

COMMUNICATION FROM JAPAN

The following communication, dated 2 October 2009, is being circulated at the request of the Delegation of Japan.

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

Questions from JAPAN to CHINA
concerning Trade-Related Investment Measures

China has committed itself to comply fully with relevant provisions under the TRIMs Agreement as well as the Accession Protocol for China, in particular, paragraph 7.3 thereof.

Japan requests China to clarify whether it has eliminated and ceased to enforce any relevant measures with respect to performance requirement. Can China confirm that at present any means of approval of the right of importation or investment by national and sub-national authorities is not conditioned on performance requirements of any kind, such as local content, offsets, the transfer of technology, export performance or the conduct of research and development in China? Should it not be the case, please specify why.

The Delegation of the European Communities questioned the consistency between Article 43 of Regulation for the Implementation of the Law of PRC on Sino-foreign Equity Joint Ventures and China's commitment under the Accession Protocol on refraining from conditioning the right of investment on performance requirement such as technology transfer in G/TRIMS/W/60, dated on 14 October 2008. Japan also has concern about this matter and requests China to explain its view in a written response.
