

Committee on Safeguards

**CHAIRMAN'S REPORT TO THE COUNCIL FOR TRADE IN GOODS
ON TRANSITIONAL REVIEW OF CHINA**

1. The Committee on Safeguards undertook the fourth transitional review of China's implementation of the Agreement on Safeguards pursuant to Paragraph 18 of the Protocol on the Accession of the People's Republic of China (WT/L/432) at its meeting on 3 November 2005.
2. Annex 1A to the Protocol requires China to submit information regarding the implementation of its Regulation on Safeguards. China submitted a notification in this respect on 2 November 2005. It can be found in document G/SG/W/201.
3. Japan submitted questions in the context of the transitional review. Japan's questions can be found in document G/SG/Q1/CHN/25.
4. The statements made at the meeting of 3 November 2005, at which the transitional review was Item H of the agenda, are reflected in the minutes of the meeting, which will be circulated as document G/SG/M/28. The relevant paragraphs which reflect the statements made and the discussion at the meeting are annexed.

ANNEX [EXTRACT FROM DOCUMENT G/SG/M/28]

H. TRANSITIONAL REVIEW UNDER PARAGRAPH 18 OF THE PROTOCOL OF ACCESSION OF THE PEOPLE'S REPUBLIC OF CHINA TO THE WORLD TRADE ORGANIZATION

1. The Chairman noted that Paragraph 18 of China's Protocol of Accession provided that all subsidiary bodies, including the Safeguards Committee, "which have a mandate covering China's commitments under the WTO Agreement or [the] Protocol shall, within one year after accession, review, as appropriate to their mandate, the implementation by China of the WTO Agreement and of the related provisions of [the] Protocol." China was to provide relevant information in advance of the review, including information specified in Annex 1A to the Protocol. China could also raise issues relating to any reservations under Section 17 or to any other specific commitments made by other Members in the Protocol, in subsidiary bodies which have a relevant mandate.

2. The Chairman stated that the Committee must report the results of the review promptly to the Council for Trade in Goods. Review was to take place after accession in each year for eight years, with a final review in year 10 or at an earlier date decided by the General Council. She added that there were no procedures set out for the conduct of the transitional review in the Protocol, except that China was to provide relevant information in advance of the review. In accordance with section IV.6 of Annex 1A to the Protocol, China was required to notify the Committee of its implementation of its Regulation on Safeguards. The Chairman informed the Committee that China had very recently submitted a notification, which would be circulated as document G/SG/W/201. She also stated that Japan had recently submitted questions in the context of the transitional review, contained in document G/SG/Q1/CHN/25.

3. The representative of China stated that they did not have much to say since, as was noted in the submitted "Annex1A" information, China had neither new legislation nor new action taken concerning safeguards during the previous year. Concerning the questions from Japan, he stated that China took it that the questions were raised under agenda item 2E – review of legislative notifications – and so he was not sure whether these questions had to be taken up under the current agenda item.

4. The representative of Japan stated that he had noted that under agenda item 2E, China had expressed preparedness to submit responses at a later stage. He stated that if that was the case, Japan appreciated it very much and was looking forward to consulting further with China based on the responses.

5. The representative of China clarified that the title of the document submitted from Japan – document G/SG/Q1/CHN/25 – read "Notification of Laws and Regulations under Article 12.6 of the Agreement", and that it did not refer to the Transitional Review. He stated that therefore he was very much puzzled to see that this document had been picked up under the current agenda item.

6. The representative of Japan clarified that Japan's intention was to take this issue up under the agenda item of Transitional Review. He stated that if the title or form of the document were not appropriate, he would consult with his colleagues on the matter.

7. The representative of China stated that China's position on this issue was clear, that is, to avoid repetition, or the situation where same kind of questions were raised under different agenda items. He stated that he noted Japan's clarification that the questions were raised under this agenda. He added that as was indicated in the document recently submitted by China (G/SG/W/201), China had not adopted new legislations nor taken any new action in the past year. He explained that China did not receive any questions prior to this meeting except from Japan. He stated that as the questions from Japan were received only the day before, he could not respond in detail. He further stated that the exchange of views with Members on the safeguard regime and actions of China in the past years

had reinforced China's understanding that China was acting consistently with the Safeguards Agreement. He stated that in this respect China wanted other Members to be also as strictly consistent with the WTO Agreements as China, both in their regimes as well as in their legislation and actions. The representative of China thanked other Members for not burdening them by posing questions under this agenda item simply for the sake of posing questions. He stated that in China's point of view, that was a constructive approach, and China appreciated that.

8. The Chairman noted that China's Protocol of Accession contained no guidelines for reporting to the Council for Trade in Goods on the Committee's transitional review of China's implementation of the Agreement. She proposed that the Committee follow the same reporting procedure as last year, whereby the Chairman, acting on his own responsibility, would prepare a brief, factual report, with references to the documents concerned, and attaching the portion of the minutes of the meeting which relate to the transition review.

9. The Committee agreed that the Chairman should prepare the same type of report in respect of this year's review.
