

**TRANSITIONAL REVIEW MECHANISM PURSUANT TO PARAGRAPH 18 OF THE  
PROTOCOL ON THE ACCESSION OF THE PEOPLE'S REPUBLIC OF CHINA**

Information Required by Annex 1 of the Protocol

The following communication, dated 20 September 2004, has been received from the Permanent Delegation of the People's Republic of China.

**1. Tariff Rate Quotas (TRQ)**

Administration of TRQs on a transparent, predictable, uniform, fair and non-discriminatory basis using clearly specified timeframes, administrative procedures and requirements and evidence of a consistent national allocation (and reallocation) policy, including:

(i) provision of volume/value of the quota or TRQ made available.

1. Regarding the tariff rate quota for importation of agricultural products, pursuant to *the Interim Measures on the Administration of Tariff Rate Quota for Importation of Agricultural Products*, the National Development and Reform Commission (NDRC) of the People's Republic of China promulgated on 30 September 2003 *the Quantities, Application Conditions and Allocation Methods of Tariff Rate Quota for Importation of Grain and Cotton of 2004* in its *Announcement No. 25 of 2003*. The Ministry of Commerce (MOFCOM) of the People's Republic of China promulgated on 28 September 2003 *Allocation Methods of Tariff Rate Quota for Importation of Palm Oil, Soybean Oil, Rape Seed Oil and Sugar of 2004* in its *Announcement No.51 of 2003*, and *Implementing Rules on the Administration of Tariff Rate Quota for Importation of Wool and Wool Tops of 2004* in its *Announcement No.52 of 2003*.

2. Regarding the tariff rate quota for importation of fertilizers, pursuant to *the Interim Measures on the Administration of Tariff Rate Quota for Importation of Fertilizers*, MOFCOM promulgated on 10 October 2003 *the Quantities, Allocation Principles and Application Procedures of Tariff Rate Quota for Importation of Fertilizers of 2004* in its *Announcement No.55 of 2003*.

3. All the Announcements mentioned above can be obtained from both the official website of MOFCOM (WWW.MOFCOM.GOV.CN) and *the China Foreign Trade and Economic Cooperation Gazette*.

4. According to the Announcements, quantities of the TRQs of 2004 are as follows:

<b>Products</b>	<b>Quantity</b>
<b>Agricultural products</b>	
Wheat	9,636,000 tons
Maize	7,200,000 tons
Rice	5,320,000 tons
Soybean oil	3,118,000 tons
Rape seed oil	1,126,600 tons
Palm oil	2,700,000 tons
Sugar	1,945,000 tons
Cotton	1,894,000 tons
Wool	287,000 tons
<b>Industrial products</b>	
Wool tops	80,000 tons
Urea	2,300,000 tons
Diammonium phosphate	6,250,000 tons
NPK	3,130,000 tons

(ii) reallocated quota or TRQs applied for.

5. On 11 August 2004, NDRC and MOFCOM jointly promulgated *Announcement No.50 of 2004*, on reallocation of tariff rate quota for importation of agricultural products of 2004.

6. On 12 August 2004, MOFCOM promulgated *Announcement No.51 of 2004*, on reallocation of tariff rate quota for importation of fertilizers of 2004.

(iii) the volume/value of requests for allocation or reallocation denied.

7. Volumes of requests for allocation denied in 2004 are as follows:

<b>Products</b>	<b>Quantity applied for (tons)</b>	<b>Quantity denied (tons)</b>
Wheat	19,655,000	10,019,000
Maize	25,590,000	18,387,000
Rice	5,666,000	1,327,000
Soybean oil	17,952,000	14,834,000
Rape seed oil	5,367,000	4,241,000
Palm oil	11,628,000	8,928,000
Sugar	5,140,000	3,195,000
Cotton	5,130,000	4,236,000

(iv) fill rates for the quota or TRQ.

8. Import volumes under TRQ and the fill rates as of 31 July 2004 are as follows:

<b>Products</b>	<b>Import volume (tons)</b>	<b>Fill rate</b>
Wheat	3,470,000	36%
Maize	<5,000	0%
Rice	450,000	8.5%
Soybean oil	1,610,000	51.6%
Rape seed oil	240,000	21.3%
Palm oil	1,220,000	45.2%
Sugar	830,000	42.7%

Products	Import volume (tons)	Fill rate
Cotton	1,755,000	92.7%
Wool	130,000	45.3%
Wool tops	10,000	12.5%
Urea	20,000	0.9%
NPK	1,040,000	33.2%
Diammonium phosphate	1,690,000	27%

(v) for TRQs, the amount of any goods entered at the over quota rate.

9. None.

(vi) time taken to grant a quota or TRQ allocation.

10. According to *the Interim Measures on the Administration of Tariff Rate Quota for Importation of Agricultural Products*, NDRC and MOFCOM allocate TRQs for importation of agricultural product in two month.

11. According to *the Interim Measures on the Administration of Tariff rate Quota for Importation of Fertilizers*, MOFCOM allocates TRQs for importation of fertilizers in two months.

## 2. Non-Tariff Measures including Quantitative Import Restrictions

(a) The introduction, re-introduction or application of any non-tariff measures other than those listed in Annex 3 of the Protocol and elimination of non-tariff measures  
None.

(b) Implementation of the schedule for phased elimination of the measures contained in Annex 3

12. Since accession, the Chinese Government has been promulgating annually, through MOFCOM (and the former Ministry of Foreign Trade and Economic Cooperation, MOFTEC) Announcement, *the Catalogue of Products under Import License Administration* and *the Catalogue of Products under Automatic Import Licensing Administration*, which list by tariff item all the products under the administration of import quota, import license and automatic import licensing. On 10 December 2003, *the Catalogue of Products under Import License Administration of 2004* is published in *Announcement No.63 of 2003 of MOFCOM and the General Administration of Customs of the People's Republic of China*, and *the Catalogue of Products under Automatic Import Licensing Administration of 2004* is published in *Announcement No.70 of 2003 of MOFCOM and General Administration of Customs of the People's Republic of China*. All the Announcements mentioned above can be obtained both from the official website of MOFCOM (WWW.MOFCOM.GOV.CN) and *the China Foreign Trade and Economic Cooperation Gazette*. As shown in *the Catalogue of Products under Import License Administration of 2004*, the Chinese Government has fulfilled its commitments on reduction of non-tariff measures according to the timetable contained in Annex 3 to the Protocol on the Accession of the People's Republic of China. The remaining non-tariff measures are in conformity with the timetable in Annex 3.

(c) Quota allocation and reallocation in conformity with WTO requirements, including the Agreement on Import Licensing Procedures following criteria set out in the Report of the Working Party on the Accession of China

13. According to *the Catalogue of Products under Import License Administration of 2004* and Annex 3 to the Protocol on the Accession of the People's Republic of China, the last batch of products remaining under import quota administration in 2004 are certain machinery and electronic products. Regarding these machinery and electronic products, MOFCOM promulgated on 31 July 2003 *Announcement No.37 of 2003*, which published the quantity of quotas and allocation methods of these products for 2004. The allocation is in conformity with WTO requirements, including the criteria set out in the Agreement on Import Licensing Procedures and Report of the Working Party on the Accession of China.

(d) Distribution of licences, quotas, tariff rate quotas or any other means of approval for importation is not subject to conditions set out in Section 7, paragraph 3 of the Protocol

14. According to all the regulations and ministry decrees related to quota, licence and TRQ administration, the distribution of import licences, quotas, TRQs, or any other means of approval for importation are not subject to the conditions set out in Section 7, paragraph 3 of the Protocol.

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