World Trade Organisation WTO: accession of the Separate Customs Territory of Chinese Taipei, Community position

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PURPOSE : to establish the Community position on the accession of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei) to the World Trade Organisation. CONTENT : Members of the World Trade Organisation (WTO) and the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei) have reached the concluding stage of agreement on the terms for Chinese Taipei's accession to the organisation. This comes after eight years of negotiations, which began when Chinese Taipei applied to join the General Agreement on Tariffs & Trade (GATT) in 1992. Before the EU, however, can formally support Chinese Taipei's membership in the General Council of the WTO, a Council Decision must approve the terms of its entry. There follows an outline of the implications of Chinese Taipei's membership for the European Community and its Member States, the WTO system, and for Chinese Taipei's itself, and a summary of the terms themselves. For the EC, which ensured that the interests of European industries and firms were fully represented, Chinese Taipei's entry will therefore bring about an enormous gain in enforceable rights, with no significant change in our own commitments towards Chinese Taipei. The only obligation for WTO Members is that they accord Chinese Taipei so-called permanent "MFN" status, entitling it to be treated in the same way as every other WTO Member, unless exceptions are specified in the protocol of accession. As the EC already accords Chinese Taipei this status, there will be virtually no practical impact. The only notable consequence of according Chinese Taipei the same treatment as other WTO Members will be the requirements to phase out Chinese Taipei - specific quantitative restrictions (quotas) by 2005. This applies to the EU's remaining textile quotas applied to Chinese Taipei, which must be dismantled in line with the Agreement on Textiles and Clothing. The entry of Chinese Taipei into the WTO will mean that the organisation itself takes another significant step closer to becoming genuinely global. It has therefore long been the unanimously agreed policy of the EC and its Member States to support Chinese Taipei's entry bid on viable commercial terms. Chinese Taipei will bring its weighted average tariff on industrial goods down to 4,81%. Chinese Taipei offers a comprehensive coverage of "zero-for-zero" tariff initiatives and its offer on chemicals is going beyond the Uruguay Round harmonisation requirements. On services, Chinese Taipei's offer ranks amongst the 10 best sets of commitments in the WTO. Chinese Taipei's services schedule comprehensively covers a wide range of sectors including financial, telecommunication, professional, advertising, computer, construction and distribution services. In submitting the terms of Accession of Chinese Taipei to the WTO for approval by the Council, and for the opinion of the European Parliament, the Commission commends these termsas representing a balanced but ambitious package of market opening commitments, which will bring substantial benefits to Chinese Taipei and her WTO trading partners alike.