

10. Statistical data permitting an assessment of the trade effects of a subsidy
Not available.

XXI. PREFERENTIAL INCOME TAX TREATMENT TO ENTERPRISES WHICH PROVIDE JOB OPPORTUNITIES FOR THE UNEMPLOYED

1. Title of the subsidy program

Preferential income tax treatment to enterprises which provide job opportunities for the unemployed

2. Period covered by the notification

1993 - now

3. Policy objective and/or purpose of the subsidy

To increase job opportunities.

4. Background and authority for the subsidy

State Administration of Taxation and local taxation authorities.

5. Legislation under which it is granted

Provisional regulation of the People's Republic of China on Enterprises Income Tax.

6. Form of the subsidy

Income tax reduction and exemption.

7. To whom and how the subsidy is provided

For newly-established township enterprises, in case that the new jobs they provide in one certain year exceed 60 per cent of their total jobs, income tax shall be exempted for a period of three years, subject to their application to and approval from local taxation authorities. In the same year when the three year exemption period expires, in case the enterprises provide another 30 per cent more job opportunities, income tax shall be reduced by 50 per cent for another two years, subject to their application to and approval from local taxation authorities.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

No specific statistics available.

9. Duration of the subsidy and/or any other time-limits attached to it

1993 -

10. Statistical data permitting an assessment of the trade effects of a subsidy
Not available.

Agricultural Sectors

PART IV

SECTION II: Export Subsidies:
Budgetary Outlay and Quantity Reduction Commitment

HSNO	Description of Products	Base Outlay Level (Million RMB Yuan)	Calendar/ Other Year Applied	Annual and Final Outlay Commitment Levels (Million RMB Yuan)	Base Quantity (Ton)	Calendar/ Other Year Applied	Annual and Final Quantity Commitment Levels (Million RMB Yuan)	Relevant Supporting Tables and Document Reference
<u>CORASE GRAINS</u>								
071331	green beans	2247.56	CY	Year 1-2090.23 Year 6-1454.15	2,000,000.00	CY	Year 1-1,908,000.00 Year 6-1,507,718.00	Support table 11(A) AGST/CHN
071332	small red beans							
071339	kidney beans							
071350	broad beans							
071390	other beans							
100590	maize							
100700	grain sorghum							
100810	buck wheat							
100820	millet							
100890	other cereals							
120100	soy beans							

<u>RICE</u>							
100610	rice in the husk	269.26	CY	Year 1-250.41 Year 6-174.21	600,000.00	CY	Year 1-572,400.00 Year 6-457,056.00 Support table 11(A) AGST/CHN
100620	husked rice						
100630	rice						
100640	broken rice						
<u>OIL SEED</u>							
120400	linseeds	397.21	CY	Year 1-369.41 Year 6-256.99	1,399,056.20	CY	Year 1-1,344,699.60 Year 6-1,054,691.20 Support table 11(A) AGST/CHN
120500	rape seeds						
120600	sun flower seeds						
120720	cotton seeds						
120730	castor oil seeds						
120799	other oil seeds						
<u>VEGETABLE OIL</u>							
150700	soy bean oil	233.30	CY	Year 1-216.97 Year 6-150.94	135,210.80	CY	Year 1-128,991.10 Year 6-101,929.88 Support table 11(A) AGST/CHN
151210	sun flower oil						
151220	cotton seed oil						
151400	rape oil						
151520	corn oil						
151530	castor oil						
151540	tung oil						
151550	sesame oil						
151590	other oil						
150800	ground nut oil						

OIL CAKE						
230250	residues of leguminous plants	868.57	CY	Year 1-807.77 Year 6-561.96	2,589,029.20	CY
230400	soy beans oil cake					
230500	ground nut oil cake					
230610	cotton seed cake					
230640	rape seen cake					
SUGAR						
170199	granulated sugar	83.29	CY	Year 1-77.46 Year 6-53.89	245,508.00	CY
COTTON						
520100	cotton, not carded or combed	144.62	CY	Year 1-134.50 Year 6-93.57	257,077.60	CY
520300	cotton, carded or combed					
TEA						
090210	green tea	281.00	CY	Year 1-261.33 Year 6-181.81	180,500.00	CY
090220	other green tea					
090230	black tea					

Note: China has submitted the Support table 11 (A) and (B) to the WTO Secretariat in October 1995.

Explanatory Notes

1. China sets a base for 21% reduction by volume for coarse grain and rice. The base for reduction by value remains the same as contained in our schedule submitted in September 1994;+
2. As to the export subsidies for oil seed, vegetable oil, oil cake, sugar, cotton and tea, China commits itself to make a reduction of 36% by value and 21% by volume. This is beyond the 24% cut by value and 14% cut by volume as required by the *Agreement on Agriculture* for developing countries;
3. China commits itself to eliminate export subsidies for wheat, milk powder, other milk products, beef, goat/sheep, eggs, pork, poultry meat, live animal, wine, fruits, canned fruits, vegetable and cigarettes.
4. Implementation period for China's reduction commitments is six years. The first year of implementation starts from the date of entry into force of the Protocol, and the reduction will be carried out in equal installment every year for six years.

Supporting Table ES:1

Export Subsidies
Report Period: 1993-1996
Export Subsidies: Outlay and Quantity

HSNO	DESCRIPTION OF PRODUCTS	DIRECT EXPORT SUSIDIES	SALES OF STOCKS	PRODUCER FINANCED SUSIDIES	COST REDUCTION MEASURES	INTERNAL TRANSPORT SUSIDIES	TOTAL PRODUCT SPECIFIC EXPORT SUSIDIES	QUANTITY OF SUBSIDIZED EXPORT	DATA SOURCE
NIL									

Note: From 1991 on, China does not maintain any export subsidy listed in Article 9:1 of the Agreement on Agriculture.

ANNEX 5b

SUBSIDIES TO BE PHASED OUT

People's Republic of China
July 1997

I. SUBSIDIES PROVIDED TO CERTAIN STATE-OWNED ENTERPRISES WHICH ARE RUNNING AT A LOSS

1. Title of the subsidy program

Subsidies provided to certain State-owned enterprises which are running at a loss.

2. Period covered by the notification

1990-1996.

3. Policy objective and/or purpose of the subsidy

To promote structural adjustment of those State-owned enterprises which are running at a loss, especially those in coal-mining and oil-drilling sectors, while keeping employment by means of promoting rationalization and maintaining stable production and safety.

4. Background and authority for the subsidy

Ministry of Finance.

5. legislation under which it is granted

Assistance by budget.

6. Form of the subsidy

Grant.

7. To whom and how the subsidy is provided

Subsidy is provided to severe loss-making State-owned enterprises due to either fixed price of the products they produce or the increasing cost of exploitation of the resources.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Unit: 100 million RMB

Sector/Year	1990	1991	1992	1993	1994
Metallurgic industry	1.16	1.46	1.35	3.13	4.07
Ferrous-metal industry	0.63	0.86	1.28	1.51	5.80
Machinery industry	3.80	5.07	14.61	3.98	14.09
Coal industry	55.86	66.70	70.14	49.80	47.19
Oil industry	42.53	54.36	52.89	28.08	0.00
Chemical industry	3.83	4.03	3.70	4.11	6.90
Textile industry	1.90	2.39	2.07	3.09	2.65
Light industry	6.65	7.88	6.31	9.30	3.99
Tobacco industry	0.00	0.00	0.00	0.00	12.00
Total of the nine sectors	116.36	142.75	152.35	103.00	96.69
Other sectors	1.65	1.94	1.99	1.53	1.24
Total	118.01	144.69	154.34	104.53	97.93

9. Duration of the subsidy and/or any other time-limits attached to it
1949-2000.

10. Statistical data permitting an assessment of the trade effects of a subsidy
Not available.

II. THE PRIORITY IN OBTAINING LOANS AND FOREIGN CURRENCIES BASED ON EXPORT PERFORMANCE

1. Title of the subsidy program

The priority in obtaining loans and foreign currencies based on export performance.

2. Period covered by the notification

1994-1996.

3. Policy objective and/or purpose of the subsidy

To promote the exportation of automobiles.

4. Background and authority for the subsidy

State Planning Commission.

5. legislation under which it is granted

State Council Circular on Industrial Policy on Automobiles..

6. Form of the subsidy

Priority in obtaining loans and foreign currencies.

7. To whom and how the subsidy is provided

Priority is given to:

1)Automotive production enterprises whose export of whole vehicle products has reached the percentage points in the volume of their sales as indicated in the following chart;

Vehicles Types	Category	Percentages
Passenger Vehicles	M1	3%
	M2	5%
	M3	8%
Freight Vehicles	N1	5%
	N2, N3	4%
Motorcycles	L	10%

and

2)Automobile and motorcycle components manufacturing enterprises whose exports account for 10 per cent of their total annual sales.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Zero, because no enterprises have reached the level for enjoying the priority up till now.

9. Duration of the subsidy and/or any other time-limits attached to it

China commits itself to eliminate this measure by the year of 2000.

10. Statistical data permitting an assessment of the trade effects of a subsidy

Zero.

III. PREFERENTIAL TARIFF RATES BASED ON LOCALIZATION RATE OF AUTOMOTIVE PRODUCTION.

1. Title of the subsidy program

Preferential tariff rates based on localization rate of automotive production.

2. Period covered by the notification

1994-1996

3. Policy objective and/or purpose of the subsidy

To promote the localization process of automobile industry of China.

4. Background and authority for the subsidy

State Planning Commission.

5. legislation under which it is granted

State Council Circular on Industrial Policy on Automobiles.

6. Form of the subsidy

Preferential tariff rates.

7. To whom and how the subsidy is provided

The preferential tariff rates are granted to the automotive enterprises whose localization reaches the following ratios:

- 1) Localization rate reaches 40 per cent, 60 per cent or 80 per cent on products that incorporate imported technology on whole vehicles of M Category;
- 2) Localization rate reaches 50 per cent, 70 per cent or 90 per cent on products that incorporate imported technology on whole vehicles of N and L Categories; and
- 3) Localization rate reaches 50 per cent, 70 per cent or 90 per cent on products that incorporate imported technology on automobile and motorcycle assemblies and key components.

8. Subsidy per unit, or in cases where this is not possible, the total amount or the annual amount budgeted for that subsidy

Not available.

9. Duration of the subsidy and/or any other time-limits attached to it

China commits itself to phase out this measure by the year of 2000.

10. Statistical data permitting an assessment of the trade effects of a subsidy

The trade effect is negligible.

ANNEX 7a

PRODUCTS SUBJECT TO IMPORT STATUTORY INSPECTION

July 1997

NO	PRODUCT CATEGORY	NUMBER OF HS HEADING	JUSTIFICATION	NUMBERS & NAMES OF NATIONAL STANDARDS		NUMBERS & NAMES OF INTERNATIONAL STANDARDS	REMARKS
1	Milk powder	2	According Food hygiene law, these goods relate to sanitary safety such as content of heavy metal, microbiology	GB/T5410	Whole milk powder		TBT
				GB/T5411	Skimmed milk powder		
2	Wheat	2	According Food hygiene law, these goods of pesticide residue level sanitary safety for human consumption	GB2715	Hygienic standard for grains		TBT
				GB1351	Wheat		
3	Barley	1	According Food hygiene law, these goods permit pesticide residue level sanitary safety for human consumption	GB2715	Hygienic standard for grains		TBT
				GB/T7416	Malting barley		
4	Rice	3	According Food hygiene law, these goods permit pesticide residue level sanitary safety for human consumption	GB2715	Hygienic standard for grains		TBT
				GB1354	Rice		
5	Soybean	1	According Food hygiene law, these goods permit pesticide residue level sanitary safety for human consumption	GB2715	Hygienic standard for grains		TBT
				GB1352	Soybean		
6	The west ginseng	1	According Food hygiene law, these goods permit pesticide residue level sanitary safety for human consumption	GB2763	Hygienic standards for BHC and DDT residues in grains, vegetables and other foods		TBT
7	Vegetable fodder	4	According Food hygiene law, these goods permit pesticide residue level sanitary safety for human consumption through food chain	GB13078	Hygienically standards for feeds		TBT
8	Animal oils (fats)	3	According Food hygiene law, these goods permit pesticide residue level sanitary safety for human consumption through food chain	GB10146	Hygienic standard of lard		TBT
9	Vegetable oils	13	According Food hygiene law, these goods permit physical and chemical items sanitary safety for human consumption such as acid value	GB2716	Hygienic standard of edible vegetable oil		TBT
				GB15197	Hygienic standard of refined oil		