

General Council

**TRANSITIONAL REVIEW UNDER ARTICLE 18 OF THE PROTOCOL OF
ACCESSION OF THE PEOPLE'S REPUBLIC OF CHINA**

Information Required in Sections I and III of Annex 1A of the Protocol

Communication from the People's Republic of China

The following communication, dated 19 November 2002, has been received by the Chairman of the General Council from the Permanent Mission of the People's Republic of China.

I. ECONOMIC DATA

(a) Most recently available import and export statistics by value and volume, by supplier country at the HS 8-digit level

The most recently available import and export statistics are for year 2001 and they have been provided to the WTO integrated database.

(b) Current account data on services, by source and destination in line with the statistical requirements of the IMF

BALANCE OF PAYMENTS FOR CHINA (2001)

Services Part of the Current Account

Unit: thousand USD

Item	Balance	Credit	Debit
I. Current Account	17405274.98	317924464.5	300519189.6
A. Goods and Services	28086220.3	299410173.3	271323953
b. Services	-5931013.561	33335134.75	39266148.31
1. Transportation	-6689077.813	4635058.698	11324136.51
2. Travel	3883173.8	17792000	13908826.2
3. Communication Services	-54857.79958	271120.7203	325978.5198
4. Construction Services	-16815.05092	830193.9224	847008.9733
5. Insurance Services	-2483686.818	227327.3853	2711014.203
6. Financial Services	21661.96938	99075.83984	77413.87046
7. Computer and Information Services	116752.4561	461458.2513	344705.7953
8. Royalties and License Fees	-1827963.582	110096.0825	1938059.664
9. Research and Development	-612843.666	889272.9847	1502116.651

10. Advertising and Public Opinion Polling	19228.33512	277288.112	258059.7769
11. Audio-visual and Related Services	-22324.07142	27895.48619	50219.55761
12. Other Business Services	1538180.982	7281751.481	5743570.499
13. Government Services, n.i.e	197557.6971	432595.7896	235038.0925

Source: State Administration of Foreign Exchange

(c) Capital account data for inward- and outward-realized foreign direct investment by source and destination in line with the statistical requirements of the IMF

BALANCE OF PAYMENTS FOR CHINA (2001)

Capital and Financial Account

Unit: thousand USD

Item	Balance	Credit	Debit
II. Capital and Financial Account	34775426.9	99531135.09	64755708.19
A. Capital Account	-53539.50608	0	53539.50608
B. Financial Account	34828966.41	99531135.09	64702168.68
1. Direct Investment	37355893.06	47052420.81	9696527.743
1.1 Abroad	-6885398.077	206420.8069	7091818.884
1.2 In Reporting Country	44241291.14	46846000	2604708.859
2. Portfolio Investment	-19405929.49	2403858.265	21809787.76
2.1 Assets	-20654278.29	69208.26495	20723486.56
2.2 Liabilities	1248348.8	2334650	1086301.2
3. Other Investment	16879002.84	50074856.02	33195853.18
3.1 Assets	20812758.44	33667200.62	12854442.18
3.1.1 Trade Credits	702328.8786	702328.8786	0
3.1.2 Loans	15313554.84	15736290.23	422735.3844
3.1.3 Currency and Deposits	-3213815.822	301162.0401	3514977.862
3.1.4 Other	8010690.54	16927419.48	8916728.936
3.2 Liabilities	-3933755.6	16407655.4	20341411
3.2.1 Trade Credits	-2441935.4	0	2441935.4
3.2.2 Loans	-1490082.2	10304541	11794623.2
3.2.3 Currency and Deposits	492185.3	567278.7	75093.4
3.2.4 Other	-493923.3	5535835.7	6029759

Source: State Administration of Foreign Exchange

LEADING SOURCES OF INVESTMENT TO CHINA (up to 2001)

Unit: ten thousands USD

Country/Region	Project Number	Percentage in the Total Projects	Actual Paid-in Capital	Percentage in the Total Actual Paid-in Capital
Hong Kong, China	200031	51.29	18701430	47.32
US	33917	8.70	3446551	8.72
Japan	22402	5.74	3214977	8.13
Chinese Taipei	50838	13.03	2913964	7.37
Singapore	9797	2.51	1913550	4.84
The British Virgin Islands	4700	1.21	1827026	4.62
Korea	18200	4.67	1247823	3.16
UK	3084	0.79	979974	2.48
Germany	2701	0.69	706571	1.79
France	1871	0.48	496775	1.26
Macao, China	7309	1.87	430484	1.09

Source: Ministry of Foreign Trade and Economic Cooperation

(d) The value of tariff revenues, non-tariff taxes, and other border charges levied exclusively on imports by product or at the highest level of detail possible, but at least by HS heading (4-digit) at the beginning of the review mechanism

See attachment 1.

(e) The value of export duties/taxes by product

See attachment 2.

(f) The volume of trade subject to tariff exemptions by product or at the highest level of detail possible, but at least by HS heading (4-digit) at the beginning of the review mechanism

See attachment 3.

(g) The value of commissions, mark ups and other fees charged on imports subject to state trading or designated trading imposed through government regulation or guidance, if any

None.

(h) The shares of imports and exports accounted for by the trading activities of state-owned enterprises**SHARES OF IMPORTS AND EXPORTS OF STATE-OWNED ENTERPRISES (2001)**

Unit: ten thousand USD

Item	Value of Imports and Exports of State-Owned Enterprises	Total Value of Imports and Exports	Shares of Imports and Exports of State-Owned Enterprises (%)
Import	10354889	24361349	42.5
Export	11323373	26615464	42.5

Source: General Administration of Customs**(i) Annual economic development programmes, China's five-year programmes and any industrial or sectoral programmes or policies (including programmes relating to investment, export, import, productions, pricing or other targets, if any) promulgated by central and sub-central government entities**

The Tenth Five-Year-Plan of the National Economic and Social Development was adopted by the 4th Session of the 9th National People's Congress on 15 March 2001. After that, the Chinese Government has formulated and published a series of specific programs under the Tenth Five-Year-Plan, which in chronological order are Program of Ecological Construction and Environmental Protection, Program of Cities and Towns Development, Program of Development of Science, Technology and Education (Science and Technology), Program of Development of Comprehensive Transportation Systems, Program of Energy Development, Program of Development of Science, Technology and Education (Hi-Tech industries), Program of Development of Science, Technology and Education (Education), Program of Water Conservancy Development, Program of WTO Accession and Raising International Competitiveness, Program of Population, Employment and Social Security, General Program of Development of the West and Program of Informatization. The Tenth Five-Year-Plan and the specific programs are available on the website of the State Development Planning Commission of the People's Republic of China (<http://dp.cei.gov.cn>).

(j) Annual receipts under the Value-Added Tax (VAT), with separate information for imports and domestic products as well as information on VAT rebates**VAT Revenues 2001**

Unit: 100 million RMB YUAN

Year	VAT Revenues			VAT Rebates
	Total VAT Revenues	VAT on Domestic Products	VAT on Imports	on Exports
2001	7091	5453	1638	1064

Source: State Administration of Taxation**III. FRAMEWORK FOR MAKING AND ENFORCING POLICIES****1. Structure and Powers of the Government/Authority of Sub-Central Governments/Uniform Administration (to be notified to the General Council)****(a) Revision or enactment of domestic laws, regulations and other measures related to China's commitments under the WTO Agreement and Protocol, including those of local**

governments at the sub-national level, that have been promulgated since accession or the previous meeting of the relevant body under the Transitional Review Mechanism

To meet the needs of the WTO accession, the Chinese Government launched a massive program regarding the enactment, amendment and repeal of laws, regulations, and administrative rules, policies and measures which are relevant to or affecting trade in goods, trade in services, trade-related intellectual property rights and assurance of transparency and uniform application of trade regime. Since 1999, at the central government level, the National People's Congress and its Standing Committee has enacted or revised 14 laws; the State Council has enacted or revised 37 regulations and repealed 12; various ministries and other government agencies under the State Council have enacted, revised or repealed over 1,000 administrative rules, policies or measures. In September 2001, the State Council issued a special circular requesting the local government to review local regulations, administrative rules, policies and measures in line with the principles of uniform application, non-discrimination and transparency. This work has basically finished. There are about 190,000 local regulations, administrative rules, policies and measures revised or repealed in all 31 provinces, autonomous regions and municipalities directly under the central government, among which about 5,600 are local regulations and administrative rules.

(b) Establishment and operation (upon accession) of the mechanism pursuant to Section 2(A), paragraph 4 of the Protocol under which individuals and enterprises can bring cases of non-uniform application of the trade regime to the attention of national authorities

According to existing legislation in China, including the Regulations on Keeping Record of Regulations and Administrative Rules, any enterprise or individual may bring cases of non-uniform application of laws, regulations, administrative rules, policies and measures to the attention of the authority where the record is kept. Since December 2001, there have been 33 cases brought up by the general public, of which 9 have been resolved. The remaining 24 are now being processed. One out of these remaining cases is related to trade. It was filed by a US company and concerns the inconsistency between the Joint Public Notice No.37 of 2002 of the General Administration of Quality Supervision, Inspection and Quarantine and the Ministry of Foreign Trade and Economic Cooperation and relevant administrative rules of the Ministry of Agriculture.

To ensure the consistency with China's commitment in this regard, the State Council reiterated in a circular this year that cases brought up enterprises or individuals concerning the non-uniform application of the trade regime should be addressed in accordance with existing legislation, and in time of emergency, they could be addressed by the Ministry of Foreign Trade and Economic Cooperation by consulting relevant government agency or local government.

