

COMMITTEE ON BALANCE-OF-PAYMENTS RESTRICTIONS

Transitional Review Mechanism Pursuant to Paragraph 18 of the Protocol of Accession of the
People's Republic of China to the World Trade Organization

Report of the Chairperson to the General Council

1. Pursuant to paragraph 18 of China's Protocol of Accession (WT/L/432), the Committee on Balance-of-Payments Restrictions held its fifth annual review under China's Transitional Review Mechanism at its meeting on 23 October 2006.
2. Annex 1 to this report reproduces the relevant sections of the Note on the BOP Committee's meeting held on 23 October 2006 in which Members' discussion regarding China's TRM are reflected.

Annex 1

Relevant sections of the Note
on the meeting of 23 October 2006

(WT/BOP/R/84)

- A. TRANSITIONAL REVIEW MECHANISM (TRM) PURSUANT TO PARAGRAPH 18 OF THE PROTOCOL OF ACCESSION OF THE PEOPLE'S REPUBLIC OF CHINA TO THE WORLD TRADE ORGANIZATION
2. The Chairman said that at the present meeting the Committee would be conducting the fifth annual review under China's Transitional Review Mechanism, and he invited comments from delegations.
3. The representative of China said that in view of its balance-of-payments situation, it had no comments.
4. The representative of Nigeria said that his delegation wished to commend China on the progress made so far despite the challenges faced in the process of accession to the WTO. Nigeria had observed that since China became a Member of the WTO in December 2001, it had been an active participant in the multilateral trading system. The People's Republic of China had also remained committed to its programme of economic liberalization, including major trade and trade-related reforms. Indeed, the reform process had necessitated some of those changes in China's trade and investment policy framework which had today accorded it the status of a market economy. These efforts, therefore, deserved commendation and further encouragement from Members.
5. His delegation noted that the purpose of Paragraph 18 of the Protocol of Accession of the People's Republic of China to the WTO, was to enable China to enjoy the same rights as those accorded to other developing-country WTO Members as provided in GATT Article XVIII:13 and the BOP Understanding. China, therefore, had exercised significant responsibility by partaking in these transitional reviews. Nigeria looked forward to the final review in year 2010 or at an earlier date to be decided by the General Council.
6. On this occasion, Nigeria called on all WTO Members to look at the sequence of events, responses and compliance of China to its WTO commitments despite some obvious critical circumstances. In this regard, his delegation wished to express its support and encouragement to China for its continuing efforts to fulfil its obligations as well as implement its commitments in a gradual process like other developing-country Members of the WTO.
7. The Committee took note of the statements.
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