

**CHINA'S TRANSITIONAL REVIEW MECHANISM**

Statement by China at the meeting of 29-30 October 2003

1. China received a number of questions raised under the framework of Paragraph 18 of its Protocol of Accession concerning the implementation of SPS obligations. This statement provides the Committee with relevant information and responses to questions of particular concern.

**On the issue of transparency**

2. China's WTO Notification and Enquiry Center in the Ministry of Commerce is responsible for SPS notifications. The SPS Enquiry Point is established in the State General Administration for Quality Supervision and Quarantine (AQSIQ). All SPS notifications undergo the technical review of the SPS Enquiry Point and then are notified to WTO through China's WTO Notification and Enquiry Center.

3. To date in 2003, China has made 24 SPS notifications. Some of these were specific detailed implementation rules corresponding to laws or regulations that had been previously notified to WTO. The regulations enacted and revised under the auspices of the Ministry of Health are national food safety standards at the draft stage. The first 17 drafts have been notified to the WTO, for comments from Members.

**On harmonization with international standards**

4. The Government of China attaches great importance to the principle that SPS measures shall be based on international standards. In December 2001, AQSIQ issued "Regulatory Measures Governing the Adoption of International Standards" (AQSIQ Decree No. 10), which stipulates clearly the principles and procedures for adopting international standards.

**On the scientific basis for the SPS measures**

5. China fully respects the principles identified in the SPS Agreement, especially the principle of a scientific basis, in the process of developing and implementing its SPS measures. China's SPS measures are all based on risk assessments. In December 2002, China published Regulatory Measures on Import Risk Analysis for Animals and Animal Products (AQSIQ Decree No. 40) and Regulatory Measures on Import Risk Analysis for Plants and Plant Products (AQSIQ Decree No. 41), which were notified to WTO.

6. On the issue of soybean quarantine measures, China had provided the necessary clarifications during the transitional review by the Committee on Agriculture. No single foreign company's soybeans were suspended or prohibited from being imported into China on SPS grounds.

7. The standards applied to domestic meat and poultry products are the same as those applied to imported ones. These standards are all established on the basis of relevant international standards. The standards for poultry meat were notified to the TBT Committee in 2002 and modification to them is underway in accordance with the comments made by Members.

#### **On the consistency of the measures with the principle of non-discrimination**

8. China respects the principle of non-discrimination in the course of developing and implementing SPS measures. For products with identical risks, China's SPS measures, especially end product criteria, are applied equally to domestic and imported products. The recent standards revised or developed by the Ministry of Health, in which some Members are interested, will also apply equally to domestic and imported products once they are approved.

9. China is a centralized country, and all the SPS measures (including national standards related to SPS) developed by the central government are enforced nation-wide. The Constitution of China and the current legal and standards framework can effectively ensure the uniform implementation of SPS measures across the country.

#### **On inspection and approval procedures**

10. The procedures set forth in two decrees, namely, AQSIQ Decree No. 7, *Administrative Measures for the Entry-Exit Inspection and Quarantine for Grains and Feed Stuffs*, as well as AQSIQ Decree No. 25, *Administrative Measures for Import Permit for Entry of Animal and Plant Quarantine*, apply equally to all countries exporting animals and plants as well as their products to China.

11. The procedures and processing periods for the application and issuance of import permits are clearly specified in Decree No. 7 and Decree No. 25, that also stipulate that all importers are equally eligible to submit application as long as they fulfil the requirements of applying for import permits. All the applications will be accepted and approved within 9 to 30 working days by AQSIQ if they are in conformity with the regulations identified in the Quarantine Law and its Regulation of Implementation as well as AQSIQ Decree No. 25. To facilitate the application for the import permit, since 1 September 2003, AQSIQ has introduced on-line application whereby importers may file the application through internet access from their own office. This practice has remarkably reduced the cost of application and improved the efficiency of approvals. This makes the issuance of import permit conform to the regulations identified in Article 8 and Annex C of the SPS Agreement.

#### **Application of the principle of regionalisation**

12. China respects and follows the principle of regionalization provided for in Article 6 of the SPS Agreement and treats animal and plant diseases on the basis of this principle. China encourages Members to submit applications for regionalization in written form and provide the necessary documents to prove their status as indicated in Article 6.3 of the SPS Agreement. China will make the decisions after evaluation and inspection tours to the applicant's territory in a timely manner.

#### **On the issue of BSE**

13. In March 2002, to protect the health and life security of the people of China, the Ministry of Health and AQSIQ issued a joint decree which prohibits the import and sale of cosmetics containing ingredients derived from cattle and sheep tissues coming from countries and regions affected by BSE. At the same time, China classified the raw materials with BSE risks and takes different measures on those with lower risk, thus reducing the burden on cosmetics importers to some extent.

14. Chinese experts have received and are now studying the experts' report on cosmetics which was drafted by the EC panel. China pays great attention to the work done by Chinese and European experts. China will consider the revision of the control measure if the experts from both sides can achieve consensus on the scientific basis and technical issues.

**On the measures notified in G/SPS/N/CHN/5**

15. As expressed in the above notification, the measures taken in AQSIQ Notice No. 36 are based on the fact that chloramphenicol residues were detected not only in milk powder and veal from the Netherlands by France and Germany, but also in salted casings from the Netherlands by China at a later stage. It is a provisional emergency measure taken following unsuccessful consultations with the Netherlands. Even after the measure came into force, China still detected chloramphenicol in animal products originating from the Netherlands in a number of cases. In addition, some other Members have also identified chloramphenicol in poultry meat and aquatic products imported from the Netherlands. According to the explanation by the Netherlands, the reason for the existence of chloramphenicol in casings exported to China is that there is chloramphenicol in feedstuffs imported from Eastern European countries.

16. On the basis of relevant information and promises provided by the Netherlands, China has revoked the restriction on some products and conditionally lifted the import ban on dairy products and casings. At the moment, Chinese experts are studying the investigation report on the residue control system of the Netherlands and coming to a final appraisal on the basis of the study. The administrative decision by AQSIQ will be made as soon as possible in line with the professional findings.

17. China hopes this information is helpful for Members to better understand China's regime for SPS administration.

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