

CHINA'S TRANSITIONAL REVIEW MECHANISM

Communication from China

The following communication, dated 12 October 2007, 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:**

- (a) Provision of volume/value of the quota or TRQ made available

1.1 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*, NDRC promulgated on 18 September 2006 *the Quantities, Application Conditions and Allocation Methods of Tariff Rate Quota for Importation of Grain and Cotton of 2007* in its *Announcement No. 64 of 2006*. MOFCOM promulgated on 29 September 2006 *the Application and Allocation Methods of Tariff Rate Quota for Importation of Sugar of 2007* in its *Announcement No. 76 of 2006*, and *Implementing Rules on the Administration of Tariff Rate Quota for Importation of Wool and Wool Tops of 2007* in its *Announcement No. 77 of 2006*.

1.2 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 also promulgated on 10 October 2006 *the Quantities, Allocation Principles and Application Procedures of Tariff Rate Quota for Importation of Fertilizers of 2007* in its *Announcement No. 79 of 2006*.

1.3 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*.

1.4 According to the Announcements, quantities of the TRQs of 2007 are as follows:

Products	Quantity
Agricultural products	
Wheat	9,636,000 tons
Maize	7,200,000 tons
Rice	5,320,000 tons
Sugar	1,945,000 tons
Cotton	894,000 tons
Wool	287,000 tons

Products	Quantity
Industrial products	
Wool tops	80,000 tons
Urea	3,300,000 tons
Diammonium phosphate	6,900,000 tons
NPK	3,450,000 tons

(b) Reallocated quota or TRQs applied for

1.5 On 10 August 2007, NDRC and MOFCOM jointly promulgated *Announcement No.47 of 2007*, on reallocation of tariff rate quota for importation of agricultural products of 2006.

(c) The volume/value of requests for allocation or reallocation denied;

1.6 Volumes of requests for allocation denied in 2007 are as follows:

Products	Quantity applied for (tons)	Quantity denied (tons)
Wheat	12,983,200	3,347,600
Maize	24,172,000	16,972,200
Rice	6,452,900	1,871,300
Sugar	8,851,980	6,906,980
Cotton	10,400,000	6,906,000

(d) Fill rates for the quota or TRQ;

1.7 Import volumes under TRQ and the fill rates as of 31 July 2007 are as follows:

Products	Import volume (tons)	Fill rate
Wheat	80,000	0.8%
Maize	10,000	0.1%
Rice	260,000	4.9%
Sugar	690,000	35.5%
Cotton	1,400,000	156.6%
Wool	200,000	69.7%
Wool tops	10,000	12.5%
Urea	0	0%
NPK	920,00	26.7%
Diammonium phosphate	540,000	7.8%

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

1.8 Cotton imported at the over quota rate amounted to 506,000 tons as of 31 July 2007.

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

1.9 There has been no change since last transitional review meeting.

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

2.1 There have been no changes since last transitional review meeting.

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

2.2 The Chinese government has fulfilled all 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.

(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

2.3 At present China does not maintained any import quota administration. In addition, the allocation and reallocation of TRQs are fully in line with the commitments upon China's accession into the WTO.

(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

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