World Trade Organisation WTO : accession of China, Community position

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PURPOSE : to establish the Community position on the accession of the China to the World Trade Organisation. CONTENT : Members of the World Trade Organisation (WTO) and the People's Republic of China have reached the concluding stage of agreement on the terms for China's accession to the organisation. This comes after fifteen years of negotiations, which began when China applied to join the General Agreement on Tariffs & Trade (GATT) in 1986. There must now be a Council Decision approving the terms of China's entry, before the EU can formally support China's entry. There follows an outline of the implications of China's membership for the EU, the WTO system, and for China herself, and a summary of the terms themselves. The terms of an accession take two basic forms. First there are the schedules of commitments, which set out the full range of market access obligations which China will be legally bound to grant to every Member when it enters the WTO. The schedules cover tariffs and non-tariff measures applicable to agricultural trade and industrial goods (commitments under the GATT), and services (commitments under the General Agreement on Trade in Services, or GATS). Second there are the Protocol and Working Party Report on the accession of China to the WTO. These documents, which also include legally binding commitments, essentially set out how China promises to fulfil her new WTO obligations. As well as containing detailed descriptions of, and obligations relating to, China's current and planned trade and investment régimes, they detail a number of special provisions to which China will be subject during the first years of her WTO Membership. These temporary derogations from normal WTO rules are intended to reflect the unique challenge of incorporating China into the world trading system. This is an economy in the midst of transition from state ownership to the market based system; a country that has taken many measures to introduce market economics, but where certain features of a state led economy still prevail. Most notably, the protocol affords other Members special protection for their own industries against damaging surges of exports from China. In submitting the terms of Accession of the People's Republic of China to the WTO for approval by the Council, and for the opinion of the European Parliament, the Commission commends these terms as representing a balanced but ambitious package of market opening commitments, which will bring substantial benefits to China and her WTO trading partners alike.