

**COMMUNICATION FROM THE SEPARATE CUSTOMS TERRITORY
OF TAIWAN, PENGHU, KINMEN AND MATSU**

Transitional Review Mechanism Pursuant to Paragraph 18
of the Protocol of Accession of the People's Republic of China ("China")

The following communication, dated 11 October 2007, from the delegation of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu is being circulated to the Members of the Council for Trade in Services.

**Questions on Tourism and Travel-Related Services from the Separate Customs Territory of
Taiwan, Penghu, Kinmen and Matsu**

1. In its schedule of commitments, China agreed to eliminate, within six years of its accession to the WTO, the restrictions on the establishment of subsidiaries for joint-venture travel agencies/travel operators, and to allow foreign travel agencies to have the same amount of registered capital as domestic travel agencies. Early in 2007, the China National Tourism Administration announced that it would lift the restrictions on the establishment of subsidiaries and that the registered capital requirement would be based on the national treatment principle for foreign travel agencies from 1 July 2007.

- (a) Could China please confirm that the above-mentioned new regulations have been implemented as planned and that the "Regulations on the Administration of Travel Agencies" have been changed accordingly?

2. In the Transitional Review held in 2006, we asked why China prevents foreign travel agencies from providing services to Chinese citizens travelling abroad, and whether it has any plans to lift such restrictions.

- (a) In view of the fact that China has been gradually lifting restrictions on overseas travel destinations (up to 132 countries and areas now allowed), would it now consider allowing foreign travel agencies to provide services to Chinese citizens travelling abroad?
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