs jointly promulgated the *Interim Measures on the Administration of Tariff Rate Quota for Importation of Fertilizers* in the form of Ministry Decree. In accordance with these two Ministry Decrees, the quantities of TRQ, allocation methods and application conditions of the commodities under TRQ administration are published annually in the form of Ministry Announcement. The regulations, decrees and announcements mentioned above demonstrate that China has been implementing faithfully its accession commitments on import licensing and on tariff rate quota regime.

Hereinbefore, the context gives a complete description of the existing legislation framework on administration of import licensing and procedures in China. All the laws, regulations, decrees and announcements mentioned above can be found in the *China Foreign Trade and Economic Cooperation Gazette* and can also be obtained at the website of MOFCOM (www.mofcom.gov.cn). It should be noted that along with the implementation of commitments made upon China's accession to the WTO and the reform of domestic governmental institutions, adjustments will be made to the regulations, decrees, etc. relating to import licensing procedures. We will update the information relating to China's import licensing procedures through notification obligations under the Agreement on Import Licensing Procedures and provision of Annex 1A information required by the Protocol on the Accession of the People's Republic of China to the WTO.
