

**COMMUNICATION FROM CHINA**

The following communication, dated 30 October 2007, is being circulated at the request of the Delegation of the People's Republic of China.

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**TRANSITIONAL REVIEW MECHANISM PURSUANT TO PARAGRAPH 18 OF THE  
PROTOCOL ON THE ACCESSION OF THE PEOPLE'S REPUBLIC OF CHINA  
("CHINA")<sup>1</sup>**

Information notified by China on Annex 1A of the Protocol  
on the Accession of the People's Republic of China

**II. ECONOMIC POLICIES**

**3. Investment Regime**

**(a) Completed revisions to investment guidelines in conformity with the WTO Agreement**

To honour its commitments upon accession, China has streamlined its foreign investment framework, including laws, regulations and rules. The revision includes the elimination and cessation of enforcement of requirements on trade and foreign exchange balancing, local content, export performance, compulsory technology transfer, etc. Thus the foreign investment framework is in conformity with WTO rules. For the purpose of accelerating industry restructuring and integration, energy saving, and environment protection, the Chinese Government further revises *the Industrial Catalogue for Foreign Investment*, where foreign investment will be encouraged in sectors such as high-tech, modern service, high-end manufacturing, modern agriculture, and infrastructure.

There have been no changes in other areas since the last review.

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<sup>1</sup> WT/L/432.

#### **IV. POLICIES AFFECTING TRADE IN GOODS**

##### **8. Trade-Related Investment Measures**

- (a) **Elimination and cessation of enforcement of trade and foreign exchange balancing requirements, local content and export performance offsets and technology transfer requirements made effective through laws, regulations or other measures**

Since the last review, no change has occurred to this system.

- (b) **Amendments to ensure lifting of all measures applicable to motor vehicle producers restricting the categories, types or models of vehicles permitted for production (to be completely removed two years after accession)**

Since the last review, no change has occurred in this area.

- (c) **Increased limits within which investments in motor vehicle manufacturing could be approved at the provincial government at the levels outlined in the Report**

Since the last review, no change has occurred in this area.

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