

Committee on Trade-Related Investment Measures

TRANSITIONAL REVIEW MECHANISM PURSUANT TO PARAGRAPH 18 OF THE PROTOCOL OF ACCESSION OF THE PEOPLE'S REPUBLIC OF CHINA TO THE WORLD TRADE ORGANIZATION

REPORT OF THE CHAIRMAN

Corrigendum

Annex 1, paragraph 20

The paragraph should be replaced by the following text:

"Before replying to the specific questions raised by Members, the representative of China said that written questions should be submitted to China at least ten days before the meeting in which the TRM would take place. This would enable China to have adequate time to mobilize domestic resources to prepare for the responses. He said that his delegation had never received written questions from Chinese Taipei. He then proceeded to provide oral responses to the questions raised by Members. First of all, he reiterated that China had fully abided by its TRIMs commitments and obligations upon its accession, and that it had abolished the requirements on foreign exchange balance, trade balance, local content and export performance. However, with regard to all the existing commercial contracts on joint venture operation and technology transfer, since they had been signed by the relevant parties in consideration of their own business interests, the parties involved should negotiate about the amendment of those contracts themselves on the basis of fairness, justice and equality. The contracts should not be regarded as invalid automatically or be annulled through or by government actions or interference. Regarding the *Industrial Guideline Catalogue for Foreign Investment*, he said that as all Members knew, the catalogue currently in effect had been publicized and implemented after amendment in March 2002. With the rapid development of China's national economy and society since then, and in order to meet the needs of further opening up, China would amend its *Industrial Guideline Catalogue for Foreign Investment* from time to time as appropriate. The aim of establishing and implementing the *Industrial Guideline Catalogue for Foreign Investment* was to further the guidance on foreign investment and to direct it to closely follow up the rapid development of China's national economy and society. Consistent with *The Regulation on Foreign Investment guidance*, foreign investment projects that endangered the national security or imperil social and public interests should be prohibited. Upon its accession to the WTO, China had made no promise to open up the ten presently prohibited types of projects to foreign investment. Among those, in the fields of "agriculture, forestry and fishery", there were three types of projects prohibited to foreign investment, with "production and development of genetically modified plants seeds" included as one of them. However, bio-technology seed development and production was not included among the three."

¹ In English only.