

CHINA'S TRANSITIONAL REVIEW MECHANISM

Communication from China

The following communication, dated 31 October 2005, is being circulated at the request of the Delegation 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;*

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 2004 *the Quantities, Application Conditions and Allocation Methods of Tariff Rate Quota for Importation of Grain and Cotton of 2005* in its *Announcement No. 58 of 2004*. The Ministry of Commerce (MOFCOM) of the People's Republic of China promulgated on 29 September 2004 *Allocation Methods of Tariff Rate Quota for Importation of Palm Oil, Soybean Oil, Rape Seed Oil and Sugar of 2005* in its *Announcement No.60 of 2004*, and *Implementing Rules on the Administration of Tariff Rate Quota for Importation of Wool and Wool Tops of 2004* in its *Announcement No.61 of 2004*.

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 8 October 2004 *the Quantities, Allocation Principles and Application Procedures of Tariff Rate Quota for Importation of Fertilizers of 2005* in its *Announcement No.62 of 2004*.

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*.

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

Products	Quantity
Agricultural products	
Wheat	9,636,000 tons
Maize	7,200,000 tons
Rice	5,320,000 tons
Soybean oil	3,587,100 tons
Rape seed oil	1,243,000 tons
Palm oil	3,168,000 tons
Sugar	1,945,000 tons
Cotton	894,000 tons
Wool	287,000 tons
Industrial products	
Wool tops	80,000 tons
Urea	2,800,000 tons
Diammonium phosphate	6,560,000 tons
NPK	3,290,000 tons

(ii) *Reallocated quota or TRQs applied for*

On 15 August 2005, NDRC and MOFCOM jointly promulgated *Announcement No.49 of 2005*, on reallocation of tariff rate quota for importation of agricultural products of 2005.

On 24 August 2005, MOFCOM promulgated *Announcement No.56 of 2005*, on reallocation of tariff rate quota for importation of fertilizers of 2005.

(iii) *The volume/value of requests for allocation or reallocation denied*

Volumes of requests for allocation denied in 2005 are as follows:

Products	Quantity applied for (tons)	Quantity denied (tons)
Wheat	18,663,400	9,027,400
Maize	19,193,000	11,993,000
Rice	7,347,500	2,580,500
Soybean oil	23,011,400	19,424,400
Rape seed oil	6,768,500	5,525,500
Palm oil	24,310,100	21,142,100
Sugar	8,560,300	6,615,300
Cotton	4,960,000	4,066,000

(iv) *Fill rates for the quota or TRQ*

Import volumes under TRQ and the fill rates as of 31 July 2005 are as follows:

Products	Import volume (tons)	Fill rate
Wheat	2,940,000	30.5%
Maize	<5,000	0%
Rice	250,000	4.7%
Soybean oil	942,000	26.3%
Rape seed oil	132,000	10.6%
Palm oil	1,586,000	50.1%
Sugar	724,000	37.2%
Cotton	894,000	100%
Wool	136,000	47.4%
Wool tops	13,000	16.3%
Urea	20,000	0.7%
NPK	1,350,000	41%
Diammonium phosphate	1,420,000	21.6%

(v) *For TRQs, the amount of any goods entered at the over quota rate; and*

None.

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

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.

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

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 2004,

the Catalogue of Products under Import License Administration of 2005 is published in *Announcement No.72 of 2004 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 2005* is annexed to the new *Measures on the Administration of Automatic Import Licensing of Goods*, which is published in *Decree No.26 of 2004 of MOFCOM and General Administration of Customs of the People's Republic of China*. All the decrees and 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 2005*, 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

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, import quota administration was eliminated on 1 Jan, 2005.

- (d) Distribution of licenses, 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

According to all the regulations and ministry decrees related to quota, license and TRQ administration, the distribution of import licenses, 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.
