

CHINA'S TRANSITIONAL REVIEW MECHANISM

Communication from China

The following communication, dated 28 September 2009, 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:**

- (i) *Provision of volume/value of the quota or TRQ made available;*

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*, National Development and Reform Commission (NDRC) promulgated on 26 September 2008 *the Quantities, Application Conditions and Allocation Methods of Tariff Rate Quota for Importation of Grain and Cotton of 2009* in its *Announcement No. 61 of 2008*. Ministry of Commerce (MOFCOM) promulgated on 27 September 2008 *the Application and Allocation Methods of Tariff Rate Quota for Importation of Sugar of 2009* in its *Announcement No.74 of 2008*, and *Implementing Rules on the Administration of Tariff Rate Quota for Importation of Wool and Wool Tops of 2009* in its *Announcement No. 75 of 2008*.

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 2008 *the Quantities, Allocation Principles and Application Procedures of Tariff Rate Quota for Importation of Fertilizers of 2009* in its *Announcement No. 81 of 2008*.

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*.

According to the Announcements, quantities of the TRQs of 2009 are as follows:

Products	Quantity
Agricultural products	
Wheat	9,636,000 tons
Maize	7,200,000 tons

Products	Quantity
Rice	5,320,000 tons
Sugar	1,945,000 tons
Cotton	894,000 tons
Wool	287,000 tons
Industrial products	
Wool tops	80,000 tons
Urea	3,300,000 tons
Diammonium phosphate	6,900,000 tons
NPK	3,450,000 tons

(ii) *Reallocated quota or TRQs applied for;*

On 13 August 2009, NDRC and MOFCOM jointly promulgated *Announcement No.9 of 2009*, on reallocation of tariff rate quota for importation of agricultural products of 2009.

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

Volumes of requests for allocation denied in 2009 are as follows:

Products	Quantity applied for (tons)	Quantity denied (tons)
Wheat	12,259,400	2,623,400
Maize	14,103,000	6,903,000
Rice	5,392,000	72,000
Sugar	4,875,109	2,930,109
Cotton	10,010,000	9,116,000

Note: TRQ for wool, wool top and chemical fertilizer are allocated on the basis of "first come, first served", so the table does not apply to these three products.

(iv) *Fill rates for the quota or TRQ;*

Import volumes under TRQ and the fill rates as of 31 August 2009 are as follows:

Products	Import volume (tons)	Fill rate
Wheat	518,000	5.4%
Maize	8,000	0.1%
Rice	159,000	3.0%
Sugar	909,000	46.7%
Cotton	976,000	100%
Wool	209,000	72.7%
Wool tops	12,000	15.4%
Urea	39,000	1.2%
NPK	864,000	25.0%
Diammonium phosphate	260,000	3.8%

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

Out-of-rate import of cotton amounted to 198,000 tons as of 31 August 2009.

- (vi) *Time taken to grant a quota or TRQ allocation.*

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

Please refer to China's G/L/59 submission in 2009 to the Committee on Market Access..

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

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

At present China does not maintained any import quota administration inconsistent with WTO rules or China's accession commitment.

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

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.
