

**TRANSITIONAL REVIEW UNDER ARTICLE 18 OF THE PROTOCOL  
OF ACCESSION OF CHINA INFORMATION  
REQUIRED IN ANNEX 1A**

**CHINA**

The following communication, dated 30 September 2009, is being circulated at the request of the Delegation of China.

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**II. ECONOMIC POLICIES**

**4. Pricing Policies**

- (a) Application of existing or any other price controls and the reason for their use

In respect of pricing policies in China, there has been no change since the last review. The practice of multiple pricing for one product or service in China has been terminated for many years. Currently, prices of most products and services in China are market based, and only a very small number of products and services are subject to state pricing or state guidance pricing. These products and services subject to pricing administration are published in the pricing catalogues of either the central government or the local governments at the provincial level. They are consistent with the Accession Protocol of China, including its Annex 4, and they are regardless of the ownership of the enterprises, and whether the products are domestic or imported. Lists of these products and services subject to pricing administration, together with their related price-setting mechanism are available at *China Economic Herald* and the official website of the National Development and Reform Commission ([www.ndrc.gov.cn](http://www.ndrc.gov.cn)).

China has already established a legal framework on pricing based on the *Law of the People's Republic of China on Pricing*. Systems in respect of public hearings, expert appraisals, collective reviews and publishing have been adopted to achieve greater transparency of pricing policies. Pricing policies will not limit or impair the market access of imported goods and services.

- (b) Pricing mechanism of China's state trading enterprises for export products

There are no special price control measures or pricing mechanism in China now applying to state trading enterprises. The prices of the products exported by state trading enterprises are independently determined by the enterprises themselves according to market conditions including the situation of demand and supply, the cost of production, processing and/or procurement as well as distribution etc (i.e. cost of storage, transportation, interest rate and inspection fees etc).

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