

24 November 2021

(21-8857) Page: 1/103

# Trade Policy Review Body 20 and 22 October 2021

# **TRADE POLICY REVIEW**

CHINA

# MINUTES OF THE MEETING

Chairperson: H.E. Dr Athaliah Lesiba Molokomme (Botswana)

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#### 1 INTRODUCTORY REMARKS BY THE CHAIRPERSON

- 1.1. The eighth Trade Policy Review of China was held on 20 and 22 October 2021. The Chairperson, H.E. Dr. Athaliah Lesiba Molokomme (Botswana), welcomed the delegation of China, headed by Mr. Wang Wentao, Minister of Commerce; H.E. Ambassador Li Chenggang, Permanent Representative of China to the WTO; the rest of the delegation; and the discussant, H.E. Ambassador Xolelwa Mlumbi-Peter (South Africa).
- 1.2. The Chairperson was pleased that, in addition to physical presence, the meeting also benefited from the Interprefy online connection, allowing for a wider participation of the Membership, in particular of officials who could not make the journey from Beijing given the current circumstances.
- 1.3. The Chairperson recalled the purpose of TPRs and the main elements of procedures for the meeting. The report by China is contained in document WT/TPR/G/415, and that of the WTO Secretariat in document WT/TPR/S/415.
- 1.4. Questions by the following delegations were submitted in writing before the deadline: Viet Nam; Australia; Pakistan; the Russian Federation; Switzerland; North Macedonia; Israel; Thailand; Hong Kong, China; Brazil; Japan; Argentina; Singapore; Costa Rica; Oman; Norway; the United States; Mexico; Colombia; Ukraine; El Salvador; Canada; the Philippines; Chile; New Zealand; the United Kingdom; Chinese Taipei; the European Union; Iceland; Saudi Arabia; Brunei Darussalam; Malaysia; Bangladesh; Indonesia; the Republic of Korea; India; and the Dominican Republic. The following delegations submitted written questions after the deadline: Turkey; Ecuador; and Panama.
- 1.5. At the time of its previous Review in 2018, Members had noted the importance of China to the world economy, as the world's largest trader, as the main trading partner for many WTO Members, and as an increasingly important player in the multilateral trading system. Consequently, most Members called on China to play a leading role in the WTO, commensurate with its trade weight.
- 1.6. In this context, the Chairperson first focused on China's economic developments since its last Review. The Secretariat's report indicates that real GDP growth rates fell from 6.0% in 2019 to 2.3% in 2020. The outbreak of the COVID-19 pandemic in early 2020 had a major impact on output and employment. At the beginning of 2020, China's economy contracted by 6.8%.
- 1.7. Starting in mid-2020, the economy began to recover, mainly driven by public investment and international trade. China's swift fiscal and monetary policy reactions helped mitigate the economic impact of the COVID-19 pandemic. However, as a result of the Government's stabilizing measures, financial stability risks increased.
- 1.8. The Chairperson was encouraged to read from the Government Report prepared for this Review that China committed itself to deepening reform across the board, advancing supply-side structural reform, expanding domestic demand, and creating a market-oriented business environment.
- 1.9. In the previous Review in 2018, Members had encouraged China to continue liberalizing its trade and investment regime, and to increase transparency by complying with WTO notification obligations and with its accession commitment to make all laws and regulations available in one of the WTO official languages. A recurring issue of interest was the role played in the economy by the State and ensuring transparency. Some of these issues were raised again by Members in the context of the current Review.
- 1.10. During the period covered by this Review, China relaxed its foreign investment restrictions, reduced its applied MFN tariffs in many product categories, and took various trade-facilitating measures with respect to import and export.
- 1.11. In addition, some changes were made to the competition legislation, mainly to strengthen the protection of trade secrets. China also undertook reforms in its intellectual property regime including the amendment of various IP legislation. Furthermore, reform of state-owned enterprises proceeded in the context of mixed ownership reform.

- 1.12. A survey of advance written questions submitted for this Review showed the wide range of topics of interest to Members regarding China's trade and investment regimes. Many questions were raised concerning transparency, the role of state-owned enterprises in the economy, incentives and subsidies, SPS measures, government procurement, competition policy, and intellectual property.
- 1.13. China received around 1,600 advance written questions from 40 Members for this Review, of which 1,545 were sent within the established deadline. Prior to this meeting, China had already provided written replies to almost all of these questions and the Chairperson was looking forward to hearing China's updates on these matters in the two-day meeting.
- 1.14. This meeting was a good opportunity for Members to discuss in greater detail issues of interest to them and of systemic importance to the multilateral trading system.
- 1.15. It was also an opportune moment for China to update the Membership on the impact of the COVID-19 pandemic on its economy and the measures it had taken in response. The Chairperson was looking forward to a fruitful exchange.
- 1.16. The Chairperson closed her introductory remarks by wishing China a very successful eighth Trade Policy Review.

# 2 OPENING STATEMENT BY THE REPRESENTATIVE OF CHINA (H.E. MR. WANG WENTAO)

- 2.1. It gives me great pleasure to attend the eighth Trade Policy Review of China via video link. I'd like to thank Chair Molokomme and the Secretariat for your preparation, and Ambassador Mlumbi-Peter for serving as the discussant for the Review. I appreciate all the other Members' engagement in the Review.
- 2.2. The Chinese Government takes the trade policy review very seriously. Today, joining me at the meeting are Mr. Wang Shouwen, Vice Minister of Commerce and Deputy China International Trade Representative, and more than 20 colleagues from 10 departments of the Chinese Government, as well as Ambassador Li Chenggang and his colleagues from China's Permanent Mission to the WTO.
- 2.3. President Xi Jinping stressed that as a proponent of economic globalization, China adheres to the basic state policy of opening-up. China has, on many occasions, called upon all sides to defend the multilateral trading system and build an open world economy. Since the last Review, China has stayed committed to deepening reform, expanding opening-up and growing its open economy at a higher level. China has worked with other WTO Members to make economic globalization more open, inclusive, balanced and beneficial for all. Since the outbreak of COVID-19, China has struck the balance between epidemic prevention and control and economic and social development with major achievements. In the meantime, China has fully supported international cooperation against COVID-19 and world economic recovery in the spirit of building a community with a shared future for mankind. Here, I'd like to make three main points.
- 2.4. First, China's new progress opens up new opportunities for the world.
- 2.5. This year marks the 20th anniversary of China's accession to the WTO. In the past two decades, with the hard work and dedicated efforts of the Chinese people under the firm leadership of the Communist Party of China, we have played to the strengths of the socialist market economic system, stayed committed to opening-up as a basic state policy, and achieved leapfrog economic and social development. Rejecting the idea of "zero-sum game", China never pursues its own development at the expense of other countries' interests. On the contrary, China has embraced the strategy of opening-up for win-win cooperation. Its development has brought enormous opportunities for the world and made remarkable contribution to the global economy.
- 2.6. First, offering a broad market for the world. China is a major trading partner for over 120 economies and, since 2008, has been the largest export market for the least developed countries in general. In 2020, China's import of goods totalled USD2.1 trillion, including USD 45.87 billion from the least developed Members. Within two decades, China's import value of goods expanded by 7.5 times, with its global share up from 3.8% to 11.5%. Despite the sharp fall of imported travel services due to the pandemic, the value of imported services reached USD 381.1 billion in 2020, expanding by 8.7 times and taking up 8.1% of the world's total as compared to 2.6% twenty years ago. We have hosted three successful sessions of the China International Import Expo to attract more quality products and services from the world to the Chinese market, thus driving global industrial development, creating jobs and increasing income for people in all countries.
- 2.7. Second, sharing development opportunities with the world. China accords pre-establishment national treatment with negative list scheduled in the administration of foreign investment. With its sustained efforts in liberalizing market access for foreign investment and building a market-oriented, law-based business environment up to international standards, China has remained a destination of choice for foreign investment. China absorbed over USD 2.4 trillion of foreign investment as of the end of 2020, and maintained a strong momentum in the first three quarters of this year by attracting USD 129.3 billion of foreign investment. Foreign-invested enterprises have contributed to China's economic and social development while realizing their own robust development. According to the Chinese statistics, U.S. companies operating in China reaped as much as USD630 billion of sales revenue in 2019. In 2020, large foreign-invested industrial companies yielded USD 1.8 trillion of profits, up by 7% year-on-year and outpacing the national average by 2.9 percentage points. Surveys by foreign chambers of commerce in China suggest that most foreign-invested enterprises remained profitable in 2020 despite the pandemic.

- 2.8. Third, promoting mutually beneficial and win-win outcomes of higher quality. Upholding the principle of extensive consultation, joint contribution and shared benefits, China has conducted high-quality Belt and Road cooperation to achieve high standard, people-centered and sustainable growth. From 2003 to 2020, overseas Chinese businesses paid USD 400 billion in taxes to host countries and regions. By the end of 2020, they hired nearly 2.19 million local workers, accounting for 60.6% of their overseas staff. Recently, President Xi Jinping announced that China would step up support for other developing members in developing green and low-carbon energy, and would not build new coal-fired power projects abroad. Furthermore, China has been engaged in negotiations on high standard free trade agreements to advance regional economic integration as well as to liberalize and facilitate trade and investment. We have signed 19 free trade agreements with 26 trading partners, approved the Regional Comprehensive Economic Partnership (RCEP) agreement, and applied for accession to the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP).
- 2.9. Second, China fully supports international cooperation against COVID-19 with concrete steps.
- 2.10. Ever since the outbreak of COVID-19, China has been supporting trade liberalization proposals at the WTO for medical products. By deepening exchanges and cooperation with other members, China has been working to keep industrial and supply chains smooth to ensure the provision of medical supplies. Honouring its commitment that vaccines will serve as a global public good, China has contributed to greater vaccine availability and affordability in other developing countries, while promoting fair and reasonable vaccine distribution globally, to build a global community of health for all. China has provided more than 100 countries and International Organizations with over 1 billion doses of finished and bulk vaccines and will strive to provide 2 billion doses this year. China has announced its support for intellectual property waiver for COVID-19 vaccines. China supports WTO in making decisions on this matter as early as possible.
- 2.11. Third, China firmly supports the WTO-centered multilateral trading system.
- 2.12. Since its accession to the WTO 20 years ago, China has been abiding by WTO rules and fulfilling its accession commitments. It has cleaned up a large number of laws and regulations, including more than 2,000 laws, regulations and departmental rules at the central level, and over 190,000 local policies and regulations at subnational levels. For trade in goods, its overall tariff rate has been reduced from 15.3% to 7.4%, much below its accession commitment of 9.8%. For trade in services, nearly 120 sectors have been opened up, more than it pledged upon accession. Besides, China has been reinforcing intellectual property protection by legislative, administrative and judicial means, and fulfilling its obligations on transparency. Over the past 20 years, China has been actively engaged in all WTO endeavours. As a staunch supporter for, active participant in, and major contributor to the multilateral trading system, China has been helping other developing members, the least developed members in particular, to take part in and benefit from the multilateral trading regime.
- 2.13. As the WTO is facing grave challenges, China urges all Members to oppose unilateralism and protectionism while practicing true multilateralism by safeguarding a rules-based multilateral trading system that is transparent, non-discriminatory, open and inclusive, instead of setting discriminatory and exclusive standards, rules and systems, or building up barriers to trade, investment and technology. China supports necessary reform of the WTO with the aim of improving its rules, strengthening the efficacy and authority of the multilateral trading system, and defending the development rights, interests and space of developing Members. In keeping with the principle of balanced rights and obligations, China is willing to approach special and differential treatment with pragmatism and make more contribution within the WTO that is commensurate with its capacity.
- 2.14. China looks forward to positive outcomes of MC12 resumption of normal operation in the Appellate Body, conclusion of the fisheries subsidies agreement and greater cooperation against COVID-19. China also supports progress on issues such as public stockholding for food security purposes, investment facilitation and services domestic regulation, and hopes to maintain the momentum on issues such as e-commerce, MSMEs, women's economic empowerment, trade and environment and trade and health.
- 2.15. This year, China embarks on a new journey toward building a modern socialist country in all aspects. Having entered a new development stage, China will embrace the new development concepts and build a new development paradigm to drive high-quality development. President

Xi Jinping has reiterated on many occasions that the new development paradigm entails more open domestic and international circulations rather than a closed domestic one. China will open its door wider and all other countries are welcome to share in China's enormous market and development opportunities. We will follow through with the Global Development Initiative proposed by President Xi Jinping for more robust, greener and more balanced global development.

2.16. Madam Chair, with your permission, I would like to give the floor to Vice Minister Mr. Wang Shouwen to give a briefing on China's economic and trade policies during the review period and China's participation in the work of the WTO. Thank you.

# H.E. MR. WANG SHOUWEN, VICE MINISTER OF COMMERCE AND DEPUTY CHINA INTERNATIONAL TRADE REPRESENTATIVE

- 2.17. This is my fourth time to have participated in the Trade Policy Review of China. Each time, the Review has left with me a profound impression. I would like to thank all Members and the Secretariat for the attention they have given in this regard. Insofar, China has received in total 2207 questions from 40 Members. China has answered 2151 questions from 37 Members submitted before 6 October. Surely, China will provide responses to the remaining questions in one month after this TPR.
- 2.18. President Xi Jinping pointed out that China will further enhance its level of opening-up for an open economy in a manner that is broader in scope, wider in coverage and deeper in level. Since last Review, China has taken a range of proactive measures for voluntary opening-up, and provided opportunities for the development of world economy and all WTO Members.
- 2.19. China has been furthering opening-up of trade in goods. The import duties have been consecutively reduced by a big margin in a voluntary way. Since November 2018, China has lowered the tariff rates on 1,585 tariff lines covering mechanical and electrical equipment, etc. Each year since 2019, China applied interim import tariff rates to over 700 items of goods, which are lower than the MFN rates. By early 2021, China's average tariff level for all goods was as low as 7.4%, lower than that of all developing Members and close to the average tariff rate of developed Members. China has been enhancing the level of trade facilitation. China notified measures implementing the Trade Facilitation Agreement (TFA) to the WTO ahead of the committed schedule. So far, China has fully implemented all the provisions of the TFA. In June this year, China's overall customs clearance time for imported goods was only 36.7 hours, shortened by 62.3% compared with that of 2017, and this was only half of the global average customs clearance time.
- 2.20. China has been widening market access for trade in services. In September this year, China established another four comprehensive pilot zones for expanding opening-up in the services sector in Tianjin, Shanghai, Hainan and Chongqing, in addition to the one in Beijing. China will formulate a national negative list for cross-border trade in services, and China is working to establish national demonstration zones for innovative development of services trade.
- 2.21. China has been further opening-up the field of investment. Since the first edition of the National Negative List for Foreign Investment Access was issued in 2017, China has revised and shortened the list for four times. The items on the list were reduced from 63 in 2017 to 33 in 2020. Currently, foreign investors are allowed to own a 100% shareholding ratio in the financial sector. The total assets requirement for foreign banks setting up branches in China and the operating time requirement for establishing foreign insurance institutions in China have been removed. The first foreign wholly-owned futures company has been approved to set up. The Catalogue for Encouraged Foreign Investment Industries (2020 edition) was published, including 1,235 items, with an increase of 127 items compared with the 2019 edition.
- 2.22. China has been stepping up the development of pilot free trade zones and free trade port. At present, 21 pilot free trade zones have been established in China. The number of special administrative measures regarding the negative list for foreign investment access has been reduced to 30 in the Pilot Free Trade Zones. China issued the Master Plan for Hainan Free Trade Port and tabled the Negative List for Foreign Investment Access in Hainan Free Trade Port (with only 27 special administrative measures). China has also implemented the first negative list for cross-border trade in services in Hainan Free Trade Port.

- 2.23. China has been furthering opening-up through negotiating and signing free trade agreements. Since 2018, China has signed free trade agreements with Mauritius and Cambodia respectively. China has signed protocols on upgrading FTAs with Singapore and New Zealand, and protocol of the second phase of FTA with Pakistan was also signed. Last year, China signed the Regional Comprehensive Economic Partnership Agreement (RCEP) with the 10 ASEAN countries, Japan, Republic of Korea, Australia and New Zealand. The leaders of China and the European Union jointly announced the conclusion of negotiations on China-EU Comprehensive Agreement on Investment. China has been faithfully implementing the China-Australia FTA since its entry into force 6 years ago. Presently, China is negotiating the CJKFTA with Japan and Republic of Korea, China also negotiated FTAs with the Gulf Cooperation Council, Israel and Norway. On 16 September this year, China officially applied to join the CPTPP, demonstrating once again China's determination for further opening-up.
- 2.24. China has been offering platforms for other countries to expand their exports to China and for attracting investment. China has been actively opening domestic market to the rest of the world and providing better service for investment through various exhibitions and expositions. The three Sessions of China International Import Expo attracted close to 10,000 enterprises over the past three years. In 2021, China Import and Export Fair, China International Fair for Trade in Services, China International Consumer Products Expo and China International Fair for Investment and Trade together attracted tens of thousands of enterprises from more than 200 countries and regions to look for opportunities of trade and investment in China. China has also been actively boosting the development of cross-border e-commerce. The total imports of cross-border e-commerce reached 570 billion yuan RMB in 2020, up by 16.5% compared with that of the previous year.
- 2.25. China has created a favourable business environment for foreign investment. The new *Foreign Investment Law* and *the Regulations on the Implementation of the Foreign Investment Law* came into effect on 1 January 2020. The approval and record-filing requirements of foreign-invested enterprises stipulated in previous laws were removed. The "Three Laws on Foreign Investment" were rescinded. A foreign investment information reporting system has been introduced. The new Law clearly stipulates that forced technology transfer through administrative means is prohibited. China also had discussions with foreign-invested enterprises from the U.S., EU, Japan, Republic of Korea, the United Kingdom, etc. to help them overcome the difficulties in doing business in China under the pandemic. In this regard, Ministry of Commerce revised and published the *Rules on Handling Complaints of Foreign-Invested Enterprises*.
- 2.26. As China is accelerating its opening-up, it will continue to fully deepen reform. China actively fosters a new development paradigm with domestic circulation as the mainstay and domestic and international circulations reinforcing each other. China has been deepening the supply-side structural reform. Since 2018, in accordance with President Xi Jinping's development philosophy featuring innovative, coordinated, green and open development for the benefit of all, China has redoubled its efforts to cut overcapacity, reduce excess inventory, deleverage, lower costs and strengthen areas of weakness. Between 2018 and 2020, China has dissolved over 500 million tonnes of outdated coal production capacity. The capacity utilization rate of coal mines in production was raised to over 90%. China has also reduced over 150 million tonnes of crude steel production capacity and the utilization rate in that capacity returned to an appropriate range of over 80%. The capacity utilization rate of the aluminum industry was above 85%. In July this year, a national carbon emission trading market was officially launched in China. China has also promoted the endeavour of Mass Entrepreneurship and Innovation.
- 2.27. China is intensifying efforts to create a market-oriented, law-based and internationalized business environment.
- 2.28. With regard to protection of intellectual property rights, since 2018, China has amended more than 10 laws and regulations, such as the Patent Law, the Trademark Law and the Copyright Law. Meanwhile, China has actively carried out law enforcement actions to protect IPRs. China has set up intellectual property courts in four cities including Beijing, and intellectual property courtrooms in 24 cities including Nanjing. According to the survey carried out by foreign business chambers in China, among all the difficulties mostly faced by American and EU's companies in China, IPR-related issues were the last and the third from the bottom of their respective concerns. As such, IPR is no longer a major difficulty for foreign businesses operating in China.

- 2.29. With regard to invigorating market entities, China issued the Regulation on Improving the Business Environment in 2019. In September this year, China launched pilot projects for business environment innovation in six cities, including Beijing, where a large number of market entities are located. The Civil Code, officially implemented in 2021, clearly stipulates that the rights of the State, the collectives and individuals shall be equally protected by law. The Action Plan for Building a High standard Market System issued this year called for strengthening the binding force of the fair competition review system. Meanwhile, following the regulations on the right of state-owned enterprises to operate autonomously within the scope of relevant laws and regulations as prescribed by the Constitution of the People's Republic of China, China steadily explores the mixed ownership reform of SOEs in key sectors such as power, crude oil, natural gas, railways, civil aviation, telecommunications and military industry.
- 2.30. China firmly safeguards the multilateral trading system and its authority and efficacy, and supports necessary reform of the WTO.
- 2.31. In regard to the WTO reform, China hosted the informal ministerial meeting in Shanghai in November 2019. Ministers or representatives from 33 Members attended the meeting and reached broad consensus. 92 Members announced the Joint Ministerial Statement on Investment Facilitation for Development.
- 2.32. China submitted its position papers and proposals on WTO reform. China also joined other Members in presenting proposals on reform of the Appellate Body and co-sponsored the Multi-Party Interim Appeal Arbitration Arrangement (MPIA). China has actively participated in the negotiations on fisheries subsidies and put forward its proposals. China has worked with other Members to advance the discussions and negotiations on investment facilitation, e-commerce services domestic regulations. China also took part in a joint statement to support MSMEs in response to COVID-19 and actively participated in the discussion on the WTO's response to the pandemic. China co-sponsored the Trade and Health Initiative and actively participated in the informal dialogue on plastics pollution and environmentally sustainable plastics trade. China also joined discussions on issues such as women's economic empowerment and trade and environment. China is currently pooling efforts with other Members in a bid to achieve a successful MC12.
- 2.33. With regard to transparency, China has fully fulfilled its obligation of notification under all WTO Agreements. On 15 July this year, China submitted the 2019-20 subsidy notification covering all provincial administrative regions and local governments at the provincial, city and county levels. Particularly, China notified its fisheries subsidies in a separate chapter. Right before this Review, China has submitted the notifications of state trading and quantitative restrictions. China is currently working on preparation for notification of agricultural domestic support and will submit it as soon as possible.
- 2.34. As the largest developing country, China has been working with other fellow developing members within our capacity. China accords zero tariff treatment on 97% of all tariff lines to 42 LDCs. China has donated a total of USD 4.2 million under the Aid for Trade initiative, and China pledged to donate USD 8 million to the WTO through the South-South Cooperation Assistance Fund. During the review period, the China Round Table meetings took place in Kazakhstan, Russia and Switzerland respectively. The 10th China Round Table within the framework of "China Programme" will be held by the end of this year. China is willing to work with other Members to help more countries and regions join the WTO.
- 2.35. In the area of global governance, China has been a constructive participant in trade and economic cooperation agenda such as the G20, BRICS and APEC. China has been a strong advocate for safeguarding the multilateral trading system, strengthening global cooperation on fighting against the pandemic and promoting a fairer and more reasonable global economic governance system.
- 2.36. On the occasion of the 20th anniversary of China's accession to the WTO, we would like to reiterate that China is fully committed to all-round opening-up. We will turn the market of China into a market for the whole world, a market to be shared by all, and a market accessible to all. China stands ready to work with other Members to tackle global challenges. In particular, China strives to peak carbon emissions before 2030 and achieves carbon neutrality before 2060. China hopes that

all countries, all walks of life and all peoples will be able to share the opportunities and benefits brought by economic globalization.

2.37. In conclusion, my colleagues and myself are ready to listen to the views and comments from the discussant and other Members. Thank you very much, Madam Chair.

#### **3 STATEMENT BY THE DISCUSSANT**

- 3.1. The Chair of the TPRB, Ambassador Molokomme; the Minister of Commerce and the leader of the delegation of the People's Republic of China, Minister Wang Wentao and Vice Minister Wang Shouwen and his team; Ambassador Chenggang Li and his team; distinguished colleagues; it is an honor and privilege to be a discussant for the Trade Policy Review of China, one of South Africa's key trading and strategic partners and a fellow BRICS Member.
- 3.2. This TPR coincides with China's 20<sup>th</sup> anniversary since its accession to the WTO. China is an active Member of the WTO and a major contributor to the multilateral trading system; it is also an active participant, observer or negotiating its accession to some of the Plurilateral Agreements. China has also been active in the WTO Dispute Settlement System.
- 3.3. It is one of the countries that have managed to leverage international trade to drive long-term structural transformation. Since the last Review, it has continued to diversify its economy away from agriculture and industry towards services, with services making up approximately 55% of GDP.
- 3.4. The outbreak of the COVID-19 pandemic had a major impact on China's output and employment and the economy contracted by 6.8% at the beginning of 2020. However, in mid-2020, it began to bounce back, mainly driven by public investment and international trade. What this reveals is that countries are emerging from the crisis based on their pre-COVID-19 strengths and weaknesses. As such, swift fiscal and monetary policy measures implemented by the Chinese Government assisted to stabilize the economy. The pandemic has highlighted the important role of Government in the economy and that the countries that have managed to get on the path of economic recovery quickly are countries that had the fiscal space to support economic recovery.

#### **Economic environment**

- 3.5. In relation to the economic environment, China has been a major driver of global growth and has experienced rapid economic development over the last decades. It has made remarkable progress on poverty alleviation as a result of high GDP growth rates and market-oriented reforms and lifted hundreds of millions of people out of poverty. China's GDP per capita rose to USD 11,710 in 2020, up from USD 8,148 in 2016. Real GDP growth rates fell from just under 7% in 2016-18 to 6.0% in 2019 and 2.3% in 2020. Despite unprecedented poverty reduction over the past decades, the income gap between the richest and the poorest remains significant. This raises the need to discuss how international trade can contribute to common challenges we face, including rising inequality both within and between countries and in the context of the pandemic, rising unemployment.
- 3.6. Growth is projected to be over 6% in 2021, as economic activities continue to normalize and further domestic outbreaks of COVID-19 remain under control. However, according to the IMF, risks of the projection are tilted to the downside, with a possible resurgence of the pandemic and a tightening of financial conditions.<sup>1</sup>
- 3.7. Overall, monetary policy remained prudent until early 2020. However, as a result of the Government's stabilizing measures to address the effects of the pandemic, the financial stability risks increased.<sup>2</sup> According to the IMF, these risks include a strong increase in private sector debt.

#### **Trade**

3.8. China's trade policy objectives have remained largely unchanged since the previous Review. China seeks to further liberalize its trade and investment regime to reshape its economy as it implements the 14<sup>th</sup> Five-Year Plan for Economic and Social Development (2021-25).

<sup>&</sup>lt;sup>1</sup> IMF (2021), *People's Republic of China: Staff Report for the 2020 Article IV Consultation*, IMF Country Report No. 21/6. The authorities indicate that they do not agree with various conclusions of recent IMF and OECD reports.

<sup>&</sup>lt;sup>2</sup> IMF (2021), People's Republic of China: Staff Report for the 2020 Article IV Consultation, IMF Country Report No. 21/6.

Structural reforms implemented since the previous review include the implementation of tariff cuts, the further opening of the financial sector with a shortening of the negative list for financial FDI, and the removal of restrictions on the investment quota for foreign institutional investors.

- 3.9. China's tariff book consists of 8,580 lines at the 8-digit level in the 2017 Harmonized System. Most tariff lines (87.4%) carry ad valorem tariffs; 1081 (12.6% of all lines) were duty-free. Thirty-four tariff lines (0.4 % of all lines) carry specific rates.
- 3.10. The simple average tariff in 2021 was 7.1%, compared with 9.3% in 2017, with tariff-rate reductions in nearly all product categories. The average tariff is standing at 12.7%, for agriculture and 6.2% for NAMA from 8.5% in 2017. The percentage of tariffs that exceeded 15% was 4.5%, significantly lower than the 13.9% in 2017.
- 3.11. China has maintained its position as the world's second largest importer of goods for 12 consecutive years and accounted for 11.5% of global imports in 2020. In order to promote imports, since 2018, China has hosted the China International Import Expo (CIIE) as a sign of its commitment to open its market to the world.
- 3.12. The Government continues to promote its vision to expand international trade, and outward direct investment is considered one way to promote trade. It launched the Belt and Road Initiative (BRI), a critical part of its strategy to promote trade and investment, deepen cooperation and improve infrastructure development. In this regard, Members have an interest to get clarity on transparency of loan agreements for the initiative and the trade promotion objectives of the Belt and Road Initiative.
- 3.13. In relation to transparency and notification obligations, during the review period, China submitted various notifications to the WTO. Nevertheless, some notifications, including those on state trading enterprises and domestic support, remain outstanding.
- 3.14. China continues to grant unilateral preferences to least developed countries (LDCs). According to the authorities, since 2015, it has implemented zero tariffs on 97% of taxable items for LDCs that have established diplomatic relations with China and completed the exchange of diplomatic notes. As at end-August 2020, 39 LDCs had been given unilateral preferences.
- 3.15. In relation to FTAs, China has signed 19 free trade agreements with 26 countries or regions, in which over 90% of China's tariff lines are or will reduce to zero. Currently, there are 12 ongoing negotiations for new FTAs or upgrading existing ones. In October 2019, the Agreement on Trade and Economic Cooperation between China and Eurasian Economic Union came into effect. In December 2020, the China-EU Comprehensive Agreement on Investment negotiations were concluded. In addition, China is also actively participating in the Joint Statement Initiatives in the WTO.
- 3.16. Members are interested to get more information on the state of implementation and the economic impact of China's free trade agreements; its plan to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership and the state of implementation of unilateral preferences for least developed countries.
- 3.17. In relation to exports, China's merchandise exports increased every year during the review period, to attain a peak of nearly USD 2.6 trillion in 2020. Exports fell in the first half of 2020 due to the COVID-19 pandemic. However, China's share of global manufacturing exports rose to a record high in the second half of 2020. This is because China was the first manufacturing power to resume operations after the first wave of global shutdowns and also due to its role as the supplier of protective health equipment and electronics that are related to working from home. At over 44%, machinery and electrical equipment continue to represent a very large and rising share in China's merchandise exports.

# **Investment**

3.18. China has adopted the Foreign Investment Legislation (FIL), which aims to improve the business environment for foreign investors. It streamlines the regulations and establishes a legal

framework for foreign investment. It ensures that foreign-invested enterprises participate in the market competition on an equal basis with their domestic counterparts, in accordance with the law.

- 3.19. China is actively expanding market access for foreign investment and has significantly shortened the negative list for foreign investment access. Compared with the 2017 edition, the items of the latest national negative list have been reduced from 63 to 33.
- 3.20. Members have raised questions about the state of implementation of the new foreign investment legislation, and the impact thereof; foreign investment liberalization; foreign investment protection. There are concerns around a forced technology transfer and a number of questions that Members have posed in this regard. Members would also like to know about foreign investors' access to incentives, especially in relation to the COVID-19 relief schemes; the functioning of the approval system for foreign investments and national security review; as well as the state of implementation of pilot free trade zones; and plans to implement a "Negative List for Cross-Border Trade in Services".

#### **Concerns by Members**

- 3.21. Other concerns raised by Members include import prohibitions maintained by China, as well as measures put in place to ensure that they are not more trade restrictive than necessary.
- 3.22. In relation to export restrictions, Members are interested in modalities for their implementation and their global implications, including the Export Control Law, its scope of application and its consistency with relevant WTO principles.
- 3.23. The role of SOEs in the economy is also an issue of interest, including implicit support to SOEs; distortions created by SOEs and notification of state trading entities.
- 3.24. Further, Members are keen to hear China's plans to increase transparency on subsidies and the role and notification of Government Guidance Funds, including the support granted to individual industries.
- 3.25. On SPS measures, Members have raised questions about the scientific rationale on measures implemented to prevent the contamination of COVID-19 on exports, and future lifting of such measures in light of FAO guidance and the suspension of imports of certain products to prevent transmission of COVID-19. There are also concerns related to Decrees 248 (Regulations on the Registration and Administration of Imported Food Overseas Production Enterprises) and 249 on (Registration and Administration of Overseas Manufactures of Imported Food), including their entry into force, coverage, and transition periods and the adherence to WTO transparency obligations.
- 3.26. Other concerns include customs procedures, customs valuation and related issues and antidumping rules and measures over the review period, among others.

# Conclusion

- 3.27. The rise of China in global trade presents both opportunities and challenges. In an inter-dependent world, it will be important to leverage China's growing importance in contributing to global development and in advancing an open, inclusive, mutually beneficial, balanced global order that promotes win-win outcomes for shared prosperity.
- 3.28. The challenge for the multilateral trading system is how it supports the aspirations of developing Members for inclusive growth and sustainable development and how it protects the development rights and policy space for developing countries. It is also important to consider how we ensure a multilateral trading system that cultivates an appropriate balance between national development strategies and multilateral cooperation for the interests of all. Importantly, how the multilateral trading system embraces the need for countries to determine their development trajectory, enables Members to climb up the development ladder and ensures that Members take commitments commensurate with their level of development.

- 3.29. These are important questions that are not easy to answer but important if we are to have an inclusive multilateral trading system that promotes equitable growth and development. There are important lessons from the journey of China that require reflection.
- 3.30. The rise of China also creates expectations about its role in the global economy, from a South-South perspective, the expectation is mutually beneficial outcomes that promote industrial development and structural transformation of developing countries. Importantly, a trade relationship that promotes value-added trade, and we see the import/export as making a contribution in that regard. I think all WTO Members welcome the message that was reinforced today that China will approach special and differential treatment with pragmatism and will take responsibility in the WTO commensurate with its level of development. I hope that this message will result in constructive discussions on fisheries subsidies and broadly in discussions that relate to special and differential treatment in the WTO. I thank you Chair.

#### **4 STATEMENTS BY MEMBERS**

#### **VIFT NAM**

- 4.1. Viet Nam would like to thank the delegation of the People's Republic of China led by H.E. Mr. Wang Wentao, Minister of Commerce and the WTO Secretariat for their comprehensive reports which lay the foundation for our discussion today. I would also like to express our appreciation to the Chair for her introductory remarks and the discussant Her Excellency Ambassador Xolelwa Mlumbi-Peter from South Africa for her insightful comments.
- 4.2. Viet Nam associates itself with the joint ASEAN statement to be delivered by Brunei Darussalam.
- 4.3. Viet Nam acknowledges the active contribution of China to the WTO and the world trade in general through its active and consistent participation in various processes ongoing in the WTO, including the discussions of WTO reform, negotiations on fisheries subsidies, among others.
- 4.4. The Chinese economy has been recognized as a major drive of global growth since its most recent Trade Policy Review in 2018, as noted in the WTO Secretariat's report. Between 2016 and 2018, China's real GDP growth observed an annual rate of approximately 7%. Although the COVID-19 pandemic pushed both global and local economies into deep recession, China still maintained encouraging growth rates of 6% and 2.3% in 2019 and 2020, respectively. Since mid-2020, China has been recovering its economy, of which international trade is known as a fundamental contributor.
- 4.5. Viet Nam is pleased that China continues to be our largest trading partner. In 2020, the bilateral trade reached USD 133.09 billion, increasing 13.82% compared to 2019, of which exports from Viet Nam to China was USD 48.9 billion and imports from China to Viet Nam was USD 84.18 billion, a deficit of nearly USD 36 billion. Only in the first 8 months of 2021, Viet Nam suffered a trade deficit of USD 38.6 billion, an increase of 75.87% over the same period last year. We do hope that the two countries could continue working closely toward a more balanced trade in the coming time.
- 4.6. Viet Nam would like to register our interests in China's recent administrative measures for registration of overseas manufacturers of imported foods, which may cause unnecessary obstacles to trade. Although we appreciate the transparency that China has shown during the process of building the measures, we note that there are still further room to clarify the unclear content in the measures and the remaining time is not sufficient for our businesses to fulfil necessary procedures as required. Therefore, we are looking forward to deepening engagement with China to find satisfactory solutions, which are of great importance to promoting trade for the benefit of the two countries.
- 4.7. Last but not least, Viet Nam would also like to thank His Excellency Ambassador Li Chenggang and his team for their active engagement and wishes China every success in its eighth Trade Policy Review.

#### **AUSTRALIA**

- 4.8. Australia welcomes this Trade Policy Review twenty years on from China's accession as an important opportunity to take stock of China's contributions to the WTO and how it has aligned its trade policies to its WTO obligations.
- 4.9. China has benefited significantly from the transparent and predictable access to markets that WTO membership offers boosting its prosperity and furthering its integration into the global economy. Reliable access to the Chinese market has also greatly benefited other Members and encouraged foreign investment in China. Australia has welcomed China's growth for the better economic outcomes and standard of living it delivers to the people of China, across the Indo-Pacific region and around the globe. Australia is pleased to have played a role in China's economic development.
- 4.10. Australia also recognizes China's efforts to engage actively in WTO rulemaking. We welcome the participation of China in all Joint Statement Initiatives, and particularly welcome China's

leadership in the Investment Facilitation for Development JSI – the first major WTO initiative China has led in recent years. Australia also values China's co-sponsorship of the Trade and Health Initiative (TAHI), the Plastics Initiative and its participation in the Multiparty Interim Appeals Arbitration Arrangement.

- 4.11. China's contribution to WTO rulemaking and reform efforts is not yet commensurate with its economic weight. We encourage China to play a more constructive leadership role in the WTO, including by relinquishing its access to special and differential treatment.
- 4.12. Unfortunately, since its last Review, China has increasingly tested global trade rules and norms by engaging in practices that are inconsistent with its WTO commitments. Australia is one of numerous WTO Members that has experienced this first-hand.
- 4.13. Over the past 18 months, China has increasingly implemented trade disruptive measures targeting a wide range of Australian products. These include increased and arbitrary border testing and inspections; unwarranted delays in listing and re-listing export establishments, issuing import licences and other restrictions, and the imposition of unjustified antidumping and countervailing duties. Such measures have severely limited or ended Australia's trade with China across more than a dozen commodities, including barley, coal, cotton, hay, logs, meat, rock lobsters and wine<sup>3</sup>. China has not provided satisfactory answers on how these actions align with WTO rules. We have initiated WTO dispute settlement proceedings in relation to China's imposition of antidumping and countervailing duties and measures on Australian barley and wine.
- 4.14. In discussions in the WTO, China says that these actions reflect legitimate trade concerns; but there is a growing body of information that demonstrates China's actions are motivated by political considerations.
- 4.15. As part of the large scale of trade measures taken against Australia, there are credible reports that Chinese authorities have instructed importers not to purchase certain Australian products, contrary to WTO rules. Several official Chinese statements have directly linked these trade actions to wider issues in our bilateral relationship. For example, when asked in July 2021 how Australia should handle relations with China, a spokesperson for China's Foreign Ministry said: "We will not allow any country to reap benefits from doing business with China while groundlessly accusing and smearing China and undermining China's core interests based on ideology."
- 4.16. WTO rules do not permit a Member however large to impose conditions such as these on trade with another Member.
- 4.17. The implications of China's actions go beyond their impact on Australian exporters they raise the risk and uncertainty of the China market for the global business community. By undermining agreed trade rules China also undermines the multilateral trading system on which all WTO Members rely. These rules have underpinned Members' growth and prosperity for decades. They protect the rights of Members regardless of their size and power. China has assured Members of its commitment to the rules-based order; but from our viewpoint there is a growing gap between China's rhetoric and its actions.
- 4.18. Australia believes an adherence to market-oriented policies underpins membership of the WTO. Australia notes the earlier progress that China had made on this front, including its reduction of tariff rates on imports, the elimination of many non-tariff barriers, and efforts to open up the Chinese economy to foreign investment.
- 4.19. We are concerned, however, that market-oriented reforms have not progressed since Australia raised its concerns during China's 2018 Review, including the need to embrace market-oriented principles to ensure exporters, consumers and domestic producers can fully benefit from the multilateral trading system. We note the Secretariat's report recognized that China's

<sup>&</sup>lt;sup>3</sup> China's measures have severely limited Australia's trade with China of barley, coal, copper ores and concentrates, cotton, hay, logs, rock lobsters, sugar and wine; and also hindered or disrupted Australia's trade with China of other commodities, including beef, citrus fruit, grains, and table grapes. Further, China has limited Australia's market access for dairy, infant formula and meat, among other commodities.

State-Owned Enterprises, and their high rate of financial support, may affect the functioning of market-oriented policies in China.

- 4.20. China's businesses stand to make greater gains through further reform. Chinese importers of Australian goods are negatively impacted by the Chinese Government's reported interventions in commercial decision-making a practice that contravenes market principles. It is critical that enterprises make their own purchasing decisions to enable open, market-based trade. Australia therefore urges China to adhere more closely to market-oriented principles in its approach to trade policy.
- 4.21. We also encourage China to comply fully with the letter and spirit of its transparency commitments. Despite assurances in the Chinese Government report that it has "fully fulfilled" its notification obligations, we note the Secretariat's report identified outstanding notifications. Meeting one's transparency obligations provides other Members and traders with visibility and confidence that a Member is complying with WTO commitments. Australia remains concerned with the quality and timeliness of China's notifications, especially for industrial subsidies and agricultural domestic support. China's large subsidy programs, along with other non-market practices, distort global markets for major commodities. Improving the transparency of China's policies would strengthen its contribution to the multilateral trading system.
- 4.22. Australia urges China to fully align its trade policies with its WTO obligations, for the benefit of all. We look forward to reviewing China's answers to our questions carefully.

#### **PAKISTAN**

- 4.23. Pakistan warmly welcomes the virtual presence of the Chinese delegation led by His Excellency Minister Wang Wentao, and Vice Minister Wang Shouwen and their delegation in Geneva to this eighth Trade Policy Review of China.
- 4.24. Let me also, at the outset, thank Her Excellency Ambassador Xolelwa Mlumbi-Peter for her very insightful comments to kick off the discussion today.
- 4.25. I also wish to thank the Secretariat for their hard work.
- 4.26. Bilateral relations between Pakistan and China have been well established and deeply entrenched over decades of cooperation in virtually every sphere of national activity economy, trade, investment, energy, transport to name a few.
- 4.27. China is one of the biggest and most important trading partners for Pakistan. Since both countries inked a Free Trade Agreement in 2006, bilateral trade has steadily increased from around USD 5 billion to approximately USD 18 billion in 2020. While the trade balance remains in favour of China, Pakistan's exports have been witnessing an increase, particularly since the signing of Phase II of the China-Pakistan Free Trade Agreement in 2020.
- 4.28. China's is an exceptional story a story that has continued its success during the review period of the current TPR. Through the implementation of a new developmental paradigm, China has remarkably lifted out of poverty, all of its remaining 100 million rural people living below the poverty line. China has met the target of poverty eradication set by the UN 2030 Agenda for Sustainable Development a good 10 years ahead of schedule!
- 4.29. Not only has China's development strategy benefited China's own people, but its open and unique approach of pursuing "shared prosperity" and "trade for peace" through regional connectivity has opened new channels for trade and investment. During the review period, China has made new investments worth hundreds of billions of US dollars in economic and trade cooperation with countries in its Belt and Road Initiative. This is a prime example of South-South cooperation and signifies the philosophy of a shared, mutually advantageous and effective development strategy adopted by China.
- 4.30. Pakistan is a key partner in Belt and Road Initiative through the China-Pakistan Economic Corridor (CPEC). This is the largest investment initiative in Pakistan across various sectors of the economy to the tune of USD 56 billion. Not only has Pakistan seen collaborative investment in rail,

road connectivity and sustainable energy infrastructure, but it is expected to generate about 2.5 million jobs through setting up nine Special Economic Zones across Pakistan. What is most important to note, is that such initiatives carry an effective developmental approach for both sides involving key joint-ventures, transfer of technology, building of technological capabilities and a long-term vision of sustainable prosperity for the people.

- 4.31. Here I would like to share my personal experience from 2018. While I was Secretary for Commerce and Industries Department in the province of Punjab, we set up jointly with the Chinese, Pakistan's first Skills' Development University to lead and enhance quality amongst the various existing technical and vocational institutes across the province. This intervention is expected to be a tremendous help in improving industrial productivity and competitiveness.
- 4.32. Under the development of the deep-sea port at Gwadar in the South West of Pakistan, various collaborative initiatives are already under way in partnership with China. Once complete, Gawadar promises to become a central hub of trading activity in the region, and would be home to various infrastructural developments in the region.
- 4.33. The key difference in China's development philosophy is a broader realization of shared prosperity and collective developmental goals. For this reason, sharing of technical know-how and critical technology has not been lacking. China's current trade policy review period overlaps with one of the worst crises in human history the COVID-19 pandemic. During this crucial time, Pakistan faced tremendous challenges in vaccine availability for its large population. China not only donated millions of doses of the Sinopharm, but has actively partnered with the National Institute of Health in Pakistan to diversify its production.
- 4.34. While China has made tremendous progress in record time, poverty and sustainable development continue to pose challenges to the largest population on the planet. In this regard, China has shown commendable commitment to the adoption of sustainable technologies with one eye on the future both of its people and that of the planet. China's emphasis on the adoption of green technologies and renewable energy such as the green and low-carbon energy target in its 13th Five-Year Plan for Energy Development coupled with digital development, show a meaningful commitment to a futuristic approach to development and a role model for many countries to follow.
- 4.35. We would be remiss in this TPR without commenting on China's proactive leadership role in WTO particularly its support for upholding the pillars of multilateralism. Pakistan has worked closely with the Chinese Mission on several aspects in the interest of safeguarding the rights and privileges of developing countries in this Organization, both under the able leadership of His Excellency Mr. Li Chenggang and former Ambassador Zhang Xiangchen. China's important contribution on all fronts and in every activity of the WTO including its contributions for technical assistance are highly appreciable.
- 4.36. While the world is still reeling from the devastating effects of the COVID-19 pandemic, we cannot underscore the importance of collaborative approaches to development through meaningful strategies that can lift millions out of poverty and pave the way for sustainable industrial strategies for the future. In his regard, there are very valuable lessons to be learned from China's trade policy, both for developing and developed countries, particularly in the period under review. Therefore, members should find ways to continue to support China's progress as an exercise in collective prosperity. Anything but support to China's progress could have wider consequences for the global economy.
- 4.37. We thank once again, the Chinese Government and their TPR team both joining from capital and in Geneva for presenting their Trade policy for review and for their continued support for the true objectives of trade and development at the WTO. We wish China a very successful and fruitful TPR.

# **RUSSIAN FEDERATION**

4.38. I am pleased to participate in the 8th TPR of China and engage in a frank discussion on its trade policy. I would like to extend a warm welcome to the Chinese delegation led by H.E. Mr. Wang Wentao, Minister of Commerce, thank the Government and the WTO Secretariat for their

comprehensive reports, as well as the discussant, H.E. Ms. Xolelwa Mlumbi-Peter (South Africa) for her thoughtful remarks.

- 4.39. Let me start by pointing out that this year our countries are celebrating an important date the 20th anniversary of signing of the Russian-Chinese Treaty of Good Neighbourliness and Friendly Cooperation, which was extended in June 2021 for another 5 years. The treaty sets out an ambitious agenda of bilateral political, investment, scientific, technical, humanitarian and, of course, trade and economic cooperation.
- 4.40. China remains one of Russia's most important trading partners. Our trade ties demonstrated impressive resilience during the COVID-19 pandemic with a slight decrease in turnover by 6.7%. Since the beginning of the year, bilateral trade has already recuperated, growing by almost a third (29.1%). By the end of 2021, we hope to reach the historical maximum of over USD 120 billion.
- 4.41. Even in these challenging times, we've managed to continue fostering the development of investment cooperation. Joint projects with the overall value of over USD 90 billion– are being implemented in sustainable and green development, artificial intelligence, e-commerce, electronic document management, as well as the creation of an international scientific lunar station. We consider the high level of cooperation between Russian and Chinese companies as an indicator of mutual trust, which is highly appreciated by Russia.
- 4.42. China continues to be an important partner for Russia in e-commerce. Last year, the volume of cross-border e-commerce exceeded 325 billion roubles. Enabling a conducive environment, including with a view to foster the growth of Russia's e-marketplace and e-commerce platforms, is thus of particular importance to us.
- 4.43. New areas and formats for further cooperation have emerged, including at the regional level. The Trade and Economic Cooperation Agreement between China and the EAEU and its Member States (entered into force in October 2019) has set the stage for the development of cooperation at the EAEU level.
- 4.44. To sum up, Russia sees many new opportunities to widen and diversify our trade and investment relationship with China. Thus, we attach great importance and attention to the trade regime of China and continuous efforts of Chinese authorities to improve their trade policies and practices making them more transparent, accountable and non-discriminatory. We are pleased to see China's tangible steps in such areas as trade facilitation, liberalization of trade in services and investments.
- 4.45. We look forward to further development of Chinese trade policy, enhancing a comfortable, stable and predictable regulatory environment for business, in particular, in areas related to innovation and technologies, IPR, transparency, e-commerce, TBT and SPS, as well as matters related to ensuring favourable market environment.
- 4.46. Russia commends China for the important leadership role in the WTO. We highly appreciate and share Beijing's continuous support for multilateral trading system as embodied in the WTO, which is consistently voiced in BRICS, Shanghai Cooperation Organization, G20, APEC and other international fora.
- 4.47. Russia strongly supports China's efforts in combating protectionism and emerging forms of discrimination, especially in the form of unilateral measures that are highly destructive for the global economy, as they disrupt international trade, lead to a breach of mutual trust and unravel business relationships. Global cooperation is especially important in the present times, dominated by the common goal of combating the adverse effects of the COVID-19 pandemic.
- 4.48. We look forward to working together on the WTO reform issues. Russia strongly supports China's efforts to safeguard the two-tier dispute settlement system.
- 4.49. The Russian Federation appreciates China's active involvement in a wide range of activities at the WTO, including under the framework of JSIs. We also welcome the establishment of an Informal WTO Dialogue on Plastics. Russia has joined this initiative and we look forward to constructive cooperation in this area.

- 4.50. Lastly, we thank the Chinese delegation for providing comprehensive answers to advance written questions, submitted by the Russian Federation.
- 4.51. To conclude, as China describes in its Government report, I quote, "China is committed to promoting mutual opening-up featuring shared benefits, shared responsibilities, and shared governance and building an open world economy". We sincerely wish China all success on that path.

# **SWITZERLAND**

- 4.52. I would like to start by extending a warm welcome to China's delegation led by H.E. Mr. Wang Wentao, Minister of Commerce of the People's Republic of China, as well as to thank H.E. Ambassador Xolelwa Mlumbi-Peter for her valuable observations as a discussant. Once more, the Secretariat has provided us with a substantive contribution to this Review. I would like to commend them for their effort, notably in referring to extensive and diversified sources, including OECD studies.
- 4.53. It is a great pleasure for me to take the floor on this occasion, China being a relevant economic player for all of us. It has been more than 10 years now that China became Switzerland's first trading partner in Asia, and its third most important trading partner after the EU and the USA. Our shared ambition to further intensify our economic cooperation resulted in the conclusion of a bilateral free trade agreement in 2013. What has been achieved meanwhile? Two figures can be mentioned: the volume of trade between both countries exceeds USD 32 billion, and direct investments by Swiss companies in China are close to USD 24 billion.
- 4.54. We welcome this intensification our economic relations. China has shown remarkable resilience in the face of the health crisis and its economy has been characterized by high growth rates despite the challenging context. At the same time, important achievements have been made in poverty reduction.
- 4.55. In recent years, specific reforms have been undertaken. Let me highlight the most important ones.
  - First of all, Switzerland wishes to congratulate China for substantive developments regarding intellectual property. Just to mention a few of them, we welcome in particular the strengthening of patent protection and enforcement, namely through the introduction of patent term extension and patent linkage. Further, the legal framework has been improved with regard to trade secrets as well as trademarks, where China is undertaking important efforts to curb bad-faith registrations. We encourage China to undertake further efforts to continue strengthening its IP Regime.
  - Second, we would like to commend China on the successful establishment of a single window system for customs clearance. China is fully implementing the TFA, ahead of schedule.
  - Thirdly, let me express our appreciation for China's active role in the WTO and its participation in several plurilateral discussion streams and Joint Statement Initiatives.
- 4.56. To ensure an even more comprehensive integration of China into the WTO system, we support its accession to the GPA. Switzerland will continue to engage in this process in a constructive way.
- 4.57. We also note improvements with regard to the Chinese Foreign Investment regime. However, we encourage China to increase the predictability of conditions for investments and to undertake further liberalization efforts.
- 4.58. Today's discussion is also an opportunity to raise some of our concerns, notably in the field of transparency. Switzerland regrets that notifications on key topics such as subsidies and quantitative restrictions, among others, are outstanding. Let me state it: transparency is a fundamental, non-negotiable principle of WTO rules. Transparency ensures predictability of the trading environment.
- 4.59. Transparency is also fundamental in the context of State-Owned Enterprises. For such enterprises, which are very numerous and important in the Chinese economy, China should make sure that market-oriented principles are followed. Switzerland would be interested to know more about the Chinese Government's intentions to ensure appropriate governance of State-Owned Enterprises.

- 4.60. Transparency means for economic operators to fulfil their due-diligence obligations along their global value chains. We call upon China to permit access for such inspections.
- 4.61. We have submitted some additional questions in writing and look forward to receiving clarification also on those. As initially mentioned, trade relations with China are among the most important for Switzerland. No later than last September, Swiss and Chinese Government and business representatives have met in the framework of the Switzerland-China Joint Economic Commission. Among other issues raised, the Swiss private sector pointed out problems faced in accessing the Chinese market. Given the size of the Chinese market, some policy issues such as market access, subsidies and transparency become of major systemic importance. Therefore, compliance with WTO rules seems all the more important to us and we are convinced of their benefits for all.
- 4.62. We wish China constructive and fruitful exchanges in the context of this Trade Policy Review.

# NORTH MACEDONIA

- 4.63. North Macedonia is pleased to take part in the eight Trade Policy Review of China. We would like to welcome the delegation of China and the WTO Secretariat for the submitted report, and also our gratitude goes to H.E. Ms Xolelwa Mlumbi-Peter of South Africa for the insightful comments.
- 4.64. We noticed in the Report that in early 2020 China's economy contracted by 6.8% and virtually all sectors were severely hit by the COVID-19 pandemic, with the notable exceptions of financial services and information technology. Since mid-2020, the economy began to recover, mainly driven by public investments and international trade. Swift fiscal and monetary policy reactions helped mitigate the economic impact of the COVID-19 pandemic. China's GDP real growth rates fell from 6.0% in 2019 to 2.3% in 2020. Despite the slowdown in growth rates, China continues to be a major driver of global growth and its convergence with advanced economies continues. Rapid economic development over the last decades, induced by market-oriented reforms, lifted hundreds of millions of people out of poverty.
- 4.65. As outlined in Five-Year Plans and various Administrative Measures, China continued to aim at expanding international trade and investments. Efforts to address climate change issues were also noticeable within China's trade policy framework. The main ongoing actions in this regard included industrial restructuring, energy structure optimization, energy conservation and efficiency, and the establishment of a carbon emissions trading market.
- 4.66. The bilateral economic and trade cooperation between North Macedonia and China is permanently developing and China represents one of the major partners in our bilateral trade. Currently China ranks 5th in terms of bilateral trade and for the first 7 months of this year has reached the highest volume of trade with North Macedonia. During this period, the bilateral trade increased by 21.2% as compared to the same period previous year.
- 4.67. Based on the bilateral Agreement on trade and economic cooperation, we are planning to have a regular Joint Committee meeting by the end of this year or early next year to discuss economic and trade issues of interest for both sides.
- 4.68. To better understand the latest development of China's trade policy, we have submitted 5 written questions. We appreciate the replies provided by China, which will be duly studied by us.
- 4.69. To conclude, we wish this Review a complete success.

# **ISRAEL**

4.70. Israel would like to welcome the delegation of the People's Republic of China headed by Minister of Commerce, Mr. Wang Wentao. On this occasion, we would also like to congratulate our colleagues of the Chinese Mission in Geneva headed by Ambassador Li for their efforts. Finally, we would like to thank Ambassador Ms. Xolelwa Mlumbi-Peter (South Africa) for her insightful views on this Review shared as discussant.

- 4.71. China's share in global trade has risen from 4.7% in 2001, the year of its accession to the WTO, to approx. 15% in 2020. However, during the period under review, China's economic growth slowed down; real GDP growth rates fell from just under 7.0% in 2016 to 2018 to around 6.0% in 2019 and down to 2.3% in 2020, most of which is likely due to the COVID-19 pandemic. Notwithstanding, China's GDP per capita jumped to USD 11,710 in 2020, and its reliance on services now accounts for over 55% of its GDP.
- 4.72. China's accession to the WTO in 2001 has been a significant milestone for the WTO and multilateralism as a whole. It brought many benefits to China, but at the same time, it resulted in increased responsibilities and expectations for China. With great power comes great responsibility.
- 4.73. Over the last three decades, Israel and China have developed close ties, with a strong emphasis on trade, leading to China becoming Israel's third largest global trading partner. We are convinced this trend will continue for Israel and China and between China and many other WTO Members.
- 4.74. Bilateral trade continues to rise steadily, having surpassed \$15 billion US dollars in 2020, notwithstanding the pandemic. Israeli exports to China consist of minerals and chemicals; medical equipment and pharmaceuticals; and electric machinery, among other goods. On the other hand, the leading imports from China into Israel are mechanical and electric machinery, textile and footwear, metals, stone, and glass.
- 4.75. As also mentioned in the reports, China and Israel are currently in the process of FTA negotiations, we believe that an FTA, once finalized, would further facilitate trade between our countries and contribute to the enhancement of our bilateral cooperation and dialogue. Israel has submitted questions related to import licenses, standards and technical regulations, and government procurement and we look forward to receiving China's responses. Nonetheless, the report covers a wide range of other important areas and developments in China's trade policy and we are looking forward to reviewing replies by China to all other Members' questions.
- 4.76. Israel is currently collaborating with China in many areas at the WTO. For example, we are both parties of the JSI on e-commerce, as well as the JSI on Domestic Regulation.
- 4.77. As we are nearing MC12, Israel looks forward to China's leadership, contributions, and constructive role towards a successful Ministerial.
- 4.78. Finally, Israel looks forward to continuing our collaboration with the Chinese delegation headed by Ambassador LI.
- 4.79. Israel wishes China every success in this eight Trade Policy Review.

#### **THAILAND**

- 4.80. Let me begin by saying "大家好".
- 4.81. At the outset, Thailand is delighted to participate in the 8th Trade Policy Review of China and would like to extend our warm welcome to the Chinese delegation led by H.E. Mr. Wang Wentao, Minister of Commerce of the People's Republic of China.
- 4.82. We would also like to thank Ambassador Xolelwa Mlumbi-Peter of South Africa, for her contribution as a discussant today, as well as the Chinese Government and the WTO Secretariat for preparing the comprehensive reports.
- 4.83. We fully associate itself with the ASEAN statement made by Ambassador of Brunei Darussalam. Thailand, as a Country Coordinator for ASEAN-China trade dialogue relations, applauds the sustained robust and growing levels of trade and investment flows between 10 ASEAN Member States and China. We are confident that ASEAN-China economic ties will be strengthened once we begin further liberalization of trade in goods, and investment liberalization and protection, as outlined in the Future Work Program under the ASEAN-China FTA Upgrade Protocol.

- 4.84. In respect of bilateral relationship, Thailand and China have enjoyed a long cherished diplomatic tie for nearly 50 years, dating back to 1975. Since then, the two countries have developed the multi-dimensional partnership, and such strong bonds have still grown stronger.
- 4.85. On the trade front, China has been Thailand's largest trading partner since 2013. In 2020, Thailand is China's 12th largest trading partner, with a bilateral trade value of approximately USD 98 billion, increasing 7.7% from 2019. Electric machinery, chemicals, computers and parts, as well as fresh, frozen, and dried fruit, dominate trade between the two countries.
- 4.86. On the investment front, China has remained Thailand's largest foreign investor for the last three years (2017-2019), increasing its investment by 208% from USD 0.9 billion in 2017 to USD 8.42 billion in 2019 and continuing to step up.
- 4.87. Despite the fact that the COVID-19 pandemic has been relentlessly jeopardizing our economic stability and the global economy at large, Thailand and China have continued to benefit from a well-established and longstanding economic partnership, demonstrated by our full-fledged ASEAN-China FTA, shared benefits along the Belt and Road Initiative, effective use of digital technology and innovations, and the impending implementation of the Regional Comprehensive Economic Partnership (RCEP), which Thailand appreciates China's efforts in being the first non-ASEAN signatories to ratify the RCEP Agreement.
- 4.88. We highly appreciate China's efforts to make available its vaccines to Thailand in the early days of our combat against COVID-19, and China continues to assist even today.
- 4.89. Thailand welcomes China's expansion of its Free Trade Agreement network and takes note China's application to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) in September 2021.
- 4.90. The TPR Review this year is particularly significant because it marks China's 20th anniversary of WTO Membership. We value China's participation in the WTO since 2001 and recognize the vital role China plays in supporting the multilateral trading system.
- 4.91. This is evident by its active participation in all aspects of the WTO's work, prominent role in various regular bodies, commitment to the WTO ongoing negotiations, including its efforts to advance issues such as Joint Statement Initiatives (JSIs) on E-Commerce, Investment Facilitation, MSMEs, and Services Domestic Regulation, Plastic pollution as well as the WTO's response to the pandemic.
- 4.92. Thailand also commends China's ongoing reform efforts, as outlined in the 14th Five-Year Plan for Economic and Social Development (2021-2025), through China's trade policy framework in several areas, including continuously improving trade liberalization and facilitation, implementing a more proactive import policy, reducing overall customs clearance time for imports nationwide, reforming the IP regime, and amending the legislative framework for SPS-related issues.
- 4.93. However, Thailand remains deeply concerned about SPS issues, and we have submitted questions about this concern. We also attach great importance to smooth agriculture trade, given that China is currently Thailand's largest destination of Thai fruits. We encourage China to improve and facilitate border trade by increasing the number of ports and perishable products traffic lanes at each port, especially during high season.
- 4.94. In this Review, Thailand has submitted a number of questions on various areas of China's trade and economic policy, and we thank China for responding to our questions and look forward to thoroughly reviewing them.
- 4.95. Lastly, Thailand wishes the Chinese delegation a successful Trade Policy Review and looks forward to strengthening our partnership at all levels.

# HONG KONG, CHINA

4.96. I would start by extending a warm welcome to the Chinese delegation led by Minister Wang Wentao, Minister of Commerce of China. I would also like to thank Ambassador Xolelwa Mlumbi-Peter

of South Africa for sharing with us her insights as the discussant, and the Secretariat for preparing the comprehensive reports for this Review.

- 4.97. Hong Kong, China maintains a very close economic and trade relationship with the Mainland of China, which has been our largest trading partner for decades. In 2020, we were the fourth largest trading partner of the Mainland of China and the largest source of its realized foreign direct investment, accounting for more than half of the total.
- 4.98. As China is one of the largest economies in the world, its trade policy has significant impact on international trade and the global economy. We appreciate the progress of trade liberalization and facilitation efforts that have been undertaken by China in recent years.
- 4.99. We also appreciate China's firm commitment to supporting and strengthening the rules-based multilateral trading system. At a time when the WTO is facing unprecedented challenges and global trade is striving to recover from the pandemic, this is the commitment and engagement that are mostly needed from every Member of the WTO.
- 4.100. We thank China for being the coordinator of the Friends of Investment Facilitation for Development (FIFD). We look forward to working closely with China and other like-minded Members to further develop the framework for investment facilitation, with a view to working towards a concrete outcome at MC12.
- 4.101. We have the following observations on China's trade policies.
- 4.102. On trade facilitation, China ratified the WTO Agreement on Trade Facilitation (TFA) in September 2015 and notified the majority of its commitments in Category A, with the rest in Category B. China fully implemented the TFA ahead of its original schedule in February 2020 and has also duly submitted all TFA transparency notifications. In the Committee on Trade Facilitation, China has shared its experience on implementation of the TFA in May 2018, AEO programme in October 2018, single window in October 2019 and accelerated implementation of the TFA in June 2021. We appreciate China's contribution to promoting trade facilitation.
- 4.103. We are pleased to note that China has introduced further trade facilitation measures during the review period, such as implementation of paperless application for import and export licenses and customs clearance, reduction of number of documents required for customs process, a new "two-step declaration" system to improve efficiency of customs clearance and accelerate cargo release, and reduction of tariff lines subject to import supervision inspection requirements.
- 4.104. Meanwhile, China continues to maintain its Authorized Economic Operator Programme and signed Mutual Recognition Arrangements with 43 trading partners. China has also enhanced its National Single Window by providing extra service functions and increasing the number of connected ministries and commissions from 11 in 2018 to 25 in 2020. The National Single Window, fully operational since 2019, is now processing 100% of China's customs declaration services.
- 4.105. According to the time release study conducted in 2021, the overall clearance time for imports and exports in China has been reduced by 61.9% and 86.4% respectively as compared with 2017. Hong Kong, China commends China's continued efforts in facilitating trade.
- 4.106. Turning to tariff. It is commendable that China has bound all of its tariff lines, with 87.4% of its tariffs being ad valorem duties and an average bound rate of 9.6%. There is also a decrease in simple average applied MFN rate from 9.3% in 2017 to 7.1% in 2021, together with a substantial reduction in international tariff peak from 13.9% in 2017 to 4.5% in 2021. China's determination in its tariff liberalization is noteworthy and we look forward to its continuous efforts.
- 4.107. While we are pleased to note the decrease in China's average applied MFN tariff on agricultural products from 14.8% in 2017 to 12.7% in 2021, we also note that it is still higher than that on non-agricultural products (at 6.2%). So far as tariffs are concerned, the agriculture sector continues to be relatively protected, compared with the non-agricultural sectors. During the review period, China continued to maintain tariff rate quotas on 44 tariff lines of agricultural products including wheat, corn, rice, sugar, wool and cotton. We would encourage China to further liberalize trade in its agricultural sector.

- 4.108. Hong Kong, China appreciates China's efforts in harmonizing its technical regulations with international standards with a view to facilitating free flow of trade with its trading partner. We note that the proportion of mandatory standards in China which are adoptions or adaptations of international standards has increased from 74.3% at end-2017 to 92.4% at end-2020.
- 4.109. Hong Kong, China also appreciates that China is revising its government procurement laws to enhance the transparency, quality and efficiency of its government procurement. We welcome the fact that China has taken into consideration green procurement, e-procurement and SME participation in amending its administrative measures on government procurement.
- 4.110. We are also pleased to note China's continuous effort in its negotiation on accession to the Government Procurement Agreement (GPA), with the circulation of its sixth revised market access offer. We look forward to further constructive communications between China and GPA Parties to resolve the remaining issues in the accession process.
- 4.111. The services sector now makes up 55% of China's GDP, up from 51% in 2015. The fastest-growing service sectors during the review period include information transmission, software and information technology; and leasing and business services. China also seeks to widen market access for foreign investment by, among other things, loosening foreign investment restrictions in various sectors such as manufacturing and finance. We appreciate China's efforts in liberalizing its service sectors and look forward to its continued liberalization with a view to achieving its vision of expanding international trade.
- 4.112. Hong Kong, China always treasures the Mainland of China as a valuable trading partner. We look forward to further fostering our bilateral trade and economic relations and will work closely with China and other Members to pursue further global trade liberalization under the WTO framework. We thank China for the written replies to our questions and wish China a very successful Trade Policy Review.

#### **BRAZIL**

- 4.113. Let me start by welcoming the Chinese delegation, headed by His Excellency Minister Wang Wentao, and by thanking the Chinese Mission to the WTO, headed by Ambassador Li Chenggang, for its efforts and contributions to this important exercise. I would also like to express our appreciation to the Chinese Government and to the WTO Secretariat for their reports, as well as to the discussant, Ambassador Xolelwa Mlumbi-Peter, for her insightful observations.
- 4.114. China is Brazil's largest trading partner. In 2009, it became Brazil's major export market; in 2012, Brazil's main source of imported goods. Brazil-China bilateral trade reached a record of USD 102.6 billion in 2020, with a surplus of USD 33 billion for Brazil. Between January and August 2021, our bilateral trade with China was valued at USD 93.8 billion a 35% increase as compared to the same period last year.
- 4.115. To give a few examples, Brazil's exports of beef to China increased by 74% in volume in 2020, to a value of USD 4 billion. Brazil is now China's main supplier of bovine meat. Brazil also continues to be China's main source of soybeans, supplying 63% of China's imports of this product. Iron ore and crude oil are also important items in our exports to China. Brazil, in turn, imports a large variety of manufactured goods from China.
- 4.116. Since the beginning of 2019, Brazil and China concluded a number of important agreements on sanitary and phytosanitary issues, including for the export of thermoprocessed bovine meat from Brazil. Nevertheless, we strongly believe that further progress can be made in this area, as for example in the recognition by China of Brazil's status as free of foot and mouth disease, and as a "negligible risk" country for Bovine Spongiform Encephalopathy, as well as in the signature of protocols for the export of soybean protein, corn, ginger and other agricultural products.
- 4.117. There are other important topics that continue to require our attention. The vast majority of Brazilian exports to China is still made up of commodities. Brazilian exports to other markets such as Latin America, the United States and the European Union show a much higher participation of industrial products. The composition of our exports to China does not reflect the diversification of Brazil's economy. Action to encourage greater export diversification remains a priority for our

government. We look forward to continuing our joint efforts with China in order to promote the expansion and more balanced diversification of bilateral trade flows.

- 4.118. The importance of our bilateral relations continues to expand beyond trade. According to data from our Ministry of Economy, China has been the second largest foreign investor in Brazil from 2003 to the third quarter of 2019. China is the main external source of investment in Brazil's Investment Partnerships Program, being responsible now for about one quarter of all potential foreign investment contemplated in the Program. Chinese investment has been mainly directed to electric energy, oil extraction, transportation, telecommunication and financial services. At the same time, some important Brazilian companies have invested in China, in sectors that include mining, banking, meat processing, aircraft and construction.
- 4.119. The Secretariat report notes some positive developments since China's last Trade Policy Review. For example, the number of restrictive measures on access to foreign investment has been reduced from 63 in 2017 to 33 in 2020. China's simple average applied MFN rate decreased to 7.1% in 2021, with tariff-rate reductions in nearly all product categories. Some liberalization steps were taken in the mining sector to allow increased foreign participation, and China continued to liberalize its financial sector.
- 4.120. At the same time, the Secretariat noted that, with respect to incentives and financial support to different sectors and industries, it could not have a clear overall picture on the basis of notifications submitted to the WTO and replies provided by China to questions from other Members. The Secretariat also notes that information on subsidies going beyond the 2019 notification was not made available. Some notifications remain outstanding, including those on state trading enterprises and domestic support. In this respect, the Secretariat points out that China's most recent domestic support notification to the WTO covers the period up to 2016, and its notification under the Subsidies Agreement covers the period up to 2018.
- 4.121. We encourage China to update its notifications, including with respect to agricultural domestic support.
- 4.122. China is a key player in the WTO, and Brazil values China's expressions of commitment to the preservation and the strengthening of the multilateral trading system. At the BRICS summit last month, the leaders of the BRICS countries, including Brazil and China, stated their support for a transparent, rules-based, open, inclusive and non-discriminatory multilateral trading system, with the WTO at its core, and in this regard reiterated their support "for the necessary and urgent reform which would, inter alia, preserve the centrality, core values and fundamental principles of the WTO and consider the interests of all members, including developing countries and LDCs, recognizing that the majority of the WTO members are developing countries".
- 4.123. In this spirit, Brazil looks forward to continuing its engagement with China and other Members towards a successful outcome at MC12 this year.
- 4.124. Brazil has submitted a number of questions in this Trade Policy Review. These questions addressed topics like telecommunications infrastructure, government support for civil aircraft, digital currency, the Belt and Road Initiative, import promotion, e-commerce, and others. We thank China for its written replies, which were forwarded to our capital for examination and follow-up.
- 4.125. In conclusion, Brazil wishes China a very successful and productive Trade Policy Review.

#### JAPAN

- 4.126. The year 2021 marks the 20th anniversary of China's Membership in the WTO. For its eighth Trade Policy Review, Japan welcomes the delegation of China, led by H.E. Mr. Wang Wentao, Minister of Commerce, and Ambassador Li Chenggang. Japan takes note that China reiterates, in its Government report, its support for the multilateral trading system (MTS), as well as its intention to realize a market-oriented, rule-based and open business environment.
- 4.127. It can be said that China is among the countries that benefit most from the MTS in terms of achieving economic development. We expect China to take on the full responsibilities commensurate with its current standing. In this connection, Japan is concerned by the increase, since the last TPR,

in non-transparent and discriminatory measures and practices in China. Today, we would like to share our observations and concerns, with the expectation that this TPR will encourage China to take actions further that truly contribute to maintaining and strengthening the MTS.

- 4.128. Let me start with the main challenge facing the WTO system today namely, the issues concerning the level playing field. A fair and market-based, competitive environment is the premise for the WTO system and the implementation of its agreements, and we believe that the presence of China in this environment is indispensable and hope that China will begin to engage with this major challenge. Today, we would like to take up four issues: transparency, market distorting measures, state-owned enterprises (SOEs), and the lack of clarity in laws and regulations.
- 4.129. First, on transparency: A lack of transparency with regard to China's state measures is a fundamental challenge to free and fair competition in the market.
- 4.130. There persists a lack of transparency in China's industrial support, due to the limited disclosure of information by the State and SOEs. Japan acknowledges that notifications by China on its subsidies have improved since the last TPR. There is, however, fairly limited disclosure of information on the real picture of the management of major state funds as well as of financing and goods provision for industries through SOEs. On government procurement, it has been reported that unpublicized, internal government documents promote the procuring of Chinese products. If this is the case, it is inconsistent with China's commitments on transparency under its Accession Protocol. We request an explanation and ask that China take immediate steps to improve the situation.
- 4.131. There are cases where foreign companies based in China have been obliged to transfer their technology to Chinese companies closely linked to the government. We are concerned by this approach to technology transfer.
- 4.132. Second, on market distorting measures: China's market distorting measures and the resulting excess capacities, coupled with the challenges of a lack of transparency, are indeed detrimental to fair competition. We recall that China stated in its last TPR that it would address the issue of overcapacity in its steel sector. Unfortunately, we have witnessed a move in the opposite direction, including a further increase in China's production capacity since 2019 and its withdrawal from the Global Forum on Steel Excess Capacity. Excess capacity is a global issue that must be addressed through both domestic and multilateral efforts. Japan calls on China to work on both fronts.
- 4.133. Market distorting policies are also on the increase in other industrial sectors. We note that, through state-owned funds and governmental financing agencies, massive support measures have been extended to advanced industries listed in "Made in China 2025", such as the semi-conductor industry, among others. We fear that this could end up giving rise to overcapacity challenges in those sectors.
- 4.134. Third, on SOEs: We have a concern regarding China's extensive intervention in the market through SOEs. The Secretariat's report points to the increase in the number of SOEs in industrial sectors, the significant roles they play in China's economy, and the public support they receive. Such a trend should be incompatible with China's goal of creating a market-oriented, law-based, and internationalized business environment.
- 4.135. Fourth, on the lack of clarity in laws and regulations: Japan would also like to share its concern that many laws and regulations in China lack sufficient clarity to restrain excessive and arbitrary intervention in business activities. These include data-related legislation, the Export Control Law, and the Anti-Foreign Sanctions Law. This makes it difficult to achieve fair competition for foreign companies in China.
- 4.136. As an example of this, the definition of "national security" in China's laws and regulations is so broad as to cover the areas of politics, national territory, the military, the economy, culture, society, science and technology, ecosystems, resources, nuclear energy, and others. Moreover, China's laws and regulations allow the government to hold responsible those who are considered to undermine China's national security and public interests and the legal interests of Chinese people and organizations. Japan is concerned by the ambiguity of a series of provisions therein that might

permit the government's intervention in business activities under the name of "national security", without due attention to transparency and fairness.

- 4.137. We have strong concerns about the laws and regulations related to cybersecurity, which could impede the free flow of data by legally obligating (i) domestic data storage, (ii) export controls, (iii) a security assessment for cross-border transfer of personal and important data, and (iv) a security assessment for other data processing activities. This could place foreign companies at a competitive disadvantage, and therefore constitute inconsistencies between these laws and China's national treatment obligations under the GATS and the RCEP Agreement.
- 4.138. We also see a lack of clarity in investment-related laws and their implementation. Some sectors are supposed to be open to foreign companies, but are restricted in reality. For example, according to China's "Special Administrative Measures on Access to Foreign Investment (Negative List) (2020 Edition)" and the "Negative List for Market Access (Negative List) (2020 Edition)", some of the sectors liberalized to foreign companies remain restricted in effect, through the exercise of other laws and regulations. Japan requests China to improve predictability by (i) taking a more consistent approach to the application of its laws and regulations, (ii) providing a sufficient transition period for regulatory changes, and (iii) simplifying and streamlining procedures.
- 4.139. Next, Japan would like to make a few points regarding incumbent agendas at the WTO.
- 4.140. First, on S&DT: Japan believes S&DT should be granted only to those Members who actually need it on an as-needed basis. We expect China the world's largest trading country, and leads a number of industrial sectors with global markets to take on the responsibilities commensurate with its significant stature in the world economy.
- 4.141. Second, on the fisheries subsidies negotiation: Japan welcomes the announcement by China on its intention to intensify its crackdown on IUU fishing. At the same time, given that illegal fishing vessels coming from Chinese ports have been observed in various parts of the world's oceans, including waters surrounding Japan, we call for China to improve the effectiveness of its controls.
- 4.142. Third, on the Joint Statement Initiatives: we would like to continue working closely with China on various JSIs to develop new rules in response to the changing times.
- 4.143. Fourth, on RTAs: the report mentions that China has signed FTAs and economic partnership agreements with 15 countries, including the RCEP Agreement, since its last TPR. Japan stresses the importance of the implementation of those agreements after their entry into force and is closely following the situation.
- 4.144. In conclusion, once again, Japan expects China to fulfil its responsibilities in a manner commensurate with its standing and significance in the global economy, and to contribute to maintaining and strengthening the MTS to ensure it is transparent and fair. Our questions and concerns demonstrate Japan's expectations for and interest in China's trade policies. We call on China to take advantage of this TPR and to make sincere efforts to attain a free, equitable, transparent, predictable, non-discriminatory, and stable trade and investment environment.
- 4.145. Japan wishes China a successful and productive TPR.

#### **ARGENTINA**

- 4.146. We would first like to welcome the delegation of the People's Republic of China, led by H.E. Mr Wang Wentao, Minister of Commerce for China. I take this opportunity to congratulate Ambassador Mr Li Chenggang and his entire team for their commitment and leadership in the WTO.
- 4.147. We welcome the reports prepared by the People's Republic of China and the Secretariat, and for the valuable comments and observations of Ambassador Ms Mlumbi-Peter, which have enabled us to deepen our understanding of this Member's trade practices.
- 4.148. In a few months Argentina and the People's Republic of China will celebrate 50 years of diplomatic relations. Allow me to recall that in 1964 Argentina was the first western country to export

wheat to China, beginning a new phase of economic and trade relations. Since then, we have been building a relationship of trust and friendship with China that is gradually growing stronger.

- 4.149. The People's Republic of China is an important trading partner of Argentina. In 2020, China was our second largest trading partner in terms of trade volume and the second largest destination for our exports, mainly composed of agricultural goods and foodstuffs.
- 4.150. Bilateral trade is prosperous, with a deficit on our side, but with an enormous potential that will enable us to establish conditions for sustained and equitable growth. To help to expand trade, we value the negotiations and progressive agreement on sanitary protocols that allow us to export the safe, healthy and high quality food that we produce in Argentina.
- 4.151. We would also like to highlight the measures taken by China to meet the challenges of the COVID-19 pandemic. In bilateral terms, a communication and early warning mechanism was established between the health authorities of both countries in order to prevent COVID-19 contamination in shipments and to ensure food safety. In this regard, we emphasize that this entire process was based on the FAO and WHO Food Safety Guidelines, demonstrating mutual trust in international standards.
- 4.152. In terms of investments, China is a significant Member in Argentina. Many large Chinese companies have a presence in Argentina, and their investments are concentrated in the banking sector, followed by trade and, thirdly, mining, mainly in the exploitation of lithium. It is also worth noting that China is the leading investor in the renewable energy sector.
- 4.153. With regard to infrastructure financing, Argentina wishes to highlight the importance of Chinese loans for the construction of two hydroelectric power plants, a photovoltaic plant and the rehabilitation of several branches of our freight railway network.
- 4.154. This picture allows us to see that there is tremendous room to promote Chinese investments in our country, as a tool to enhance Argentina's sustainable development, hand in hand with Chinese growth. At the same time, it should be emphasized that the set of investments and financing facilities seek to contribute to the development of cleaner energy and the reduction in greenhouse gas emissions, which leverage the growth of production and exports, in a socially inclusive and environmentally resilient way.
- 4.155. Argentina wishes to emphasize that together with China it shares:
  - (i) the vision that multilateralism must contribute to developing instruments that will enable us to build a shared future for all, taking into account the particular circumstances of developing countries;
  - (ii) the conviction that sustainable development must be based on the principle of common but differentiated responsibilities to correct past inequities and to avoid establishing future inequities; and
  - (iii) the idea that the road to development can only be travelled by building trust, good faith and strengthening ties of friendship and cooperation, based on frank and fraternal dialogue.
- 4.156. The Argentine Republic recognizes China as an active and committed Member of the multilateral trading system.
- 4.157. We hope that China will continue to work constructively on agricultural trade reform, contributing to the substantial and progressive reduction of trade- and production-distorting domestic support and in the negotiations on fisheries subsidies.
- 4.158. We also look forward to continuing to work together on restoring the full functioning of the dispute settlement system as a cornerstone of the multilateral trading system and on the process of reforming this Organization in a direction that will strengthen the position and growth potential of developing countries.
- 4.159. Under this Trade Policy Review, we have submitted questions to the People's Republic of China regarding, *inter alia*, the regulation of geographical indications, foreign investment in the seed sector, agricultural incentives during the COVID-19 pandemic, trade in services, including electronic

commerce, and taxation measures related to environmental pollution, including the carbon market. We thank China in advance for its replies, which will be duly studied by our authorities in Buenos Aires.

4.160. In conclusion, we would like to reiterate how much we appreciate this opportunity to exchange views on China's trade practices and wish the Chinese delegation a successful conclusion to this exercise.

# **SINGAPORE**

- 4.161. Singapore extends a warm welcome to Minister of Commerce Mr. Wang Wentao and Deputy China International Trade Representative Mr. Wang Shouwen and his delegation, who are participating virtually from Beijing. We would like to first express our appreciation to the People's Republic of China for its Government report and statement. Our appreciation also goes to the Chair, Ambassador Athaliah Molokomme, the discussant, Ambassador Xolelwa Mlumbi-Peter, as well as the Secretariat for their invaluable insights. Allow me to make three points.
- 4.162. First, Singapore and China share longstanding and substantive bilateral economic ties, underpinned by strong trade and investment flows. China has been Singapore's largest <u>merchandise trading</u> partner since 2013, with bilateral merchandise trade exceeding USD 100 billion in 2020. This represents close to 15% of Singapore's total merchandise trade with the world. Bilateral <u>services</u> trade has also been growing, with China ranking among Singapore's top five trading partners with services trade valued at over USD 36 billion in 2019. On the <u>investment</u> front, Singapore has been China's largest foreign investor since 2013, with investment flows amounting to USD 7.6 billion in 2019.
- 4.163. The depth of this relationship is further characterized by the broad-ranging and multi-faceted cooperation at all levels. Singapore's collaboration with China is anchored by our high-level political platforms, including the Joint Council of Bilateral Cooperation (JCBC), as well as our Government-to-Government projects and Provincial Business Councils across different regions. We also share a comprehensive network of FTAs including the Regional Comprehensive Economic Partnership (RCEP), the ASEAN-China FTA as well as the bilateral China-Singapore FTA. Following the 2018 China-Singapore FTA Upgrade Protocol, we have further improved the Services and Investment chapters. We also look forward to the RCEP's entry into force by early January 2022, and welcome China's interest to join the Comprehensive and Progressive Agreement for the Trans-Pacific Partnership (CPTPP).
- 4.164. Second, the depth and breadth of bilateral cooperation continue to expand as both sides work hard to identify emerging areas of collaboration. For example, in its 14<sup>th</sup> Five-Year Plan and 2035 long-term goals released in March this year, China listed its near and longer-term economic and development priorities, which included the development of a digitalization strategy under "Digital China", as well as green and sustainable development goals.
- 4.165. In this context, Singapore and China have embarked on future-looking projects such as the Singapore-Shenzhen Smart City Initiative (SCI), which was launched during Singapore Prime Minister Lee Hsieng Loong's visit to China in April 2019. Under this initiative, Singapore and Shenzhen will serve as key nodes for Southeast Asia and the Greater Bay Area respectively to promote digital connectivity, talent exchange and development, and innovation and entrepreneurship.
- 4.166. Singapore also looks forward to closer ties with China in trade and investment. In January 2020, China passed the Foreign Investment Law and President Xi Jinping announced that China would be releasing a nationwide negative list for cross-border services trade at the China International Fair for Trade in Services in September 2021. We look forward to its implementation as China continues to further reform and open its economy.
- 4.167. Third, Singapore will continue to work with China to strengthen the free, open and rules-based multilateral trading system with the WTO at its core. In fact, this year marks the 20<sup>th</sup> anniversary of China's accession to the WTO, and I wish to congratulate China on this auspicious milestone. As then-Chief Negotiator and Vice Minister of Foreign Trade Mr Long Yongtu said at the General Council in 2001, "China will make its best efforts to play a positive and constructive role,

and work with the other WTO Members in order to consolidate and improve the multilateral trading system".<sup>4</sup> We encourage China to live up to this promise and continue playing a positive and constructive role at the WTO.

- 4.168. In this regard, we commend China's active participation in the various Joint Statement Initiatives (JSIs) at the WTO. As a leading proponent of the JSI on Investment Facilitation for Development, China has played an important in securing broad-based support from the WTO Membership, with over 100 co-sponsors. In a similar vein, we welcome China's active participation in the JSI on E-Commerce. Given the progress that China has made in embracing the digital transformation, we hope that it will continue to support a high ambition and meaningful outcome in the JSI on E-Commerce.
- 4.169. Since transparency is a critical pillar of the WTO, we encourage China to improve its notifications on state trading enterprises and domestic support, as flagged in the Secretariat report. We have also requested China to provide more information concerning competition, intellectual property, trade facilitation, as well as investment and services liberalization. Additionally, we have requested China to elaborate on its regulations and future development plans for e-commerce and digital infrastructure, as well as energy and green development. We would greatly appreciate China's responses to our questions.
- 4.170. Finally, my delegation would like to acknowledge the valuable contributions of Ambassador Li Chenggang and his very capable team in Geneva. We look forward to continuing working with China and its Mission in Geneva to strengthen the WTO and the multilateral trading system. We wish China a successful  $8^{th}$  Trade Policy Review.

#### **COSTA RICA**

- 4.171. On behalf of the Government of Costa Rica, I would like to extend a warm welcome to the delegation of China, led by His Excellency, Minister Mr Wang Wentao, as well as to Ambassador Mr Li Chenggang and his team here in Geneva, and to thank them for their report and excellent presentation this morning. I would also like to extend my thanks to Ambassador Ms Mlumbi Peter for her interesting comments and to the WTO Secretariat for the report.
- 4.172. China is Costa Rica's second largest trading partner, individually, after the United States, and our main trading partner in Asia. This year, as part of Costa Rica's bicentennial celebration, we also commemorate the first 10 years of the free trade agreement between our nations. While in 2011 trade totalled USD 1.319 million, in 2020 it reached USD 2.271 million. On average, trade grew at an annual rate of 6.2%. In addition, since 2016, we have had an investment promotion and protection agreement with the People's Republic of China, which is a very valuable tool to strengthen the relationship between both parties.
- 4.173. During the review period, China, like the rest of the world, faced the challenges arising from the COVID 19 pandemic. Despite the adverse effects, annual GDP growth rate during the review period averaged 2% and 2020 ended with a positive real GDP growth rate of 2.3%.
- 4.174. China's growth owes part of its success to a series of economic reforms, in many cases driven by WTO membership, which have enabled China to virtually eliminate extreme poverty. As the Secretariat's report highlights, during the review period, poverty fell from 3.1% to 1.7% in 2018, and to 0.6% in 2019, and might well have reached the poverty eradication target measured under the 2011 baseline by 2020 had it not been for the impact of the pandemic. These results are certainly worth celebrating.
- 4.175. Poverty reduction has also been accompanied by a growth in the middle class, which in turn has transformed the Chinese economy so that consumption, domestic demand and services have become the predominant economic growth factors, rather than investment, external demand and manufacturing, as was the case in the previous rapid growth phase. In that vein, we are watching with great interest the growth of the services sector in China, which for the first time accounted for

<sup>&</sup>lt;sup>4</sup> Speech by Mr. Long Yongtu, Chief Negotiator and Vice-Minister of Foreign Trade and Economic Cooperation of the People's Republic of China, at the General Council Meeting of the WTO (December 19, 2001, Geneva). Retrieved from: <a href="http://www.china-un.ch/eng/wto/wtothsm/t85636.htm">http://www.china-un.ch/eng/wto/wtothsm/t85636.htm</a> on 10 October 2021.

50% of GDP in 2015, the measures that have been implemented to reduce restrictions in some sectors, as well as the opening up of the financial sector.

- 4.176. We would also like to stress the importance of China in efforts to mitigate climate change, being the world's largest energy consumer. In that regard, we view positively the relative reduction in its coal consumption and the promotion of clean energy. We also welcome its work in the Informal Dialogue on Plastics Pollution and Environmentally Sustainable Plastics Trade. We urge China to step up its engagement by reforming fossil fuel subsidies as a crucial mechanism to reduce distortions and improve trade flows, as well as to support environmental protection. We are also pleased to learn that the government will present a new policy that will end subsidies on fuel and fishing vessel construction, a positive sign in what is the home straight towards a fisheries agreement by the Twelfth Ministerial Conference.
- 4.177. Costa Rica recognizes China's role in the WTO multilateral trading system. We also view positively its integration into a number of joint initiatives, in areas such as electronic commerce, investment facilitation, MSMEs and the Information Technology Agreement and its expansion. We note China's constructive role in the discussions on the Bali Decision on Tariff Rate Quota Administration, and urge it to continue supporting work in the agricultural trade reform negotiations in the same spirit.
- 4.178. Costa Rica recognizes China's major role in world trade and the world economy, and in this connection is closely following the development of China's sanitary and phytosanitary regulatory system, as well as the various policies notified in the Committee on Technical Barriers to Trade. On these issues, we urge China to continue working with Members to ensure that the implementation of non tariff measures has the least possible impact on trade, particularly in agricultural products.
- 4.179. On the issue of transparency, we note with concern the Secretariat's report regarding China's outstanding notifications on state trading enterprises, the most recent notification of which covers the period 2015–2017. The same is true for the Agreement on Agriculture, where China's latest notification on domestic support was submitted in 2018, for the 2016 period. This is a notification in which China also notified a violation of its AMS commitments by exceeding its de minimis support. We urge China to update its notifications, and to align its domestic support policies with its commitments under the Agreement on Agriculture.
- 4.180. Under this Review, Costa Rica has submitted questions on investment policies, trade in services, government procurement, intellectual property rights and geographical indications, electronic commerce and market access. My delegation is aware of the significant efforts made by the country under review in preparing the responses to the questions raised, and we would therefore like to thank China for the attention it has given to our questions.
- 4.181. Finally, I take this opportunity to wish the delegation of China a successful Trade Policy Review.

# **OMAN**

- 4.182. It is an honour and a pleasure to participate in the Trade Policy Review of China. We offer our sincere congratulation to H.E. Mr. Wang Wentao, the Minister of Commerce of China, for his excellent and comprehensive opening statement.
- 4.183. This year China is celebrating the 20th anniversary of its accession to the WTO, and we take this opportunity to extend our congratulation to China.
- 4.184. The Sultanate of Oman and China enjoy excellent political, economic and trade relations. In the past four decades, these relations have been strengthened in various fields related to energy, economy, trade, culture and others, which contribute to the development and common prosperity of the two countries.
- 4.185. Despite the global declining trend in China's economy, performance during the review period the country's economy has been a major driver of global growth, the swift fiscal and monetary policy reactions helped mitigate the economic impact of the COVID-19 pandemic and prepared for the

recovery. GDP growth was 2.3% in 2020, which made China the only G-20 economy with a positive growth rate that year.

- 4.186. At the national level, the long-term structural changes in China's economy, away from agriculture and industry towards services, have continued and the economy began to recover starting from mid-2020.
- 4.187. Oman welcomes the adoption of a new Foreign Investment Law in China; this law will improve the business environment for foreign investors.
- 4.188. Oman also welcomes China's wide-ranging reforms that included its intellectual property (IP) regime and the improvement in trade facilitation initiatives introduced since 2015.
- 4.189. China is an active participant and major player in the multilateral trading system. Oman looks forwards to working with China as an important Member of the WTO. Oman also shares China's objectives to maintain a rules-based, transparent, non-discriminatory, open and inclusive multilateral trading system, and to oppose unilateralism and protectionism.
- 4.190. To conclude, Oman appreciates China's initiatives on technical assistance in favour of developing and least developed countries, which aims to support the integration of these countries into the multilateral trading system
- 4.191. The Sultanate of Oman wishes China a very successful Trade Policy Review.

#### **NORWAY**

- 4.192. Let me join others in welcoming the delegation of China to this Trade Policy Review and to thank the discussant for her contribution to our deliberations.
- 4.193. This year marks the 20th anniversary of China's accession to the WTO. During this period China has benefited tremendously from becoming closely integrated in the global exchange of goods and services.
- 4.194. China is today the second largest economy in the world and a trading superpower. But with great success comes great responsibilities. We therefore have great expectations both regarding China's contributions to the multilateral trading system and regarding China's respect for and compliance with WTO commitments and obligations.
- 4.195. We welcome the statement in the Government report that China is a staunch supporter, active participant and major contributor to the multilateral trading system.
- 4.196. Norway is looking forward to continuing our cooperation with China with the aim to further develop and strengthening the multilateral rules-based trading system. We appreciate China's active participation in several Joint Statement Initiatives such as investment facilitation for development and the JSI on e-commerce.
- 4.197. In the ongoing negotiations on fisheries subsidies, China has a particular important role to play as the world's largest fishing nation. We would like to commend China for stating clearly that China is not looking for blanket special and differential treatment but is prepared to contribute in a meaningful way that is commensurate with its development.
- 4.198. Another important area under negotiations is agriculture. Safeguarding the negotiating function of the WTO means that proposals should be carefully calibrated to contribute to negotiated outcomes. This responsibility weighs on our collective shoulders. In our view, conditioning discussions on a work programme for future negotiations on domestic support in agriculture on disciplines addressing only AMS of developed members does not fulfil this test.
- 4.199. China and Norway are among the leading maritime nations of the world. Norway commends China's efforts to liberalize trade in the maritime transport sector. We appreciate the cooperation with China in the WTO to promote liberalization of and strengthened commitments for maritime transport.

- 4.200. Both Norway and China are shipbuilding nations with many common interests. Norway has appreciated the cooperation with China in the International Working Group on Export Credits (IWG) on guidelines for the global ship building sector. It is unfortunate that negotiations were suspended in 2020, and we hope that negotiations can be resumed in the not-too-distant future.
- 4.201. Turning to China's implementation of and adherence to WTO commitments and obligations, permit me to point to some issues of concern.
- 4.202. In the area of IPR protection, China has made some progress in recent years, but infringements remain an issue, and the appeals processes for claiming wrongful use of IPR, patents and trademarks can be complicated and time consuming.
- 4.203. On government support programmes, the Secretariat report notes that China's notifications are not sufficient to present a clear picture, in particular in relation to support for sectors such as aluminum, electric vehicles, glass, shipbuilding, semiconductors and steel. We urge the Chinese government to do more to ensure that incentives are equally granted to SOEs, privately owned and foreign-invested enterprises. And secondly, that subsidies are notified in accordance with the Agreement on Subsidies and Countervailing Measures and established procedures.
- 4.204. We note that the Government Procurement Law and the Tendering Law are currently under revision. We hope that the result will be that foreign-invested companies, Chinese private companies and state-owned enterprises have equal access to government contracts, and that these revisions may pave the way for China's accession to the GPA.
- 4.205. China currently maintains a very strict inbound travel regime, which includes restrictions on visa issuance. This makes it challenging for foreign companies to bring competent personnel who are foreign citizens into China. We hope China will ease restrictions on issuance of visas.
- 4.206. Export of seafood to China is very important to Norway. We thank China for its good cooperation over a number of years, which has led to a significant increase in trade in seafood products. Since 2020, however, exports of seafood to China have again become more difficult.
- 4.207. China's system for obtaining and maintaining market access for seafood products is complicated and non-transparent. The emergency preventive measures which were introduced in 2020 has added to the complexity. Measures should be proportionate, risk-based and based on scientific evidence. Norway encourages China to lift the emergency measures due to the lack of sufficient scientific evidence.
- 4.208. We are also concerned that the new import regulations contained in Decrees 248 and 249 may result in new trade barriers. Norway urges China to provide necessary information on how the new regulations will be applied, and to consider delaying the implementation date. We have submitted several requests to China regarding trade in seafood, and we are ready to engage in a bilateral dialogue with the aim to finding mutually beneficial solutions.
- 4.209. Let me conclude by expressing our appreciation for the comprehensive and close bilateral cooperation with China. We are hopeful that ongoing processes will lead to increased trade and business cooperation. We hope it will be possible to hold meetings in the annual Norway-China Joint Economic Commission before the end of 2021, as well as in the biannual Norway-China Maritime Working Group.
- 4.210. Finally, let me wish the delegation of China a successful Trade Policy Review.

# **UNITED STATES**

- 4.211. The United States welcomes Minister Wang Wentao and the rest of China's delegation.
- 4.212. During China's last Trade Policy Review in 2018, the United States delivered an opening statement that laid out, in frank and direct terms, both the importance of China's role in the international trading system and the unique and fundamental challenges to that system that China presents. Today, those challenges remain before us.

- 4.213. When China acceded to the WTO 20 years ago, WTO Members expected that the terms set forth in China's Protocol of Accession would permanently dismantle existing Chinese policies and practices that were incompatible with an international trading system expressly based on open, market-oriented policies. But those expectations have not been realized, and it appears that China has no inclination to change. Instead, China has used the imprimatur of WTO membership to become the WTO's largest trader, while doubling down on its state-led, non-market approach to trade, to the detriment of workers and businesses in the United States and other countries.
- 4.214. The United States' most fundamental concerns with China's trade regime involve China's industrial policies. While other WTO Members also seek to help their industries develop, China's approach is materially different. China's industrial policies go well beyond guiding and supporting domestic industries. China's industrial policies skew the playing field against imported goods and services and foreign manufacturers and services suppliers through an array of supporting measures. These measures include market access limitations, investment restrictions and massive subsidies that lead to severe and persistent excess capacity. Other unfair trade practices include preferential treatment for state-owned enterprises and other favoured Chinese companies, discriminatory regulatory requirements, unique national standards, data restrictions, inadequate enforcement of intellectual property rights, cyber theft and the use of competition law enforcement for industrial policy purposes. China uses these measures to secure dominance in global markets, which undermines U.S. economic interests.
- 4.215. As we assess China's trade policies today, we also cannot ignore reports of China's use of forced labour in several sectors. We also take note of another Chinese practice, which has come to be known as "economic coercion". If another WTO Member speaks out against or otherwise offends China, China's response increasingly has been to use its economic clout to pressure the offending country to "correct its mistakes." A number of WTO Members in this room have experienced China's "economic coercion," which takes many forms.
- 4.216. Over the years, the United States has made extensive efforts to encourage China to comply with and internalize WTO rules and norms and make other market-oriented changes. We convened numerous high-level bilateral dialogues with China, but they only led to modest changes, and China did not always follow through on its commitments. Here at the WTO, we also worked hard to enforce China's compliance with WTO rules, bringing 27 dispute settlement cases against China, often in collaboration with other WTO Members. We secured victories in every case that was decided, but many of them were hollow. Even when China changed the specific practices that we had challenged, China often did not change the underlying policies, and meaningful reforms by China remained elusive.
- 4.217. Because of this situation, the United States has pursued and will continue to pursue all available tools in an effort to persuade China to make needed changes. We made some progress last year with the signing of an economic and trade agreement with China, but our most fundamental concerns with China's trade regime remain unaddressed.
- 4.218. The United States will also continue to pursue progress at the WTO.
- 4.219. We believe that trade and the WTO can and should be a force for good that encourages a race to the top and addresses global challenges as they arise. In this regard, the Marrakesh Agreement establishing the WTO begins with the recognition that trade should raise living standards, ensure full employment, pursue sustainable development, and protect and preserve the environment. We believe that refocusing on these goals can help bring shared prosperity to all, not just some.
- 4.220. The United States is not the only WTO Member whose workers and businesses are being harmed by China's unfair trade practices, and we will be more successful in building truly fair international trade that enables healthy competition if we work together, and speak up.
- 4.221. Of course, the best solution remains for China to take the initiative to fully and effectively embrace open, market-oriented policies, and that is what we continue to urge China to do.
- 4.222. We have submitted written questions as part of this Review and we will review China's answers in advance of Day two. We wish China a successful TPR.

#### **MEXICO**

- 4.223. Mexico warmly welcomes the delegation of China, headed by Mr Wang Wentao, Minister of Commerce.
- 4.224. We thank Ambassador Xolelwa Mlumbi-Peter (South Africa) for her detailed analysis as discussant, and the WTO Secretariat for its diligent work in preparing her report.
- 4.225. In terms of international trade, the importance and impact of China is significant. After almost two decades after its accession to the WTO, it already ranks first in exports and second in world imports of goods, being the major participant in international trade. The economic expansion and the dimension of its integration in world goods markets is certainly the most important economic story of this generation.
- 4.226. Despite the adversities that the international trade and economy have faced during the review period, mainly due to the pandemic, China has managed to maintain a balance in its economy and is at the forefront of the countries with the strongest economic recovery. The World Bank estimates that China will have a growth rate above 6% in 2021, which is almost two percentage points above the estimated global average. This indicates that the economic policies implemented by China to respond to the health crisis have been effective. One indicator in this regard is that China reported the highest rate of job creation during 2020.
- 4.227. Mexico and China have a dynamic and constantly evolving trade relationship. In 2020, our trade exchanges amounted to more than USD 81 billion, representing 10.2% of our international trade, China being Mexico's second trading partner. Among the countries in the Asia Pacific region, China is the third largest investor in our country and Mexican investment in China continues to grow steadily.
- 4.228. Within the WTO, we recognize the delegation of China's active and constructive participation, led by Ambassador Li, particularly in the negotiations on fisheries subsidies and in all joint initiatives, and we highlight its leadership in the investment facilitation initiative. We are confident that all these negotiations will lead to tangible results, and that China will contribute to meeting the challenges of international trade and in particular those faced by this Organization, with an ever-prevailing trade and systemic approach.
- 4.229. We also recognize China's involvement in issues relevant to the WTO, such as the Dispute Settlement Body, being one of the 121 Members proposing to fill vacancies in the Appellate Body. Likewise, China is one of the 25 Members of the Multi-party Interim Appeal Arbitration Arrangement (MPIA).
- 4.230. On specific trade issues, we recognize China's efforts to expand its network of trade agreements and its liberalization of trade in services. However, I would like to point out that, with regard to sanitary and phytosanitary measures, in particular the emergency measures on cold chain food imports imposed to prevent the entry of the COVID-19 virus, Mexico continues to be concerned about the lack of evidence and science-based justification that the virus is transmitted in food or food packaging. Therefore, we hope that China will provide the supporting scientific information or, if appropriate, withdraw these measures.
- 4.231. We also note that China still does not clearly specify what some of its support programmes in various agricultural sectors encompasses. Similarly, we note that there are delays in its notifications of the support it grants to the agricultural and fisheries sectors. This lack of information only allows a limited assessment of the levels of aid granted and, therefore, of China's compliance with its commitments. Given the increasing scope for granting trade-distorting support to agriculture due to steady increases in production, it is fundamental to have greater transparency on the use and policies of such support that could have an impact on international markets.
- 4.232. We welcome China's steps towards trade facilitation through the implementation of the national single window clause in 2019. We also welcome the amendments to its legislation on anti-dumping measures and the implementation of its new Foreign Investment Law.

- 4.233. Furthermore, during several Trade Policy Reviews of China, as well as in other forums, Mexico has expressed its concern about one of the serious problems facing international markets: excess capacity in the steel and aluminium sector. This contributes to uncertainty and therefore to the fall in global prices, which has important repercussions in countries such as Mexico. We appreciate the Subsecretariat's comments on this issue.
- 4.234. We can see from the Secretariat's report that the value of steel and iron imports recorded a significant increase in 2020, while the value of exports saw a decrease compared to 2018. We will monitor the evolution of these figures and the measures announced by China to reduce and discourage excess capacity. We reiterate the importance of continuing efforts such as these to pursue reforms aimed at eliminating government policies that have an impact on distorting international markets.
- 4.235. We again encourage China to be more transparent with regard to information on subsidy programmes and other support schemes for various industries and on the role of state-owned enterprises in this regard. We trust that China will address these concerns.
- 4.236. China has been the fastest growing economy in recent years and a major driver in the global economy. How it performs is important for the world and, in order to sustain this expansion, we are confident that it will overcome the challenge of maintaining its financial stability, given that the economic recovery has been based, in part, on the granting of significant amounts of state support. Another important challenge will be to re-size the role of the State in relevant sectors of its economy, through public enterprises and the granting of support.
- 4.237. Finally, as is a recurring problem in other countries, its ageing population could have consequences in the near future. Therefore, it will be important to consider the implementation of structural reforms aimed at addressing these and other challenges facing the Chinese economy.
- 4.238. In conclusion, we wish China every success in this Review and appreciate the effort made to respond to the questions raised by my delegation.

#### COLOMBIA

- 4.239. We would like to express our greetings to the distinguished delegation of China with us today, led by Minister Wang, Deputy Minister Wang and Ambassador Li. We would also like to thank the Secretariat for the report and the Ambassador of South Africa for her important contributions.
- 4.240. This Trade Policy Review is particularly important for this room, as is evidenced by the interest shown by the entire Membership, because it directly affects us all. Indeed, since the previous Trade Policy Review of China in 2018, China's economy has been a major influence on global economic growth. A significant portion of global consumption, investment flows, capital movement, innovations, and especially progress in terms of poverty reduction, are explained by what happened in China during the review period. This is why the examination and successful outcome of this Review is of direct concern to all of us.
- 4.241. In particular, as far as Colombia is concerned, trade figures with the People's Republic of China are growing significantly. Colombia is perhaps one of the Latin American countries that saw its economic and trade figures with China increase at an accelerated rate later than other countries. Foreign investment or migratory flows, for example, had always been considerable but modest.
- 4.242. However, since China's last Review, this has been changing. I will give some examples.
- 4.243. In the last decade, China became the second destination of our exports between 2012–2014 and 2018–2020. In terms of our imports, China has occupied second place over the last decade behind the United States. Bilateral trade flows, very much in deficit from Colombia's position, have grown on both sides of the balance. In fact, along with the sale of Chinese goods to Colombia, Chinese demand for our products has also grown, meaning that the resulting trade has also grown and has counteracted the atypical months of the pandemic.
- 4.244. With regard to our exports, Colombia exports a large proportion of mining and energy resources to China, which account for 95% of our export basket to that country, although in 2020,

exports of NME goods, following an upward trend, recorded a growth of 28% compared to 2019. This trend was mainly due to the increase in sales of coffee, fungicides, wood in the rough, polymers of propylene and crude glycerol.

- 4.245. With respect to our imports, Colombia imports a variety of products from China, but almost 30% of this trade is for telephones and computers and their components.
- 4.246. Regarding investments, China's largest contribution to Colombia in our history occurred in 2020. Chinese foreign Direct Investment (FDI) in Colombia has focused mainly on minerals, but more recently investment in infrastructure has accelerated, with milestones such as the beginning of construction of the first line of the Bogotá metro and the commuter train for the metropolitan region with Chinese capital.
- 4.247. China's high GDP growth rates and their impact on our economy are therefore undeniable. Hence the obvious interest in its economic and regulatory policy decisions and the direct importance we attach to this review process.
- 4.248. The Secretariat's report, in this regard, describes a significant number of market oriented reforms. Thus, for example, it mentions that in the 2020 version of the Special Administrative Measures on Access to Foreign Investment, the number of restrictive measures was reduced from 63 in 2017 to 33 in 2020. Similarly, a gradual, although still modest, opening up of services and financial services in particular is described as an important change in the review period. In the same vein, it is highlighted that the average most favoured nation (MFN) applied tariffs decreased by 2.2 points between 2017 and 2021, with reductions in almost all product categories. China also grants preferential tariff treatment to imports from least developed countries (LDCs) that have established diplomatic relations with China. As of February 2021, China applied duty free access conditions to 97% of tariff lines from 41 LDCs.
- 4.249. These changes, coupled with the long term structural change in China's economy that continued in the review period, with the economy increasingly shifting from agriculture to industry and services and its consequent impact on global demand for all types of goods and services, are of interest to the Colombian productive apparatus. China is one of our best customers and also one of our most challenging competitors.
- 4.250. It is for this reason that Colombia attaches the highest importance to seeking to understand in depth its most successful policies. For our country, it is necessary, and would be extremely valuable, to learn about the subsidies currently granted to its productive apparatus in greater detail. An important contribution to this evaluation will be significant improvements in the timeliness and detail of subsidy notifications, especially at the regional level, both in agriculture and in fisheries subsidies, industry and state owned enterprises. Many of our questions to the Chinese Government are in this direction.
- 4.251. In this regard, we note the importance that China attaches to the multilateral trading system and the active role it plays in WTO discussions. We also note that China has been supporting the inclusion of new issues in the multilateral system, as mentioned in the reports of both the Secretariat and the Government, by participating in various plurilateral initiatives. In addition, and very importantly for those of us who seek a rules based dispute settlement process, it is noteworthy that China is a member of the MPIA. Thus, not only is China a regular user of the Dispute Settlement System, but we highlight the importance it has given to seeking alternatives with other countries that allow for a two tier system in which rules are at the centre of the resolution of trade crises. Moreover, China is also an active Member in disputes and negotiations. On transparency, we urge the Chinese Government to continue and strengthen its active approach to submitting notifications to the WTO and hope that they can update notifications of particular significance, including those relating to state trading enterprises, domestic support to the agricultural sector and fisheries subsidies.
- 4.252. In conclusion, it only remains for us to congratulate China on its progress, wish it every success in its Trade Policy Review, and urge the Ambassador and his Mission to continue playing an active role in the WTO with a view to improving the functioning of the multilateral trading system.

#### **UKRAINE**

- 4.253. On behalf of Ukraine, I would like to warmly welcome the distinguished delegation of China led by H.E. Mr. Wang Wentao, Minister of Commerce of the People's Republic of China.
- 4.254. The eighth Trade Policy Review of China offers a good opportunity to deepen our understanding of recent developments in, and challenges to, China`s trade, economic, and investment policies occurred since its previous Review in 2018.
- 4.255. Ukraine appreciates the significant work of the Chair, the WTO Secretariat, the discussant, Her Excellency Ms Xolelwa Mlumbi-Peter (South Africa) and the Government of China in preparation of this Review.
- 4.256. Ukraine commends high GDP growth rates, trade reforms and structural changes in China's economy, resulting in its shift from a stage of high-speed growth to a stage of high-quality development.
- 4.257. We note continuous and stable economic recovery after the outbreak of the COVID-19 pandemic, starting in mid-2020, and appreciate Government's stabilizing measures and policy aimed at enhancing the liberalization and facilitation of trade and investment, and pursuing a new pattern of opening-up on all fronts. China's experience in pandemic prevention and practical assistance in combating COVID-19 are of great significance for Ukraine.
- 4.258. Within China's trade policy framework, we also note the efforts to address climate change issues and the main ongoing actions in this regard, in particular industrial restructuring, energy structure optimization, energy conservation and efficiency and the establishment of a carbon emissions trading market.
- 4.259. At a multilateral level, Ukraine acknowledges China's important role in the multilateral trading system and regional trade agreements and appreciate its active membership in the WTO, including participation in the discussions on the WTO reform and in joint statement initiatives on e-Commerce; investment facilitation for development; micro, small, and medium-sized enterprises; and domestic regulation.
- 4.260. In terms of bilateral relations, China remains an important trade partner for Ukraine. Our countries enjoy effective economic and trade cooperation along the Belt and Road initiative as well as in the fields of agriculture, science and technology, space industry, education, healthcare etc.
- 4.261. China ranked first among Ukraine's trade partners by volume of bilateral trade in goods that has been growing and reached USD 15.4 billion in 2020, which was the increase by 20.5 % over the previous year (exports USD 7.1 billion, imports USD 8.3 billion). As of January-July 2021, the Ukrainian-Chinese bilateral trade amounted to USD 10.5 billion (increase of 31.5 % compared to the same period of 2020).
- 4.262. China is consistently among the TOP 5 importers of Ukrainian agricultural products. In 2020, the volume of bilateral trade in agricultural products amounted to USD 3.7 billion (increase of 77%), exports USD 3.6 billion, imports USD 192 million.
- 4.263. Our steadily growing economic and trade relationship has been accompanied by a number of joint projects, in particular, in the areas of infrastructure, energy and energy efficiency, agricultural sector etc. One of the examples of agreements reached in those fields is the signing of the Program of Cooperation between Ukraine and China in the framework of the joint construction of the "Silk Road Economic Belt" and the "21st Century Maritime Silk Road".
- 4.264. Ukraine has submitted a number of questions with the regard to the reports prepared by China and the WTO Secretariat. The main topics were related to the changes to requirements for importation of sunflower-seed oil; amendment of procedure for registration of exporters of plant-based feeds; establishment of cooperation between competent authorities on SPS-related issues; the new foreign investment legislation and foreign investment protection; functioning of pilot free trade zones; VAT application; customs cooperation; export restrictions and licensing; new fisheries policy; implementation of agricultural and environmental policies etc.

- 4.265. I would like to express our gratitude for the responses to our questions and wish the delegation of China very successful Trade Policy Review.
- 4.266. We look forward to further strengthening our bilateral relations and cooperation, including across the WTO bodies on different issues of mutual interest.

## **EL SALVADOR**

- 4.267. On behalf of the Government of El Salvador, I would like to join the delegations that have preceded me in welcoming the distinguished delegation of the Government of China, led by the Minister of Commerce, HE Mr Wang Wentao, as well as Ambassador Mr Li Chenggang and all the officials joining us from the capital and the Mission here in Geneva.
- 4.268. I also thank the Ambassador of South Africa, Ms Xolelwa Mlumbi Peter, and the Secretariat for the report submitted.
- 4.269. It is an honour for El Salvador to participate in this transparency exercise. In these times of global uncertainty in which the multilateral trading system is going through various challenges, this exercise helps to give Members a broad vision and deep knowledge of our trading partners' trade and trade related policies, especially in view of the difficulties we are facing due to the pandemic.
- 4.270. This eighth Trade Policy Review informs us that China, like all Members of this Organization, has been impacted by the pandemic economic crisis, with GDP falling from 7.0% in 2016–2018 to 6.0% in 2019 and 2.3% in 2020, and with a contraction of 6.8% at the beginning of last year.
- 4.271. Despite this situation, China's economy has generally shown robust growth and is projected to reach 6.0% again in 2021, as economic activities are expected to normalize.
- 4.272. It should be noted that, starting in mid 2020, the economy began to recover, driven mainly by public investment and international trade, which, as the Secretariat's report notes, is due to swift fiscal and monetary policy reactions that helped to mitigate the economic impact of the COVID 19 pandemic.
- 4.273. As with many countries, China has continued the long term structural changes in its economy, shifting away from agriculture and industry to services. Services now make up some 55% of GDP, and export figures from the services sector, especially from the business, transport and travel sectors, are truly impressive, amounting to USD 235 billion in 2020, although it remains in deficit, with imports of around USD 380 billion in 2020.
- 4.274. It is noteworthy that, in recent years, China continued to aim at expanding international trade and investment, as outlined in the five year plans and various administrative measures.
- 4.275. Efforts to address climate change issues were also noticeable within China's trade policy framework. The main ongoing actions in this regard include industrial restructuring, energy structure optimization, energy conservation and efficiency, and the establishment of a carbon emissions trading market.
- 4.276. It is noteworthy that China's extensive network of trade agreements, with more than 19 regional trade agreements (RTAs) with 26 countries and new agreements continually being negotiated.
- 4.277. In the multilateral framework, China's active participation in various WTO issues is noteworthy, as the country places great emphasis on the importance of the WTO as the multilateral system's forum for agreeing disciplines and commitments aimed at reducing international barriers to trade. It is especially active on several negotiating fronts, including fisheries subsidies, agriculture, and domestic regulation.
- 4.278. We commend China on the significant number of notifications it has submitted to the WTO Secretariat during the review period. However, it should be noted that some notifications remain outstanding and we encourage the Chinese authorities to comply with their transparency commitments.

- 4.279. In the same vein, we note with concern the high number of trade defence measures implemented by China, which even affect Salvadoran products with great export potential.
- 4.280. At the bilateral level, although trade between our countries is currently modest, we have high expectations of strengthening these relations in the near future.
- 4.281. It only remains for us to wish China every success in this Review.

#### **CANADA**

- 4.282. This year marks the 20th anniversary since China joined the WTO. Over this period, China's economic reforms have been a key driver of economic development. When China joined the WTO, its GDP per capita was a little over USD 900; today China's GDP per capita is over USD 10,000, and China is on track to surpass the World Bank's high-income country threshold. Canada commends China for its achievements in lifting hundreds of millions out of poverty and providing prosperity to its citizens.
- 4.283. Canada welcomes this Trade Policy Review and wishes to highlight many of China's positive contributions to the WTO. At the same time, we must also share our general and specific concerns regarding China's commitment to open, transparent, rules-based trade.
- 4.284. China's development has benefited greatly from the rules-based trading system supported by the WTO. With this comes the responsibility to uphold and defend WTO principles. While China has supported many of these principles, its commitment to market-oriented policies has been insufficient. The Marrakesh Declaration reaffirms a rules-based multilateral trading system "based upon open, market-oriented policies", and commitments to non-discrimination and transparency that are also fundamental to the WTO.
- 4.285. China's shortcomings in its commitments are also evident in regard to state-owned enterprises. We are concerned when the Chinese Government accords its SOEs preferential treatment, subsidies, and direct access to contracts in a non-transparent manner. We are also concerned about the impact on third-country markets where China's support for SOEs has an impact.
- 4.286. Another area of concern is China's extensive use of subsidies that lead to trade distortions and overcapacity. In this regard, we would, for example, like to see China come back to the G20 Global Forum on Steel Excess Capacity.
- 4.287. China's regulatory processes continue to be unclear and unpredictable. For example, the new Regulations on the Security Protection of Critical Information Infrastructure provide only a vague definition of "critical information infrastructure" making it difficult for foreign companies established in China to determine whether their networks in China meet the definition and whether they are subject to the regulations.
- 4.288. We applaud China for reducing its MFN applied tariffs on a wide range of products in January. While any tariff reduction is notable, China continues to maintain MFN tariffs on a wide range of wood and paper products for which it provides preferential duty-free access to certain Members, despite its WTO accession commitment to extend any preferential tariff treatment to all imports of wood and paper products on an MFN basis. We also note that China generally provides notifications on time but in case of agriculture, Canada would like to point out that China is behind in its domestic support notifications. This lack of up to date notifications is an important gap in agriculture transparency.
- 4.289. China's non-tariff barriers continue to cause significant disruptions to trade. For example, Canadian agri-food exporters continue to experience a lack of transparency and predictability with respect to China's application of SPS measures, and we continue to experience significant undue delays in China's approval procedures.
- 4.290. Most troubling, Canada has noted a recent pattern regarding China's growing willingness to deploy economic coercive measures to block or otherwise hinder trade in response to political disagreements. The use and threat of use of arbitrary, and discriminatory restrictions, or other commercial measures challenges and destabilizes the rules-based international order and its very

institutions to which China, Canada and all WTO members have benefited. This troubling pattern is particularly evident in China's use of TBT and SPS measures to block or otherwise hinder trade in response to political issues. For example, Canadian canola seed exports to China continue to be arbitrarily and unjustifiably restricted. That is why Canada has requested the establishment of a WTO panel on this matter.

- 4.291. In addition, Canada remains concerned that measures adopted by China in 2020 to temporarily suspend exports from meat and fish establishments due to China's alleged concerns regarding COVID-19 transmission remain in place despite recent findings from the FAO/WHO which point to the contrary. With no scientific evidence to support these measures, the continued suspension can only be viewed now as a tool to block trade. We urge China to base its SPS measures on sound science and to take into account the updated FAO/WHO guidance that confirms that food and food packaging does not present a risk of transmission of COVID-19.
- 4.292. We remain concerned that other new regulations in China, notably Decree 248 and Decree 249, create unjustified disruptions and delays for Canadian food exporters. We ask China to, at the very least, provide more clarity on these two decrees and to delay implementation for eighteen months.
- 4.293. We welcome China's efforts to increase the transparency, predictability and effectiveness of its intellectual property regime in order to address ongoing concerns in areas such as registration, bad-faith behaviour in the trademark system, and infringement. The risk of trade secret theft remains a concern, particularly when product registration requirements go far beyond what is necessary and least trade restrictive for health and safety.
- 4.294. We recognize that China is taking steps to create a more attractive investment environment, and we welcome the negative list approach China has begun to adopt. However, there remains a continued lack of clarity in many important provisions in key pieces of legislation. Foreign investors in some industries also still face pressure to establish joint-ventures and transfer technology and remain burdened with local content requirements and foreign equity caps.
- 4.295. Canada encourages China to address the environmental and labour challenges that have accompanied rapid economic development. Serious allegations have been made that forced labour is endemic in China's agricultural, textile and garment, automotive, fisheries, and technological industries. Canada requests further transparency by China on this issue.
- 4.296. We welcome Chinese leadership at the WTO and commend China for its participation in the Multi-Party Interim Appeal Arrangement. We also recognize China's support of the Buenos Aires Declaration on Women's Economic Empowerment and encourage China to actively participate in the implementation of the second phase of this declaration. We also commend China for its participation in the WTO Informal Working Group on MSMEs and for its constructive engagement in the joint statement initiatives on investment facilitation for development, e-commerce, and services domestic regulation. We also welcome China's engagement on environmental issues at the WTO and hope that China will co-sponsor the Trade and Environmental Sustainability Structured Discussion ministerial statement.
- 4.297. Finally, we look forward to learning more about China's efforts to undertake meaningful reforms toward a more market-oriented economy with a higher level of legal and regulatory transparency. Canada calls on China to demonstrate that its model of capitalism can be compatible with the WTO system and to take the steps necessary to address the concerns and criticisms that have been raised. We also call on China to support and promote the rules-based order so that it can continue to bring prosperity to its own citizens and to those around the world.

# **PHILIPPINES**

- 4.298. At the outset, the Philippines associates itself with the ASEAN statement delivered by Brunei Darussalam, highlighting the longstanding robust eco-nomic relationship between the People's Republic of China and the ASEAN members States.
- 4.299. The Philippine delegation warmly welcomes and congratulates the Chinese delegation led by Minister Wang Wentao and Vice Minister Wang Shouwen of the Ministry of Commerce, and

Ambassador Li Chenggang of the Permanent Mission of the People's Republic of China to the WTO on their 8th Trade Policy Review. We also thank Ambassador Xolelwa Mlumbi-Peter of South Africa for her insightful comments as discussant, and the WTO Secretariat for a comprehensive report.

- 4.300. Since the establishment of diplomatic relations between the Philippines and China in June 1975, the bilateral partnership between our two countries has reached unprecedented levels. Over the past 40 years, the Philippines-China bilateral relations continue to strengthen by concluding almost 100 bilateral agreements that cover a wide spectrum, namely, trade and investments, political, defence, judicial cooperation, infrastructure development, energy cooperation, air services, cooperation in combating transnational crimes, consular cooperation, tourism, culture, sports, media exchange, agriculture, science and technology, sister cities, and people-to-people exchanges. These reflect the breadth and depth of the growing cooperation between our two countries.
- 4.301. China remained as the Philippines' top trading partner in 2020 with total bilateral trade valued at USD 30.7 billion. China has been the Philippines' top trading partner since 2016. In the past five years, total bilateral trade has consistently increased despite the understandable decline in 2020 due to the COVID-19 pandemic. China was also the Philippines' second highest source of foreign investments in 2020 with total investments amounting to USD 314 Million.
- 4.302. The Philippines continues to value its partnership with China and is keen to pursue deeper and more meaningful engagements particularly in the areas of trade, investments, and economic cooperation. The Philippines-China Joint Commission on Economic and Trade Cooperation (JCETC) has served as the primary bilateral mechanism for discussions on these matters. The Philippines has also committed to continue participation in major national level promotion events in China to further strengthen bilateral trade and investment relations.
- 4.303. China is a politically and economically significant player in global trade. Despite the slowdown in growth rates caused by the COVID-19 pandemic, the Chinese economy continues to be a major driver of global growth, and its convergence with advanced economies continues. Its rapid economic development over the last decades, induced by market-oriented reforms, lifted hundreds of millions of its people out of poverty.
- 4.304. The Philippines recognizes China's 14th Five-Year Plan for Economic and Social Development (2021-25), which aims to achieve "sustained and healthy" economic development in 2021-2025 with a focus on higher quality growth. The plan lays out a goal to raise per capita GDP levels to those of a moderately developed country by 2035, while strengthening its technological capacities, developing a robust domestic market, and reaffirming a significant green transformation of production and lifestyles.
- 4.305. The Philippines also notes China's Five-Year Plans and various Administrative Measures aimed at expanding international trade and investments. In pursuit of its trade policy objectives, China accords a leading role to the multilateral trading system and regional trade agreements (RTAS) in which it participates. As of February 2021, it has signed 19 RTAs with 26 counties and territories, including the recently signed Regional Comprehensive Economic Partnership (RCEP) Agreement.
- 4.306. Since its accession to the WTO in 2001, China has been an active participant in the various works of the WTO. It also played an important role in hosting the Informal WTO Ministerial Meeting in Shanghai in November 2019 where Ministers exchanged ideas on issues safeguarding the multilateral trading system, working towards a successful 12th Ministerial Conference (M12) and supporting the necessary reform of the WTO.
- 4.307. China actively participates in preparing the MC12 outcomes by engaging in various WTO negotiations, including the WTO reform, fisheries subsidies, addressing the impact of the COVID-19 pandemic, agriculture, electronic commerce, investment facilitation for development, and domestic regulation in services.
- 4.308. The Philippines welcomes China's strong support on the MSMEs initiative. As member of the Informal Working Group on MSMEs, China has co-sponsored the joint statement in May 2020 to support MSMEs in response to COVID-19, and subsequently the MSME package adopted in December 2020 marking a major step forward in supporting MSMEs' participation in international trade.

- 4.309. The Philippines has submitted advance written questions on the TPR reports and we thank the delegation of China for their prompt replies.
- 4.310. In closing, the Philippines looks forward to further enhancing the mutually beneficial economic relations with China in the bilateral, regional, and multilateral fora.

#### CHILE

- 4.311. Chile would like to extend warm and fraternal greetings to the delegation of China, headed by His Excellency Mr Wang Wentao, Minister of Commerce, and to the Permanent Mission of China to the WTO, especially to its Ambassador Mr Li Chenggang, with whom we hope to continue contributing to the strengthening of the multilateral trading system.
- 4.312. I would also like to congratulate HE Ambassador Ms Xolelwa Mlumbi Peter of South Africa for her work as discussant for this Trade Policy Review.
- 4.313. I am making this intervention on behalf of Ambassador Francke, who is unable to be present at this Review as he is chairing the negotiations on investment facilitation.
- 4.314. Chile takes special interest the eighth Trade Policy Review of China. It would be difficult to understand the global trade situation without considering the important role that China has played in recent years, particularly since its accession to the WTO, as an important driver of world economic growth.
- 4.315. Bilateral relations between Chile and China date back to 1970, when Chile became the first country in South America to establish diplomatic relations with China.
- 4.316. It is a link that has proven particularly stable over the years, as well as fruitful; together we have been promoting greater integration through the development of political, trade and cultural dialogue at the highest level.
- 4.317. Our economic and trade relations revolve around a comprehensive free trade agreement, in force since 2006, making Chile the first country outside the Asian continent to conclude an agreement on that scale. Under this agreement, a supplementary agreement on services was signed, which entered into force in 2010, and was the second agreement of this nature established by China. Subsequently, in 2014 the Supplementary Investment Agreement came into force, marking another important milestone in our fruitful economic trade relationship. Then, 2016 saw the creation of the Integral Strategic Association with China, a move which helped to promote the mechanisms for sectoral coordination and dialogue at the bilateral level. This was the consolidation of long term efforts that, in trade, led to the signing of a free trade agreement.
- 4.318. The Free Trade Agreement between Chile and China has therefore become a central component of our bilateral relations and, thanks to its successful implementation and administration, China has become firmly established as Chile's main trading partner, with a total value of around USD 45 billion traded in 2020, which accounts for 33.9% of Chile's total trade.
- 4.319. Exports to China in 2020 totalled around USD 27.4 billion, or 38.85% of total exports, and imports from China in 2020 totalled USD 16.39 billion, representing 27.79% of total imports.
- 4.320. In terms of foreign investment, it should be noted that this is a relatively recent phenomenon, but today China has become one of the main foreign investors in Chile, in the important sectors of energy, technology and research and development.
- 4.321. This growth can be seen not only at the bilateral level, but also at the multilateral level, where we participate together in various international organizations and forums.
- 4.322. We recall that, in 1999, Chile was the first Latin American country to support China's accession to the WTO and that since joining China has become an extremely important player in this Organization, bringing with it enormous responsibilities in terms of the implementation of the WTO Agreements and the negotiations. Today, it participates in the Information Technology Agreement (ITA) and is part of joint statement initiatives on electronic commerce, domestic regulation on

services, investment facilitation for development and MSMEs. It also promotes the Informal Dialogue on Plastics Pollution and Environmentally Sustainable Plastics Trade and has co sponsored proposals such as trade and health.

- 4.323. We value China's commitment to an open, transparent, inclusive and non discriminatory multilateral trading system, based on clear rules under which to promote free trade in goods and services. This commitment must be in keeping with the challenges facing us today, particularly when for those of us that currently figure prominently in international trade.
- 4.324. This Trade Policy Review has brought to light China's swift fiscal and monetary policy reactions that helped to mitigate the economic impact of the pandemic. However, as a result of stabilization measures, financial stability risks may have increased, which will be a major challenge for the near future.
- 4.325. Moreover, we appreciate initiatives taken by China to continue reducing its share of coal consumption, in line with the targets set for the development of green and low carbon energy in its domestic energy sector planning.
- 4.326. In addition, we note with great interest how China is keen to accelerate efforts to promote a development paradigm where domestic and international flows reinforce each other and how, within this framework, they are committed to harnessing innovation as the key driver, aiming to achieve a better alignment between an efficient market and a well functioning government that is committed to creating a market oriented, rule based and internationalized business environment.
- 4.327. Chile submitted 18 questions in connection with this Trade Policy Review exercise in areas such as: rules of origin; tariffs, anti dumping measures; and customs procedures. We are most grateful for the replies to these questions.
- 4.328. Finally, we wish China a successful eighth Trade Policy Review.

# **NEW ZEALAND**

- 4.329. New Zealand is pleased to participate in this Trade Policy Review, taking place two decades after China's WTO accession, a process in which New Zealand was actively engaged, and supported. Over this transformative period, China's economy has made considerable advances, spurred in part by the reforms tied to that accession and its integration into the global economy, delivering remarkable improvements to living standards at home and becoming a major engine for growth of the world economy.
- 4.330. The growth in the New Zealand-China trade and economic relationship over this period is due in large part to the benefits of the rules-based trading system. Our bilateral free trade agreement, which entered into force in 2008, continues to deliver significant benefits for both countries, and the FTA upgrade signed in January this year modernizes and expands the agreement.
- 4.331. Looking to the next twenty years, New Zealand encourages China to continue to advance trade and economic reforms and to play an active role to support and bolster the rules-based multilateral trading system. We see it as crucial that China pursues these goals, in a manner which is consistent with and involves the comprehensive implementation of its WTO obligations, given the size and importance of its economy and in recognition of the benefits the system continues to deliver, both to China and as a global good.
- 4.332. We welcome China's stated commitment to continued trade liberalization, and commend the reforms undertaken during the review period, including such measures as tariff reductions, continued expansion of Pilot Free Trade Zones, trade facilitation initiatives, expansion of the single window, and the introduction of a negative list regime for foreign investment.
- 4.333. New Zealand also recognizes China's commitment to regional economic integration. The Regional Comprehensive Economic Partnership, concluded last year, was an important development and promises to support the region's trade recovery and economic growth following its entry into force in the coming months. China also recently submitted a request to accede to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership. This would require new and deeper reforms

to meet the agreement's high standards and market access commitments. CPTPP accessions involve, inter alia, aspirants' clear commitment to promote transparency, predictability, and confidence in the rules-based trading system; and assurances that commitments to meet the high standards of the CPTPP made during the accession process will be adhered to.

- 4.334. In recent years, the world has experienced unprecedented change due to the impact of COVID-19. In addition, we have seen an increase in protectionist measures which have threatened the integrity of the multilateral trading system. It is therefore more important than ever that all WTO members uphold the rules of global trade, and ensure COVID-related measures are no more restrictive than necessary to address the challenges which COVID poses.
- 4.335. New Zealand has joined as a third party Australia's WTO case with China related to barley. New Zealand is participating in this dispute as a third party because it raises systemic issues of importance to the effective functioning of the multilateral rules-based trading system. New Zealand's participation in such cases reflects the importance we place on upholding international rules and norms, and ensuring international trade rules are fairly applied by others.
- 4.336. More broadly, New Zealand is concerned with trade measures by WTO members that cause widespread disruption to trade and lack transparency, and underlines its concern in this regard about the actions undertaken against a range of Australian exports, including wine, lobster, and beef. These measures risk to undermine the rules-based trading system on which we all rely, and which New Zealand sees as the responsibility of all large members to support. New Zealand urges China to engage with Australia to resolve these issues in a manner that is consistent with its WTO commitments.
- 4.337. The WTO Trade Policy Review process is an important transparency and review mechanism. We appreciate this opportunity to seek clarification from China on aspects of its trade and economic policies.
- 4.338. We welcome the efforts China has made to address climate change issues within its economic and trade policy framework, as outlined in the Secretariat's report, including industrial restructuring, energy conservation and efficiency, and the establishment of a carbon emissions trading market. New Zealand looks forward to China providing further details on the actions it will be taking to meet its important 2030 and 2060 carbon emissions targets.
- 4.339. New Zealand notes that, during the review period, China submitted various notifications to the WTO, however, some notifications remain outstanding. New Zealand is concerned that notifications on agricultural domestic support and state trading enterprises have been outstanding for several years. Noting all Members' shared interest in ensuring the transparency on which the WTO system depends to operate effectively, and our comments to this effect at China's last Trade Policy Review, New Zealand encourages China to redouble its efforts to provide timely and comprehensive notifications going forward.
- 4.340. Similarly, New Zealand welcomes China's latest notification on subsidies covering the years 2019 and 2020, but notes the Secretariat's comments about the difficulty of obtaining a clear overall picture of China's support programmes given gaps in these notifications. New Zealand is particularly interested in information on how China will ensure transparency of its existing subsidy policies; and, in support of an ambitious outcome on fisheries subsidies at MC12, how China intends to reform subsidies that contribute to overcapacity and overfishing.
- 4.341. Fossil fuel subsidy reform is critical to global efforts to improve the environment, reduce economic distortions and enhance trade flows. New Zealand encourages China to take further steps in this area, building on its early leadership in the G20, including in its implementation of the UN 2030 Agenda for Sustainable Development.
- 4.342. As noted, New Zealand is a strong supporter of WTO transparency mechanisms such as Trade Policy Reviews, as they play an essential role in allowing Members to better understand, review and question the policies and practices of other WTO members, with a view to encouraging approaches that strengthen the rules-based multilateral trading system that serves our common interest. We therefore look forward to China being actively involved in this process, and providing comprehensive responses to the questions submitted.

#### UNITED KINGDOM

- 4.343. The United Kingdom's Trade Secretary, Anne Marie Trevelyan, has asked me to relay her thanks to the Chair, as well as our discussant Ambassador Mlumbi-Peter, for facilitating this Trade Policy Review. I would like to convey my thanks to the WTO Secretariat for their hard work in producing the report. I would also like to extend a warm welcome to the delegation from Beijing, headed up by H.E. Mr. Wang Wentao.
- 4.344. This year marks twenty years since China joined the WTO. In that time the global trading landscape and China's role within it has changed significantly. China's share of global trade increased from approximately 8.5% to almost 11% in the decade to 2019 and is expected to increase to approximately 12% by 2030. This increase in trade has been a major contributor to China's growth and has helped lift millions out of poverty. May I congratulate China on behalf of the United Kingdom for this significant achievement.
- 4.345. All of this is possible because we have an open, rules-based, transparent, and non-discriminatory global trading system. We look to China to play a full and responsible role upholding this arrangement, including by agreeing to take up commitments which are commensurate with its level of development and economic capability. In the context of the fisheries subsidies negotiations, we have heard China say that it does not intend to take up wide-ranging special and differential treatment. We welcome that direction of travel and look forward to seeing how that commitment is made concrete through the negotiations and in wider discussions at the WTO.
- 4.346. The United Kingdom recognizes the recent progress China has made to open its markets to international trade and investment. We welcome China's engagement with plurilateral initiatives such as the JSI on investment facilitation, the E-Commerce JSI and domestic regulation JSI, as well as the Informal Dialogue on Plastics Pollution and Environmentally Sustainable Plastics. Changes made by China to reform and liberalize will benefit both WTO members and Chinese citizens alike. And they also support China's own economic development.
- 4.347. The success of China's economic development means it has reached a point where the pace, scale and implementation of its market opening needs to accelerate. This will give more meaning to China's own calls for an open, rules-based, transparent, and non-discriminatory trading system.
- 4.348. I would now like highlight several areas that the United Kingdom believes require China's attention and action.
- 4.349. Chinese firms continue to enjoy much higher levels of access in overseas markets than their foreign counterparts enjoy within China. This lack of reciprocity is accompanied by a growing perception of unfairness amongst many WTO members which should also be of concern to China.
- 4.350. The challenge is not merely one of formal market access. Despite improvements in detection and seizure of infringing goods, counterfeits continue to be produced and exported at high levels. Foreign businesses continue to report significant concerns relating to equal treatment with local companies, inconsistent application of regulations, subjective licensing regimes, opaque phytosanitary requirements, hidden subsidies, and restricted public procurement.
- 4.351. As the WTO Secretariat's report makes clear to us, the size of China's economy and government support programmes to industrial sectors can and do significantly distort the market in China's favour and to the detriment of foreign firms and free and fair international trade.
- 4.352. We are also concerned about the centrality of state-owned enterprises to China's industrial strategies, and the opacity of their operations. These SOEs number at around 326,000 and account for over 20 of China's 25 largest businesses. This market dominance, and the way such SOEs operate, disadvantages both domestic private firms and foreign firms. We recall, in this context that China has committed through its Accession Protocol (and repeated in the Chinese government's report to the WTO ahead of this review) not to interfere with the operation and management of state-owned enterprises.
- 4.353. The onus is on China to be much more transparent in demonstrating that state-owned enterprises operate as normal market actors.

- 4.354. Increased transparency is key to raising confidence in China's policy intentions. With that in mind, we call on the Chinese Government to commit to publishing all materials related its three-year reform plan for its state-owned enterprises, so that it is clear what is and is not being directed by government.
- 4.355. Staying with the topic of transparency, we also share the concerns raised by other Members about China's continued lack of compliance with transparency obligations under the Agreement on Subsidies and Countervailing Measures.
- 4.356. We also want to highlight that we closely monitor reports of China's trade actions being deliberately targeted against goods of some countries for political reasons. Market participants will draw their own conclusions. In the long-term, such actions may undermine market confidence that China does indeed want the open, rules-based, transparent, and non-discriminatory system, which it says it does. This is another area where China could act with greater transparency.
- 4.357. Forced labour, wherever and whenever it occurs, is unacceptable. We call on China to ratify and effectively implement the ILO Forced Labour Convention including its 2014 Protocol and the Abolition of Forced Labour Convention. We will continue to monitor Chinese actions through the WTO and in the ILO.
- 4.358. To conclude, China's transformation in the last 20 years has been remarkable, and China should take great credit for that. But as a trading superpower, China now has a special responsibility to ensure it practices free and fair trade. The United Kingdom looks forward to continuing working with China with a sense of shared responsibility to safeguard and strengthen the multilateral trading system, of which we are both a part.

## THE SEPARATE CUSTOMS TERRITORY OF TAIWAN, PENGHU, KINMEN AND MATSU

- 4.359. On behalf of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu, I would like to join others in welcoming the delegation of China, headed by Mr. Wang Wentao, Minister of Commerce, for its 8th TPR. We also like to thank the discussant, Ambassador Xolelwa Mlumbi-Peter for her insightful remarks, and the Secretariat for its informative report.
- 4.360. We are China's the 6th largest trading partner, the 2nd import source and the 10th export destination, with trade volume over USD 166 billion in 2020.
- 4.361. As one of China's major trading partners, we are pleased to note that since its last review in 2018, China has remained one of major driving forces of the global economic growth, and has been recovered from the pandemic of COVID-19 relatively well, with its economic growth projected to 6% this year. We commend this achievement.
- 4.362. In addition, we would also like to make the following comments.
- 4.363. On trade liberalization, China's simple average applied MFN rate was lowered from 9.3% in 2017 to 7.1% in 2021, and the percentage of tariff lines bearing rates higher than 15% lowered from 13.9% in 2017 to 4.5% in 2021. We commend the efforts and would encourage China to continue its endeavour toward this direction.
- 4.364. Meanwhile, we noted during the review period, China had been involved in 11 trade disputes as respondent, 25 Special Trade Concerns on TBT and 13 on SPS. We urge China to positively respond to Members' enquiries and requests for consultations, and to remove unnecessary trade restrictions that are inconsistent with WTO rules.
- 4.365. On investment liberalization, China took steps to allow increased foreign participation in certain sectors, such as the mining and energy sectors. However, there are still many restrictions on foreign investments as provided in its National Negative List. We encourage China to continue its investment liberalization, reforming its state-owned enterprises and adopting more market-oriented policies.
- 4.366. We learned from the report that China continues to reduce its coal consumption, in line with objectives set forth in the "13th Five-Year Plan for Energy Development." However, we also noted

that recently, power supply shortages spread to many provinces, including Jiangsu, Zhejiang and Guangdong, where many factories of our investors located. This might impact not only the economic growth of China, but also the stability of global supply chain. We wish China could overcome this difficulty while pursuing the goal of sustainable development.

- 4.367. We thank China for responding to our written questions, which broadly relate to topics such as financial stability, trade and investment regime, excessive steel capacity and China's SPS regulations on concerned quarantine pests for imported plants and plant products. We thank China for its responses and will study carefully to see whether there are still issues needed to be clarified. We also look forward to resolving our bilateral SPS issues as soon as possible.
- 4.368. Our Mission stands ready to engage constructively with the delegation of China on various multilateral topics.
- 4.369. We wish China a constructive and successful Trade Policy Review.

#### **EUROPEAN UNION**

- 4.370. The European Union welcomes China's Trade Policy Review at an important milestone two decades since China's accession to the WTO.
- 4.371. Some of us present here today can remember how significant WTO Membership was for China in 2001, after fourteen long years of very tough negotiations. Twenty years later, we can safely say that those who pressed for this in China have been vindicated fully; as the stable access to world markets WTO membership provides, has contributed so significantly to China's remarkable economic performance. China's GDP per capita has doubled every eight or so years and now equals that of some EU Member States. It has become the world's second largest economy.
- 4.372. China's WTO Membership had created expectations of further liberalization and of movement towards a full market-based economy. We were looking forward to the reform process and opening up continuing at high speed. But the degree to which China has reformed and opened today is not commensurate with its weight in the global economy, or comparable to the access which China has to the markets of other WTO Members. Moreover, the influence exerted by the state on China's economic environment generates competitive distortions worldwide, leading to systemic problems for global trade.
- 4.373. The European Union believes that China should re-engage an opening-up effort and adopt further market reforms. It should also assume its responsibility and play a role in the WTO that matches its economic weight.
- 4.374. The EU appreciates China's efforts to play a constructive role in many areas in the WTO, such as its co-sponsorship of the Trade and Health Initiative, its involvement in the Joint Statement Initiatives or its cooperation on the multi-party interim appeal arrangement.
- 4.375. However, despite these contributions, China should step up its commitment in a number of ways.
- 4.376. One way for China to show leadership would be by refraining from claiming benefits that would correspond to a developing country in ongoing negotiations.
- 4.377. Another area highlighted by the Report is the need to improve compliance with notification obligations across the board, including on industrial subsidies and agricultural support.
- 4.378. The EU also reminds China of its commitment, in the context of its GPA accession bid, to implement a transparent and non-discriminatory public procurement framework.
- 4.379. A longstanding EU concern is the competition distortions caused by the activities of State-owned enterprises. Chinese SOEs are major beneficiaries and providers of opaque subsidies and are often responsible for overcapacity, distorted prices, and discriminatory behaviour. The EU calls on China to fully observe its WTO accession commitments by improving transparency and by eliminating these distortions.

- 4.380. The European Union also wishes to refer to some other worrying policy trends from China that are intensifying. We acknowledge some positive changes, such as openings in the financial sector following the adoption of the Foreign Investment Law, or improvements in China's intellectual property regime. However, these changes are insufficient investment restrictions remain in a range of sectors, and EU IP right holders continue facing difficulties for effective enforcement.
- 4.381. Moreover, these positive changes do not alter the overall policy direction that we discern.
- 4.382. European businesses are concerned about the increasing politicization of China's business environment. Economic pressure on companies' operations that seem motivated by political considerations runs against the spirit of the WTO.
- 4.383. Another concern is China's expansive use of an excessively broad concept of national security, negatively affecting foreign companies.
- 4.384. One example is China's new measures on data security, privacy and critical infrastructure. While the EU acknowledges the need for effective cybersecurity measures, these should be proportionate, technology-neutral and based on objective standards.
- 4.385. China's stringent Covid-19-related restrictions are another cause for concern for EU traders. The EU encourages China to review its travel restrictions and extend trade-facilitating measures to food and agriculture products in line with international scientific consensus.
- 4.386. Finally, the EU is worried that China's new "dual circulation" strategy will lead to further reversal of economic reform and market opening and aggravate global imbalances. China should also refrain from engaging in managed trade, which goes against the principles WTO members subscribe to. The EU urges China to ensure an open, non-discriminatory business environment, and address state intervention generating competitive distortions in China and across the globe.
- 4.387. It has become increasingly clear that such distortions cannot be sufficiently addressed by current WTO rules. The EU believes that in addition to China's individual responsibility, a collective effort towards modernizing the WTO rulebook is necessary.
- 4.388. The EU calls on China to contribute to WTO reform efforts to ensure that the WTO remains a strong and credible Organization capable of providing a stable foundation for economic recovery and growth, as well as a level playing field for all of its Members.
- 4.389. We encourage China to continue working in this direction while fully aligning its rules and policies to the letter and spirit of the WTO Agreement and emphasize that our statement today reflects the value the Union attaches to a trade and investment relation with China that is rules-based, both multilaterally and bilaterally.

# **ICELAND**

- 4.390. Iceland joins others in welcoming the distinguished delegation of China to their eighth trade policy review. We also express appreciation to the WTO Secretariat and China for the reports prepared, as well as to the discussant for his excellent framing of the issues for our discussion today.
- 4.391. Iceland was the first European country to finalize a free trade agreement with China in 2013. The agreement has served both our countries well in promoting mutually beneficial cooperation and trade, which has increased steadily since it entered into force.
- 4.392. The outbreak of the COVID-19 pandemic has heavily impacted the world economy. China's economy, which has been one of the major drivers of global growth, was severely affected, as is well outlined in the Trade Policy Review report.
- 4.393. Iceland is encouraged by China's recent efforts to accelerate measures to eliminate harmful fisheries subsidies and enhance international compliance capabilities. We urge China to play a constructive role in reaching a meaningful and effective outcome on fisheries subsidies at MC12.

- 4.394. Iceland has submitted advance written questions regarding potentially harmful subsidies to the fisheries sector in China, financial support to the aluminum sector, SPS measures that have negatively affected our exporting companies and on foreign investments in the energy sector; and we thank China for the answers, which we will review. We urge China to ensure that its SPS measures are consistent with its WTO commitments.
- 4.395. Iceland appreciates China's stated commitment to open trade and the multilateral trading system. To achieve that shared goal, we expect China to fully abide by its WTO commitments, to protect the rights of workers and to accelerate reform measures to promote a more level playing field in key sectors.
- 4.396. As we look towards global economic recovery, it is important to recall that women still face disproportionate barriers that prevent them from fully participating in international trade. These barriers, that have increased due to the pandemic, need to be addressed with an inclusive approach towards economic recovery. Ensuring that women's full economic rights will be a factored contribution towards sustainable social economic development.
- 4.397. Iceland welcomes the active participation of China in the Informal Working Group on Trade and Gender, established last year following the Buenos Aires Declaration on women's economic empowerment from 2017.
- 4.398. An important tool in advancing women's economic empowerment is the use of data and indicators on gender equality in trade. Since 2018, 55% of WTO Members whose Trade Policy Review was carried out provided information on their gender-responsive trade policies.
- 4.399. This is a positive trend as the trade policy review provides an excellent opportunity to share best practices and experiences relating to policies and programs that aim at women's social and economic empowerment and full inclusion in trade.
- 4.400. Iceland has submitted in advance written questions on the participation of women in the economy of China. Iceland welcomes China's replies the answers will be useful as we continue to gather information on best practices.
- 4.401. We wish the delegation of China every success for their Trade Policy Review.

# SAUDI ARABIA

- 4.402. The Kingdom of Saudi Arabia is very pleased to take part in the eighth Trade Policy Review of China and wishes to extend a very warm welcome to its distinguished delegation headed by H.E. Mr. Wang Wentao, Minister of Commerce.
- 4.403. The Kingdom of Saudi Arabia thanks China and the WTO Secretariat for their detailed and comprehensive Trade Policy Review Reports. We also thank the discussant H.E. Ms. Xolelwa Mlumbi-Peter Ambassador and Permanent Representative of South Africa to the WTO for her insightful comments.
- 4.404. Despite the major impact of the outbreak of the COVID-19 pandemic on the China's economy which caused the economy to be contracted by 6.8% in the early 2020, fiscal and monetary policies taken by the government in facing these challenges helped the economy to recover starting from the mid-2020 which resulted in a GDP growth of 2.3% in 2020 and expected growth of 6% in 2021.
- 4.405. China accords a leading role to the rules-based multilateral trading system and regional trade agreements (RTAs) to continue its development and growth. China is to be commended for its integration into the world economy by singing RTAs with 16 countries during the review period, and by the end of February 2021, China had signed 19 RTAs with 26 countries and territories.
- 4.406. We also praise China for its performance in many areas such as its continued expansion of its international trade and investments, its performance in Foreign Direct Investment (FDI) both inward and outward, adoption of new Foreign Investment Law and new Export Control Law, availability of various tax incentives to foreign-invested enterprises, reduction of its tariff-rate in nearly all product categories, liberalization in mining sector and financial sector to increase foreign

participation, its revision to the various laws and regulations related to TBT and SPS, its reforms to the intellectual property regime. Maintaining low inflation rates during the period under review, and its role as being a leading supplier of protective health equipment is commended as well.

- 4.407. Saudi Arabia has a strong trade relationship with China, which is supported by their shared membership in the G20, and they are prominent trading partners. Trade exchange between the two countries grow by 43% over the past five years and exceeded USD 59 billion in 2020. Since 2014, China maintains being the 1st Saudi main trading partner in terms of trade volume. The Saudi Chinese Business Council which was established in 2003 to promote communication and cooperation between business sectors in both countries and provide facilitations and supporting the relations of businessmen remains very active in strengthen the economic relations and trade cooperation as well as enhancing the investment opportunities in the two countries.
- 4.408. China as an active Member of this Organization continues to play a central role in the reinforcement of the multilateral trading system. The Kingdom of Saudi Arabia congratulates China for its solid economic performance.
- 4.409. Before I conclude, I would like to thank H.E. Mr. Li Chenggang Ambassador and Permanent Representative of China to the WTO and his esteemed delegations for the excellent cooperation between our two missions which serves our mutual interests and thank them for their active engagement in all WTO activities.
- 4.410. To conclude, we wish the delegation of China a very successful Trade Policy Review.

#### BRUNEI DARUSSALAM ON BEHALF OF ASEAN

- 4.411. It is a great pleasure to warmly welcome China's delegation headed by His Excellency Mr. Wang Wentao to its 8th Trade Policy Review.
- 4.412. 2021 is a special year for ASEAN and China, as we mark the 30th anniversary of ASEAN-China dialogue relations. Amid the COVID-19 pandemic, we are heartened to note that trade and investment flows between China and ASEAN continued to stay strong. China has been ASEAN's largest trading partner for the last twelve years. ASEAN also became China's largest trading partner in 2020. China and ASEAN continue to work closely to expand our trade and investment cooperation, including through enhancing the ASEAN-China Free Trade Agreement (ACFTA), as well as through the Regional Comprehensive Economic Partnership Agreement (RCEP).
- 4.413. The establishment of the ACFTA has strengthened ASEAN and China's economic relations. China has retained its position as ASEAN's largest trading partner since 2009. Trade between ASEAN and China has more than doubled since 2010, from USD 235.5 billion to USD 507.9 billion in 2019 (18% of ASEAN's total trade) and almost quadrupled since the entry into force of the ASEAN-China Trade in Goods Agreement in 2005. Despite the COVID-19 pandemic, the trade volume between ASEAN and China from January to June 2020 increased by 2.2%. This meant that ASEAN has become China's largest trading partner for the first time, making ASEAN and China each other's top trading partner.
- 4.414. According to ASEAN's statistics, while ASEAN's exports rose by 79.8% from USD 112.6 billion in 2010 to USD 202.5 billion in 2019, correspondingly ASEAN imports from China increased significantly by 148.4% from USD 123 billion to USD 305.4 billion. ASEAN's exports to China grew at an average annual rate of 10.4% from 2010 to 2019 as compared to 12.5% for ASEAN's import from China during the same period.
- 4.415. With regard to investment, in 2019, Foreign Direct Investment (FDI) flow from China to ASEAN has increased by 185% from USD 3.6 billion in 2010 to USD 9.1 billion in 2019, accounting for 5.7% total FDI flows to the region.
- 4.416. ASEAN acknowledges the assistance and contribution by China to ASEAN such as ASEAN-China Cooperation Fund (ACCF): China contributes annually to the ASEAN-China Cooperation Fund (ACCF) to support the implementation of ASEAN-China cooperation projects. ASEAN-China Grant: China's grant of RMB 50 million (USD 7.3 million) to support the implementation of the ACFTA and other contribution.

- 4.417. ASEAN also acknowledges the important contributions by China in strengthening the World Trade Organization (WTO), including on the subject of WTO reform. Together with China, ASEAN reaffirms our strong commitment to uphold an open, inclusive, transparent, non-discriminatory and rules-based multilateral trading system as embodied in the WTO.
- 4.418. Some ASEAN member States have submitted written questions to China. We would like to express our appreciation in advance to China, and look forward to having its written responses.
- 4.419. Finally, we would like to conclude our remarks by expressing, once again, our profound appreciation to the delegation of China for their hard work. Our appreciation also goes to H.E. Li Chenggang, the Permanent Representative of China to the WTO and his team for their close and good cooperation between our Missions here in Geneva and wishes China every success in its 8th Trade Policy Review.

## **MALAYSIA**

- 4.420. Malaysia associates herself with the ASEAN statement delivered by Brunei.
- 4.421. Malaysia is pleased to participate in the Eighth Trade Policy Review of the People's Republic of China and extends a warm welcome to H.E. Wang Wentao, Minister of Commerce, China and his delegation. We thank China and the Secretariat for their respective efforts in preparing comprehensive review reports, and the discussant, H.E. Ambassador Xolelwa Mlumbi-Peter for her insightful comments.
- 4.422. During this review period, we observe that China, under the leadership of President Xi Jinping, has adopted socialism with Chinese Characteristics for developing a New Era, in which China has been continually liberalizing and facilitating trade and investment.
- 4.423. In this respect, we join others to commend China for actively engaging in the WTO processes and assuming a leading role, not only in the multilateral trading system, but also in the regional trade agreements (RTAs), such as the Regional Comprehensive Economic Partnership (RCEP).
- 4.424. Malaysia-China bilateral trade relation has expanded over the years and China continues to be Malaysia's largest trading partner for 12 consecutive years since 2009. China is also Malaysia's largest export destination, as well as import source. In 2020, Malaysia's total trade with China amounted to USD 78.98 billion, an increase of 4.7% year-on-year, in which total exports increased by 13.0% to USD 37.92, although total imports saw a decline of 2.6% to USD 41.06 billion, as compared to 2019.
- 4.425. On investment, as of June 2021, a total of 592 industrial projects with Chinese interest were approved with total investments amounting to USD 20.1 billion. China is ranked as the 4th largest investor for the period 1980 until June 2021. These investment projects have created a total of 99,302 jobs.
- 4.426. For the current review, Malaysia has submitted written questions on areas such as sectoral performance and incentives. In general, Malaysia looks forward to obtaining further clarifications from China on these areas, as well as rules and procedures relating to SPS and TBT, particularly in the context of post COVID-19 period.
- 4.427. Finally, we would like to take this opportunity to thank the delegation of China for responding to our questions and we shall examine the responses with great interest.
- 4.428. We wish the delegation of China a productive and successful eighth Trade Policy Review.

# **BANGLADESH**

4.429. At the outset, the Bangladesh delegation welcomes H.E. Mr. Wang Wentao, Minister of Commerce and Head of Delegation for his introductory presentation at the eighth Trade Policy Review of China. Bangladesh delegation also thanks H.E. Ms Xolelwa Mlumbi-Peter, Ambassador and Permanent Representative of South Africa for her insightful discussions. Our sincere appreciations also go to the Government of China and the WTO Secretariat for the comprehensive reports.

- 4.430. During the period under review, we have noted that the Government of China has focused on carrying out many structural reforms including ensuring inclusive growth. The fundamentals of the Chinese economy remain strong, and this has ensured macroeconomic stability. Inflation is within limits and FDI inflows have increased significantly. We applaud the Government of China for the various reform measures that it has adopted in its trade and investment-related areas. Since China's last Trade Policy Review in 2018, Chinese economy has been a major driver of global growth. Real GDP growth rates fell from just under 7% in 2016-18 to 6% in 2019 and 2.3% in 2020. It is encouraging to learn that with the expected normalization of the economic activities China's growth is projected to reach 6% again in 2021.
- 4.431. We notice that the long-term structural shift from agriculture and industry towards services continued in China's economy during the review period. Services now make up some 55% of GDP.
- 4.432. For China, the high GDP growth rates and market-oriented reforms resulted in remarkable progress on poverty alleviation over the past decades. The outbreak of the COVID 19 pandemic had a major impact on Chinese economy that had contracted by 6.8%. However, from the mid-2020, the economy began to recover thanks to increased public investment and international trade.
- 4.433. As one of the most important trading and development partners, Bangladesh is delighted to note the great strides that China has made in recent years. We enjoy excellent bilateral trade and economic relations. Bangladesh highly values its relationship with China which happens to be its largest trading partner. However, the bilateral trade between the two countries is heavily tilted to China. Out of around USD 12.09 billion bilateral trade in FY20, Bangladesh's export to China accounted for only USD 0.60 billion while imports from China added up to a mammoth USD 11.49 billion.
- 4.434. Bangladesh and China also cooperate closely in fostering a rule-based, fair and equitable multilateral trade system. Development cooperation forms an integral part of the partnership. In recent years that the Chinese investment into Bangladesh has grown exponentially. Total Foreign Direct Investment (FDI) stock has increased at a rate 10.9 times between 2011 and 2019. Bangladesh received a net FDI of USD 1.159 billion in FY19 from China, making it one of the largest recipients in South Asia. Our energy sector has been the largest recipient of Chinese investment in recent years.
- 4.435. Bangladesh delegation expresses its sincere thanks to the Government and people of China for according duty-free and quota free market access to Bangladeshi products. In this context, Bangladesh delegation would like to be enlightened on four issues:
- 4.436. first, if the Chinese Government plans to implement the "Preferential Rules of Origin for Least Developed Countries" decision adopted in Nairobi Ministerial Conference in 2015; second, if the Chinese Government has any plan to extend the DFQF scheme to the countries for a certain period after their graduation from the LDC category; third, if China has any plan to encourage investment in Bangladesh which can reduce trade gap between Bangladesh and China; and finally, China's efforts to promote a bigger role of the WTO and its expectation from the 12th Ministerial Conference.
- 4.437. We thank Chinese delegation in advance for the responses to our queries.
- 4.438. To conclude, we wish the delegation of China a productive and successful TPR. My delegation will continue to work closely with the Chinese delegation led by Ambassador H.E. Mr. Li Chenggang to strengthen multilateral trading system as well as enhance our bilateral trade ties.

#### **INDONESIA**

- 4.439. First, Indonesia would like to associates its statement with ASEAN statement read by Ambassador Mazlizah Pengiran Mahalee, and extend its warm welcome to H.E. Mr. Wang Wentao, Minister of Commerce and other members of the delegation to the Trade Policy Review of the People's Republic of China.
- 4.440. Indonesia would also like to convey its appreciation to Chair of Trade Policy Review Body, Her Excellency Ambassador Dr. Athaliah Lesiba Molokomme of Botswana for the remarks, the discussant Her Excellency Ms. Xolelwa Mlumbi-Peter of South Africa for her insightful remark, and

our appreciation to WTO Secretariat and the delegation of China for their extensive reports in conducting the 8th Trade Policy Review.

- 4.441. At the outset, Indonesia acknowledges China as major driver of economic growth. Since China's accession to the World Trade Organization (WTO) in 2001, Indonesia is of the view that the accession is considered as a huge step forward in international cooperation, and China's participation in the multilateral trading system has played significant role.
- 4.442. Indonesia also appreciates China's active contribution, engagement and continued support in G-33 to address challenges and issue of our common concerns in agriculture trade negotiation.
- 4.443. China's rapid economic growth has been accompanied by some improvement in the trade and investment sectors. In recent years, Indonesia notes that China recorded USD 4,5 billion (2019) and USD 4,6 billion (2020) of total trade to the world and with USD 16,490 billion GDP and USD 11,710 GDP per capita, China has experienced remarkable improvement in those areas.
- 4.444. In addition, China has become Indonesia's No.1 major trading partner, serving as the country's largest export and import market in Indonesia. In 2019, Indonesia reported that total bilateral trade with China reached USD 72.8 billion and USD 71.4 billion in 2020. Indonesia's exports to China were recorded at USD 27.9 billion in 2019 and USD 31.78 billion in 2020, while the value of Indonesia's imports from China recorded at USD 44.9 billion in 2019 and USD 39.6 billion in 2020.
- 4.445. Indonesia's top 5 products exported to China are palm oil and its fractions, coal, gold, petroleum gas and ferro-alloys; and Indonesia's main imported products from China are electronic integrated circuits, petroleum oils, iron ores, motor cars and telephone sets. Furthermore, China is Indonesia's second-biggest source of Foreign Direct Investment (FDI) that recorded at USD 4.8 billion in 2020 with more than 3,000 permanent licenses were issued on that particular year. Despite the fact that the trade deficit remains a major concern, trade between China and Indonesia has been growing and Indonesia's trade deficit with China has been approaching balance.
- 4.446. Indonesia recalls that China has been pursuing comprehensive cooperation in Free Trade Areas (FTA) alongside its commitment to the rules-based multilateral trading system. Indonesia, China and 13 other countries has signed the establishment of Regional Comprehensive Economic Cooperation (RCEP), which aimed for facilitation of trade and investment, enhanced transparency in trade and investment, broaden and deepen the engagement among parties and to enhance parties' participation in economic development of the region.
- 4.447. In this Trade Policy Review, Indonesia would like to highlight some of China's policies and measures.
- 4.448. Referring to Secretariat report, Indonesia learns that China has issued regulation to maintain import prohibition with complex requirements and procedures on wild animal to the pandemic while it also applied several incentives programmes which provided for certain sectors. Indonesia also notice that China has notified its new regulations, namely Decree 248 and Decree 249 that require the importers to include a registration number on packaging. Indonesia have submitted written questions that reflect our concerns, and we look forward to China's responses and further clarification on the timeline of implementation, transition period, procedures and guideline on these Decrees.
- 4.449. Indonesia is also interested to learn China's legislative and regulatory regime concerning Government Procurement; standards and technical requirements; state trading, state-owned enterprises and privatization; and trade remedies regulations, including safeguard, antidumping and countervailing measures. Additionally, Indonesia is keen to understand the required registration for Chinese trademark policy; financial services regulation, including regulatory development in banking, insurance, pension fund and fintech industry; implementation and objective of The Economic and Social Development; and last but not least, the implementation of trade facilitation in China.
- 4.450. With respect to ongoing negotiation in the WTO, we appreciate that China continues to support the necessary reform work to improve the WTO's functioning, including the importance of making progress on enhancing transparency and supporting the function of dispute settlement system.

- 4.451. Indonesia's relations with China are governed by a commitment and a cooperative effort that contribute to economic improvement, as proven by China's commitment to strengthen cooperation in several key areas, including on the Covid-19 handling. In this regard, Indonesia anticipates that this cooperation will optimize trade and investment potential, reduce barriers, and allow for stronger economic growth between the two countries.
- 4.452. To conclude our remarks, we would like to once again commend China for its achievements and the way forward, as well as to express our appreciation to H.E. Li Chenggang, the Permanent Representative of China and the delegation of China. We look forward to continuing to deepen our bilateral economic and trade relations. Finally, we wish China a successful outcome of this eighth Trade Policy Review.

#### THE REPUBLIC OF KOREA

- 4.453. I would like to extend a warm welcome to the delegation of China for its 8th Trade Policy Review. I extend my appreciation to Minister Wang Wentao for his comprehensive presentation. I would also like to take this opportunity to commend Ambassador Li Chenggang for all that he is doing in Geneva. I also thank Ambassador Xolelwa Mlumbi-Peter of South Africa for her insightful comments as discussant and the Secretariat for its detailed report.
- 4.454. My delegation appreciates China's continued efforts to liberalize its economy, notably in the services sector, further open up to foreign investments and implement tariff reductions. I take particular note of China's gradual removal of restrictions on foreign investment. The negative list on services trade was adopted for the first time through the "Hainan Free Trade Port's special measures on Cross-border services trade" that was implemented in August this year. We hope that the same level of services liberalization will soon be expanded nationwide.
- 4.455. With the 30th anniversary of our diplomatic ties fast approaching, Korea and China continue to engage in robust economic interactions. China is Korea's largest export destination and biggest import source, accounting for 24.6% of Korea's global trade in 2020. From the early stage of the COVID-19 pandemic, our two countries have been working together to ensure the continuation of essential business activities by adopting a "fast track2 system. More and more companies are also utilizing the Korea-China Free Trade Agreement.
- 4.456. Against this positive backdrop, I wish to mention a few specific areas of interest and concerns for Korea.
- 4.457. China's legal framework for intellectual property rights has been improving. This is encouraging but we see that abusive practices by private commercial actors that disrupt market order, such as bad-faith trademark registration and trademark abuse, still persist. These practices, if allowed to continue, run the risk of hampering seriously a fair business environment and the protection of consumers. Korea calls on China to strengthen the supervision and enforcement efforts over actions that infringe upon intellectual property rights.
- 4.458. Regarding technical standards, excessive information labelling is often required that goes beyond international standards. The recent modification of the standards on battery labels for electronic devices is a case in point. There are also some concerns over the possibility of having trade secrets exposed as regards the proposed Regulations on Management of Commercial Password under the "Cryptography Law", on which public comments are now being solicited. We would like to encourage China to formulate and operate the relevant legal framework in a manner consistent with the WTO TBT Agreement so that it does not impose unnecessary burdens on businesses.
- 4.459. Even in the midst of the pandemic, Korea and China have continued to advance follow-up negotiations of their FTA, focusing on upgrading rules on services and investment and deepening the level of liberalization by shifting to a negative list system. It is our hope that the agreement will be concluded soon and provide important momentum to liberalize further China's services and investment sector.
- 4.460. In 2019, China circulated its 6th revised market access offer in the context of its bid to join the GPA. Korea hopes to see China's GPA accession process completed as soon as possible through close cooperation with Members.

4.461. This year marks the 20th anniversary of China's accession to the WTO, and I highly appreciate China's contributions to the multilateral trading system. As we seek to overcome the COVID-19 pandemic and combat climate change, it is crucial for all Members of the WTO to make concerted efforts to establish a level playing field and ensure sustainable development. In this regard, Korea hopes that as a beneficiary of the multilateral trading system under the WTO, China will show initiative and contribute to the further development of the MTS through market-friendly actions that are supportive of trade.

## **INDIA**

- 4.462. My delegation is pleased to participate in the 8th Trade Policy Review (TPR) of China. On behalf of India, I would like to welcome the delegation of China led by H.E. Mr. Wang Wentao, Minister of Commerce to the TPR meeting and thank him for his comprehensive opening statement. I also take this opportunity to welcome the Chinese delegation in Geneva led by its Ambassador and Permanent Representative, H.E. Mr. Li Chenggang. We also thank Ambassador and Permanent Representative H.E. Ms. Xolelwa Mlumbi-Peter of South Africa, for her insightful observations as a discussant, and the Secretariat and the Government of China for the reports prepared for the Review.
- 4.463. China with its large share in international trade and world economy is a key driver of global trade and growth. Therefore, it's role in world trade and policies, both in the bilateral context as well as with in the multilateral trading system assumes great importance. We welcome the participation of China in this transparency exercise at the WTO, which provides the Members an opportunity to provide their frank assessment of the trade policies of the reviewed Member. We thank the Chinese delegation for the replies provided to the questions we have raised in this TPR. While these will be reviewed, let me underscore some specific issues and concerns that affect our trade relations with China.
- 4.464. First, the bilateral trade is skewed in favour of China, with India's trade deficit at USD 45.91 billion in 2020, is large and growing. This is the single biggest trade deficit India has with any country and is difficult for any country to sustain such a large trade deficit over a prolonged period of time. Therefore, serious efforts need to be made to remedy the situation and we have sought engagement of Chinese authorities in this regard.
- 4.465. Second, exports from India, particularly the agriculture products have long faced significant challenges and market entry barriers due to the stringent and often opaque regulatory requirements. China is yet to fulfil its commitment made in 2001 to provide market access to 17 agricultural products (fruits and vegetables) from India. Unfortunately, even the three products that were granted access so far still continue to face one or the other barrier from time to time. For instance, exporters of Indian mangoes, who were granted access have been unable to export during the past two years. More recently in an arbitrary manner China banned the import of Indian cumin seeds through an SPS measure. Further, the GACC Decree No. 248 & 249, notified to the WTO TBT & the SPS Committees in November 2020 require registration with the GACC of all food manufacturers, processors and storage facilities which handle food exported to China. Another recent decree No.353 requires the list of exporting establishments to be shared by October 31, 2021. These above decrees have significantly expanded the scope of products covered and also put onerous requirements on exporters and the Indian Export Inspection Agencies. We request the Chinese authorities to review them or at least provide sufficient time for compliance.
- 4.466. Third, we have been concerned over the wide-scale use of non-tariff barriers (NTBs) by the Chinese authorities on Indian agricultural and food products over the years. We are extremely disappointed to note that during the current pandemic these NTB's have increased at an alarming rate, with the unscientific use of COVID-19 contamination as a pretext to block many of our exports particularly the sea food exports. These measures run contrary to the clear guidelines issued by the FAO that food and food packaging are highly unlikely to be the transmitter of COVID-19. Despite this, the Chinese authorities have chosen to follow this unscientific practice, without even providing the technical details of the tests carried out and also destroying several consignments of the exports, causing significant financial losses to our exporters. What is even more astounding is that the Chinese authorities are looking for traces of COVID-19 contamination in non-food exports from India, such as cotton yarn, leather items and engineering goods, which clearly indicates the clear intent on part of Chinese authorities to use the pretext of COVID-19 contamination as NTB to deny exports from India. We request the Chinese authorities to immediately refrain from such actions and allow free flow of trade for the mutual benefit of our people. We are also concerned over the disruptions

caused to our bilateral trade due to the arbitrary restrictions on the civilian and air cargo operations since onset of the COVID-19 pandemic and request the Chinese authorities for restoration of these services, in a consistent and transparent manner, in conformity with the bilateral Air Services Agreement.

- 4.467. Fourth, India is one of the largest manufacturers of generic medicines and exports to more than 120 countries around the globe. However, in spite of the expansion of the Chinese public health programme, exports of pharmaceuticals from India to China have remained modest. This is in large measure due to the cumbersome, non-transparent and onerous process and regulatory requirements in China, which has not allowed the Indian pharma companies to obtain market approvals for various generic formulations. The registration of formulations which normally takes only a few months in market economies, takes almost 2-3 years in China. The processes are cumbersome and often provide undue advantage to local manufacturers.
- 4.468. Fifth, in the services sector, Indian companies provide IT and IT-enabled services to a large number of companies including a majority of the Fortune 500. This has brought about a transformational change in the competitiveness of manufacturing and banking entities that have accessed these services. However, despite the significant potential of the Indian IT sector to provide state of the art custom designed solutions to the Chinese companies, the partnership remains hampered due to a variety of reasons. Other challenges in the services sector that confront the Indian companies include complex requirements for participating in contracts of the Chinese SOE's and issues related to qualification requirements, licensing and taxation. Similarly, Indian professionals also face visa restrictions, which also acts as a barrier to services trade.
- 4.469. Seventh, our businesses continue to face several challenges such as lack of enforcement and maintaining the sanctity of business contracts and the use of the new Chinese Export Control Law, enacted during the Review period, to deny export licenses without proper justification and as a possible economic coercive measure.
- 4.470. Eighth, the Government of China, under both its government procurement regime and its tendering & bidding regime, continues to implement policies that favour products, services and technology produced by Chinese-owned or Chinese-controlled companies through explicit and implicit requirements that hamper foreign companies from fairly competing in China. The guidelines for foreign products to qualify for government procurements and tenders remain vague, which often works to the disadvantage of foreign companies.
- 4.471. We request and encourage the Chinese authorities to look into the above issues, with a view to resolving them early.
- 4.472. Chair, India and China have been working closely in various fora such as the BRICS, SCO, G-20 and in a variety of other institutions. We appreciate China's support to the multilateral trading system, from which it has immensely benefited. In the WTO, we have overlapping interests and common concerns. We look forward to working constructively with our Chinese colleagues to strengthen the rules-based multilateral trading system. In the spirit of partnership, we will also remain closely engaged with the authorities in China. We wish the delegation of China a productive and successful TPR.

## DOMINICAN REPUBLIC

- 4.473. First of all, we would like to welcome Mr Wang Wentao, Minister of Commerce, and his delegation.
- 4.474. We also congratulate the discussant, HE Ms Xolelwa Mlumbi Peter, Ambassador of South Africa, and the Secretariat for the preparation of the report.
- 4.475. The Dominican Republic and the Republic of China maintain excellent relations. When diplomatic relations were opened between our two countries, some 18 agreements or memorandums of understanding were signed.
- 4.476. The following Dominican products are exported to the Chinese market: Ferro nickel; medical, surgical or veterinary instruments; footwear; zinc ores and concentrates; paper or cardboard; rum;

tobacco; coffee; bananas; cocoa; coconut; and meat and other agricultural products. Trade flows between the two countries have continued to a high degree. There is no trade agreement in the bilateral trade relationship. Both countries conduct their trade under the most favoured nation principle, owing to their membership in the World Trade Organization (WTO).

- 4.477. Trade for the period January 2015 to July 2021 amounted to USD 18,714 million, 95% being imports of goods from China and the remaining 5% Dominican exports. Chinese imports have shown steady growth, ranking second for total Dominican imports individually. The Dominican Republic is China's largest trading partner in the Caribbean. The main imported products are mobile telephones, motorcycles, televisions, instruments and apparatus for measuring or controlling water flow or level, taps, cocks and valves and tube fittings, articles of iron or steel, quilted textile products in the piece, dry type power transformers.
- 4.478. During 2001–2017, bilateral trade increased 47 fold, mainly due to the growth of imports from China.
- 4.479. Dominican exports to China went from an average of USD 10 million in the five year period 2001–2005 to an average of USD 146 million during the five year period 2013–2017. However, during the same period, imports from China went from USD 202 million to an average of USD 2.326 million during the five year period 2013–2017.
- 4.480. We commend China on adopting a number of trade facilitation measures for import registration, documentation and inspection requirements, as well as in response to the COVID 19 pandemic. The national single window for international trade has been expanded and the overall time for customs clearance of imports throughout the country has been reduced.
- 4.481. It should be noted that, with regard to the export regime, in the wake of the COVID 19 pandemic, the Chinese authorities adopted measures to further simplify customs procedures, including inspections and quarantine, and to reduce port charges for exporters of medical devices.
- 4.482. We welcome and appreciate that China considers COVID 19 vaccines as a global public good. Chinese vaccines have been available globally and have supported the COVAX Facility. As of May 2021, the Dominican Republic has received four million doses of the Chinese vaccine and has therefore been able to vaccinate a high percentage of its population.
- 4.483. Finally, we would like to thank China for its timely replies to the questions raised by the Dominican Republic on various points contained in the report.

#### **TURKEY**

- 4.484. Turkey joins other Members in welcoming the delegation of China headed by Minister of Commerce, H.E. Wang Wentao.
- 4.485. We would like to thank the Secretariat and the Government of China for their detailed reports. We also thank Ambassador Li Chenggang and his team, as well as discussant Ambassador Xolelwa Mlumbi-Peter of South Africa for her enlightening comments.
- 4.486. As stated in the reports, China has continued to be a major actor in global economy and trade. Although its growth slowed down due to the pandemic, it is expected to rise again in 2021.
- 4.487. Since its previous TPR, price stability has remained as the main goal of its monetary policy.
- 4.488. The long-term structural changes in China's economy continued during the review period. And now the services sector makes up around 55% of GDP of the country.
- 4.489. China continued to aim at increasing international trade and investments according to its Five-Year Plans.
- 4.490. Rapid economic development and increasing exports over the last decades lifted hundreds of millions of people out of poverty. Its approach to the globalization helped China to expand its middle class.

- 4.491. Furthermore, efforts undertaken by the country to address climate change issues are a good start for global net zero goals.
- 4.492. China is an active participant in the Joint Statement Initiatives on e-commerce; investment facilitation; MSMEs; and domestic regulation in services.
- 4.493. China has a very critical role to play in our efforts to restore the strong multilateral trading system which existed during the previous decades.
- 4.494. Turkey pursues a multi-dimensional foreign policy. We would like to develop and further strengthen good relations with all countries in Asia, including China.
- 4.495. This year we marked the 50th anniversary of the establishment of our diplomatic relations with China. Our economic relations developed gradually during this period.
- 4.496. As one of the main actors in its region, China also has an important place in our "Asia Anew" initiative.
- 4.497. However, we believe that our trade and economic relations can be further developed.
- 4.498. Although China ranks second in Turkey's foreign trade, the trade balance is heavily in China's favour. We want to narrow bilateral trade deficit and establish balanced and sustainable trade relations with China.
- 4.499. The SWAP Agreement signed between our Central Banks was renewed this year and increased currency SWAP facility to USD 6 billion.
- 4.500. We hope that this agreement will assist to further increase our bilateral trade.
- 4.501. In concluding, we thank the Chinese delegation in advance for their replies to our questions on specific aspects of its trade policy.
- 4.502. We wish China a very successful Trade Policy Review.

# LAO PDR

- 4.503. At the outset, I would like to extend my warmest welcome to China's delegation led by H.E Wang Wentao, Minister of Commerce of China to this 8th Trade Policy Review, today.
- 4.504. I would also like to thank China's government for its comprehensive briefing. My sincere appreciation goes to the secretariat's informative report and to H.E Ambassador Xolelwa Mlumbi-Peter for his role as a discussant.
- 4.505. The Lao PDR aligns itself with the ASEAN statement delivered earlier by Viet Nam.
- 4.506. The Lao PDR would like to commend China for the success in steering their economy towards continued growth and ensuring macroeconomic stability amid unprecedented challenges posed by COVID-19 pandemic. The Lao PDR would also like to congratulate China for its commitment in upholding multilateral trading system both regionally and globally showcased in recently signed RCEP, its proactive role in WTO related initiatives and its application to become a party to CPTPP.
- 4.507. This year, Lao PDR and China mark the 60th anniversary of establishing diplomatic ties where the two countries and two peoples are committed to implement our comprehensive strategic cooperative partnership to build the Laos-China community with a shared future. These include trade and investment projects/programs to transform the land-locked to a land-linked country such as Laos-China expressway, Laos-China railway under the Belt and Road Initiative and an ASEAN SKRL, the Boten Special Economic Zone and Vientiane-Saysettha Development zone and so on. These initiatives have contributed not only to the socio-economic development of our two countries, but they have served as building blocks to bridge the development gap within ASEAN and to have a seamlessly connected ASEAN.

- 4.508. During this review period, Lao PDR and China have enjoyed a remarkable growth of bilateral trade and investment. China is the Lao PDR's 2nd largest trading partner with the total two-way trade volume of USD 2.6 billion in 2020 which increased by 8.1% compared with USD 1.9 billion in 2016.
- 4.509. On Foreign Direct Investment (FDI), China is the Lao PDR's biggest investor, as of July 2021, about 815 projects have been undertaken amounted to USD 16 billion. These invested projects/programmes cover various sectors such as agriculture, industries, manufacturing, hydropower, infrastructures and so-on.
- 4.510. On the way forward, the Lao PDR looks forward to closely working with China and our ASEAN member States as well as the Four other ASEAN Dialogue Partners to have the signed RCEP agreement fully and effective realized. Furthermore, the Lao PDR looks forward to cooperating with China in digital transformation, including to help MSMEs with digital platforms to improve their productivity and competitiveness as well as to harness ICT to facilitate the flow and movement of trade, investment, and people along the international cross-border checkpoints and East-West and North-South Economic Corridors.
- 4.511. The Lao PDR commends China, especially Ambassador Li Cheng Gang and his team, for the strong supporter of the multilateral trading system and playing a proactive role in WTO's negotiations and reform processes.
- 4.512. Taking this opportunity, I would like to thank China for its invaluable capacity building and technical assistance extended to Laos in trade and investment related matters. Our heartfelt thanks also go for China's timely and effective support extended to Laos during the COVID-19 pandemic, including sending expert teams, medical supplies and vaccines; "A friend in need, A friend indeed".
- 4.513. To conclude, I wish China a great success in its 8th Trade Policy Review.

# **PANAMA**

- 4.514. I would like to extend my compliments to His Excellency Wang Wentao, Minister of Commerce, His Excellency Wang Shouwen, Deputy Minister and Deputy Representative for International Trade, and His Excellency Li Chenggang, Ambassador and Permanent Representative, and the entire Chinese delegation for their outstanding preparation for this eighth Trade Policy Review of the People's Republic of China. I would also like to extend greetings to Ambassador Xolelwa Mlumbi Peter, the discussant for this Review, and thank the Secretariat for its reports.
- 4.515. Panama accords special attention to relations with China. The bilateral trade balance ranged between USD 1.107 million and USD 1.823 million, which shows a deficit for Panama. However, there is evidence that the trade gap between the two countries has been reducing because Panama's exports in the last two years have been increasing compared to 2018.
- 4.516. China is currently one of the largest users of the Panama Canal and one of the most important economic and trading partners.
- 4.517. Panamanian exports are focused on products such as copper ores and concentrates, fish meal, beef, sawn wood and tanned hides and skins.
- 4.518. Our imports include products such as: parts for telephones, including mobile telephones; and apparatus for the reception, conversion and transmission or regeneration of voice, image or other data.
- 4.519. During the review period, China has continued to push forward the expansion of international trade and investment, as outlined in the five year plans and various administrative measures. The Made in China 2025 and Internet Plus programmes, both launched in 2015, are China's main initiatives to promote its manufacturing sector.
- 4.520. China adopted a new foreign investment law, aiming to provide a better business environment for foreign investors and ensuring that they participate in market competition on an equal footing. The legislation stipulates that investors are protected against expropriation,

restrictions on cross border remittances, infringement of intellectual property rights (IPR), and forced technology transfer.

- 4.521. On other issues, we recognize China's efforts to resolve climate change problems. China in turn is implementing measures for industrial restructuring, energy structure optimization, energy conservation and efficiency, and the establishment of a carbon trading market.
- 4.522. Panama attaches great importance to climate change issues, and is one of only three countries in the world that are classified as "carbon negative".
- 4.523. China is continuing to reduce its share of coal consumption, in line with the targets set for the development of green and low carbon energy set out in the Thirteenth Five Year Energy Sector Development Plan. On the other hand, continued reliance on coal for energy production is a concern.
- 4.524. With regard to the export regime, in the wake of the COVID 19 pandemic, the Chinese authorities took steps to further simplify customs procedures, including inspections and quarantine, and to reduce port charges for exporters of medical devices.
- 4.525. Exports fell in the first half of 2020 due to the COVID 19 pandemic, but grew strongly afterwards due to China being the first manufacturing power to resume operations after the first wave of global shutdowns, and its role as leading supplier of protective health equipment and electronics related to working from home.
- 4.526. As is the case for other economies, the COVID 19 pandemic has had a big impact on the air transport sector, with international and domestic passenger flights dropping dramatically from February 2020; only the domestic passenger flight segment has recovered. China has taken various measures to support the air and maritime sectors in the wake of the COVID 19 outbreak.
- 4.527. We note the participation of the Chinese delegation in the various WTO committees and in the joint statement initiatives on investment facilitation for development, micro, small and medium sized enterprises and domestic regulation in services.
- 4.528. On transparency issues, China submitted notifications to the WTO during the review period. Nevertheless, some notifications, including those on state trading enterprises and domestic support, remain outstanding.
- 4.529. In other issues of high interest, China is a major contributor to the work programme on electronic commerce. In the services sector, significant developments include telecommunications, cybersecurity, the elimination of certain restrictions on foreign investment participation in the reinsurance sector, and future elimination of similar restrictions in the financial sector.
- 4.530. We share several priorities in the WTO. For example, as Group of Article XII Members, we are working for greater parity between the commitments undertaken by the Members that acceded to the WTO and those of its original Members. China plays an important role in the negotiations on fisheries subsidies, an issue that is also of great importance to Panama.
- 4.531. Panama takes this opportunity to acknowledge China's commitment to the multilateral trading system, as reiterated today by Minister Wang, its initiatives and the leadership shown at recent Ministerial Conferences, and the significant activity of its delegation within the WTO. In particular, we would like to acknowledge China's commitment to the Annual WTO Accessions Round Table, an issue of great importance to Panama.
- 4.532. We welcome the excellent ties between both countries, promoting a political, diplomatic, trade, cultural, cooperative and educational relationship, framed in an atmosphere of respect, cordiality and spirit of reciprocal collaboration.
- 4.533. Panama wishes China a successful Trade Policy Review, and looks forward to a strengthened bilateral trade relationship in the future.

#### **CAMBODIA**

- 4.534. Let me join others to express our warm welcome to the delegation of China virtually led by His Excellency Wang Wentao, Minister of Commerce, and convey our appreciation to China for putting in hard works in conducting this Trade Policy Review (TPR).
- 4.535. Our special thanks also go the discussant, Her Excellency Ambassador Xolelwa Mlumbi-Peter of South Africa, for her insightful assessment and constructive remarks. We highly appreciate the reports prepared by the TPR Division and China which are available for this Review.
- 4.536. At the outset, Cambodia associates itself with the statement of ASEAN delivered by Brunei Darussalam.
- 4.537. At the same time, we acknowledge the important and active role of China in the global trading environment and multilateral trading system.
- 4.538. In addition, we would also like to congratulate China for maintaining its remarkable economic growth at annual average of around 7% from 2016-2019. Despite the challenges brought by COVID-19 pandemic, the Chinese economy is still positive with a growth rate of 2.3% in 2020.
- 4.539. Cambodia and China enjoy warm and friendly relations since at least the 13th century. With official diplomatic relations established on July 19, 1958, Cambodia and China have built an even stronger bilateral relations and these relations has been elevated to a "Comprehensive Strategic Partnership" in 2010 under the principles of trust and mutual benefits. We have been carrying out many fruitful cooperation in various areas, including economy, trade, investment and culture, etc. We remain each other's trusted friend and loyal partner, who value equality, sincerity and win-win cooperation.
- 4.540. In terms of economic relations, from 1994 to 2019, China is Cambodia's largest contributor to FDI inflow. In 2019, Chinese investment is worth USD 3.7 billion, accounting to about 39.5% of total FDI inflow. Bilateral trade in 2020 is worth USD 8.1 billion, representing an increase of 8.11% in export by Cambodia from 2019. To further strengthen this trade relations, Cambodia and China also pledged to advance bilateral trade to USD 10 billion by 2023. So far, the current agricultural products Cambodia export directly to China are rice, cassava, cashew nut, banana and fresh mangoes. With Cambodia's first ever bilateral FTA, the Cambodia-China FTA expected to come into force in January 2022, we hope to reach our bilateral trade targets and to utilize the CCFTA for mutual benefits of our two peoples.
- 4.541. Cambodia is also one of main recipients of China's Belt and Road Initiative (BRI) which Cambodia attaches great importance to due to its significant contribution to development and economic growth, especially poverty alleviation. Cambodia will also look to utilize the BRI to further improve Cambodia's infrastructure and strengthen our competitiveness. This is evidenced in the building of the first express way linking capital city of Phnom Penh to the seaport town of Sihanoukville, the construction of the new airports in Phnom Penh and the tourism town of Siem Reap and many other projects.
- 4.542. Cambodia's COVID-19 vaccination program has been a major success and we would like to thank China for their steadfast support to the Royal Government of Cambodia in our fight against COVID-19. As of last week, vaccination rates stand at 99.24% of the total targeted population of 10 million adults and 89.90% of the total targeted 2 million of adolescent aged 12 to 17. We have also started providing booster 3rd dose to the population as well as vaccination program for children aged 6 to 11 years old. We owe in no small part to the generous donation and assistance from China on this matter. To date, Cambodia have received 32.8 million doses of COVID-19 vaccines from China, 1 million doses from the US, 1 million from Japan and around 2 million through the COVAX initiative.
- 4.543. We thank and appreciate the delegation of China in Geneva led by His Excellency Ambassador Li Chenggang, for their friendship and good cooperation. We commend China for putting its efforts and active participation in supporting rule-based multilateral trading system, support most of LDC's issues, and others. We would like to also thank China for her continued support for South-South

Dialogue and the LDC at the WTO through various programs including the China Roundtable which is expected to take place back-to-back with MC12.

- 4.544. We would like to encourage China to provide other technical assistance to LDCs to increase our productive capacity, industrial development, and economic transformation to better take advantage of the trade preferences provided under the WTO and other trade preferential arrangements to better compete and integrate into the world trading system especially during and after this COVID-19 pandemic.
- 4.545. Finally, we commit to working closely with China and all Members in bilateral and multilateral platforms to strengthen our good cooperation for economic growth and development.
- 4.546. To this end, we wish China a successful conclusion of its 8th Trade Policy Review.

# MAURITIUS ON BEHALF OF THE AFRICAN GROUP

- 4.547. We welcome the Chinese delegation led by His Excellency Mr. Wang Wentao, Minister of Commerce of the People's Republic of China for attending the 8th Trade Policy Review of the country. We also congratulate both the Government of China and the WTO Secretariat for their efforts to draft the TPR reports despite the challenges posed by the pandemic.
- 4.548. We are also thankful to the discussant, Her Excellency Ambassador Xolelwa Mulumbi-Peter of South Africa, for her incisive remarks on the TPR report.
- 4.549. China remains a very important development partner for the African Continent and this Partnership can best be symbolized by the Forum on China-Africa Cooperation which continues to yield a number of beneficial projects. We reiterate our support for this continued collaboration.
- 4.550. We would like to commend China for its strong economic performance and indeed a positive growth rate despite the pandemic. This reflects the strict measures adopted by the Chinese authorities which allowed them to effectively control the spread of the epidemic even in the early stages. We acknowledge China's significant inputs into global value chains which helped mitigate some of the pandemic related scarcities and trade distortions that occurred. We are also thankful to China for its gesture in sharing vaccines and its contribution to COVAX. It would be good to hear what further contributions China can make in the global fight against the pandemic.
- 4.551. With regard to China's trade and investment policies, we welcome the liberalization direction taken by the country, including the adoption of its new foreign investment law; the accelerated implementation of the Trade Facilitation Agreement and its improved innovation-led approach backed by reforms to its Intellectual Property regime. Annual FDI inflows into China continued to grow between 2016 and 2019 although at a much slower pace than in previous periods and we would have liked China to share with us what measures it may have taken to improve the foreign investment environment since then.
- 4.552. We note that China took various trade-facilitating measures with respect to import registration, documentation and inspection requirements and that its national single window for international trade was extended. Several of our countries nonetheless still faced some delays for customs clearance during the pandemic resulting no doubt from the surge of orders of medical supplies that may have been received at the time of the Pandemic and reinforced quality control. It would be good to know whether China is considering any fresh measures for streamlining customs procedures as part of its preparedness process for any similar situation recurring in future.
- 4.553. Prior to the pandemic, Africa and China noted important reciprocal increases in trade flows. However, African exports were significantly impaired in 2019/20. In the meanwhile, many African countries established special trading arrangements with China. Now that a new normal has been mostly established, Africa and China must together think of how to re-establish the pre-pandemic trade volumes and growth rates including through more flexible rules for exports originating from Africa. We also look forward to increased cooperation between the General Administration of Customs of China and the African countries with a view to further facilitating the movement of goods and services.

- 4.554. China is a technological giant and it has successfully implemented a number of innovative technologies for the fourth industrial revolution such as 5G. On the other hand, the pandemic brought to the fore the digital divide between Africa and the rest of the world. If not addressed, Africa will be left behind and the development gap will widen at an unprecedented rate. We therefore encourage China to assist African countries in their digitalization endeavours by promoting sustainable investments and technology transfer to African countries.
- 4.555. Indeed, sustainability has to be treated as a key factor going forward bearing in mind the dire report released by the IPCC. In this context, we were glad to note China's initiatives to reform its manufacturing and energy sectors to become greener. We would like to learn more about China's carbon emission trading market system.
- 4.556. China has always been an active player in the multilateral trading system on all fronts, including in the WTO discussions for the elimination of fisheries subsidies. We think China could play an important role here by taking the lead for a green fisheries policy and we note gladly from the Secretariat report "that the Chinese authorities indicate that the Government will shortly issue a new policy to terminate fuel and boat construction subsidies with the last of these pay-outs being made at end 2020". We call on all Members to contribute to the prohibition of harmful subsidies and for the restoration of fish stocks globally.
- 4.557. In conclusion, we would like to commend and encourage China's continued reforms aiming to improve its business environment, especially to the benefit of foreign countries. We look forward to Africa and China working together to reinvigorate their trade flows and to create new and sustainable value chains.
- 4.558. We wish China a very successful Trade Policy Review.

## KINGDOM OF BAHRAIN

- 4.559. The Kingdom of Bahrain is delighted to participate in the 8th Trade Policy Review of China, and would like to warmly welcome H.E. Mr. Wang Wentao, Minister of Commerce, H.E. Mr. Wang Shouwen, Vice Minister and Deputy China International Trade Representative, and H.E. Mr. Li Chenggang Ambassador and Permanent Representative of China to the WTO, and wish them and their delegation a very successful Review.
- 4.560. We would also like to thank the WTO Secretariat for their efforts in preparing the detailed report.
- 4.561. The People's Republic of China has always been an important partner of the Kingdom of Bahrain, sharing a strong economic relationship.
- 4.562. Despite the impact of the COVID-19 pandemic on global trade, the value of our total non-oil bilateral trade with China weathered the challenges, amounting to approximately USD 1.9 billion in 2020.
- 4.563. China is also a major destination for Bahraini chemicals and aluminum, making up a large share of the USD 18.5 million exports to China last year.
- 4.564. In light of the report's finding of China's exports attaining a peak of nearly USD 2.6 trillion in 2020, we foresee this strong economic relationship growing even further.
- 4.565. We are therefore encouraged by the findings of the report, that during the review period, China continued to aim at expanding international trade and investments, as outlined in Five-Year Plans and various Administrative Measures.
- 4.566. We are also pleased to note from the report that China's economy has been a major driver of global growth and that remarkable progress on poverty alleviation has been achieved over the past decades, resulting from high GDP growth rates and market-oriented reforms.

4.567. In closing, we would like to thank the discussant for their remarks and active discussion and the WTO Secretariat for their tireless efforts in preparing the detailed report and wish China once again a very successful Review.

#### **JAMAICA**

- 4.568. Jamaica joins other WTO Members in welcoming the delegation of the People's Republic of China, at this, its eighth Trade Policy Review. We thank His Excellency Wang Wentao, Minister of Commerce and his team for their comprehensive report. Jamaica also registers its appreciation to our discussant, Ambassador Xolelwa Mlumbi-Peter of South Africa, for her excellent steering of the discussion, as well as to you, Chair, and the Secretariat for the respective contributions to this exercise.
- 4.569. Jamaica and China share excellent relations spanning 49 years and built on a long history of camaraderie and cooperation. Jamaica has embraced the Chinese presence and culture. Both our countries have engaged on several issues of mutual interest and have ongoing cooperation in many fields including investment, education, health, sport, infrastructure development, and a variety of areas of capacity building. Under the leadership of Ambassador Li Chenggang, Jamaica has found pleasure collaborating with China at the WTO on a variety of issues. We, therefore, look forward to continued collaboration at the bilateral and multilateral levels to advance and promote issues of mutual interests to developing countries.
- 4.570. China continues to make a major contribution to the global economy, global trade, climate change goals and international development. During the period under review, China continued to implement its long-term strategy to diversify the economy away from agriculture and industry. The report points to success in this regard, notwithstanding the challenges faced in the process, which are not new to developing countries. Several economic indicators attest to the positive health of the economy, which has been buoyed by a strong services sector. These include: the increase in GDP per capita to USD 11,710 in 2020; low inflation rate ranging from -0.5% to 3.8%; increases in merchandise exports; relatively stable foreign exchange reserves, and a widening surplus to USD 273.9 billion in 2020. Additionally, the economy is expected to grow by 6.0% in 2021. Although all sectors were adversely hit by the COVID-19 pandemic, we commend the action undertaken by the Chinese Government to stabilize the economy; this action resulted in the country's quick rebound mid-2020, and facilitated its continued participation in international trade, particularly through the supply of much needed protective health equipment. We note also that China continues to share information and its experience in preventing and containing the spread of the coronavirus.
- 4.571. Jamaica commends China's efforts to expand international trade and investments through the elaboration and pursuit of action as outlined in its Five-Year Plans and Administrative Measures. Measures taken to improve the business environment and promote a level play field for foreign investment through the adoption of a new Foreign Investment Law, strengthening intellectual property rights protection, as well as enhance customs clearance/trade facilitation demonstrate China's commitment to an open investment and trade regime.
- 4.572. We are also pleased to learn of the attention being given to addressing the biggest existential threat to humanity as we know it, climate change. For developing countries, the adverse effects of climate change have serious implications for our way of life. We further note the attention being given to ensuring ecological and environmental protection. With this in mind, we applaud the Government's efforts at transforming its industrial processes, including through digitalization, and the pursuit of energy conservation and efficiency. Special note is taken of the country's Three-year' Action Plan for Blue Skies, and other initiatives such as the Ozone (O3) Pollution Prevention and Control in Summer. These efforts augur well for the regional and multilateral trading system and should be encouraged.
- 4.573. We appreciate China's steadfast commitment to upholding the multilateral trading system, through its active participation in the work of the WTO and for its solidarity with fellow developing countries. We note that China has been actively involved in the discussions on WTO reform; negotiations on fisheries subsidies; agriculture; special and differential treatment and has been contributing to efforts aimed at addressing current challenges faced by the dispute settlement mechanism, including the Appellate Body. Its thrust to deepen global economic integration beyond

the WTO through, inter alia, increased regional trade and the conclusion approximately 19 regional trade agreements, is worth noting.

- 4.574. We value the support and continued importance that China attributes to the integration of developing Members into the multilateral trading system. Jamaica would like to acknowledge China's ongoing participation in the WTO's "Aid for Trade" initiative, the assistance rendered through its LDCs and Accessions Programme, as well as its contribution to the South-South Cooperation Assistance Fund. These actions are a testament of China's commitment to ensuring that the multilateral system benefits the whole membership and should be supported.
- 4.575. In conclusion, Jamaica welcomes all actions taken by China to improve/enhance international trade. We look forward to a constructive exchange of views on all aspects of China's trade policy and wish the delegation of the People's Republic of China the utmost success during this Trade Policy Review.

#### **ZIMBABWE**

- 4.576. A warm welcome to His Excellency, Minister Wang Wentao and his delegation including, of course, our Colleague Ambassador Li Chenggang.
- 4.577. Our thanks for the Report and the effort made, both by China and the Secretariat in the preparation for this 8th Trade Policy Review.
- 4.578. Our appreciation to the Chair of the Trade Policy Review Body, Her Excellency the Ambassador of Botswana; and our discussant, Her Excellency Ambassador of South Africa.
- 4.579. China continues to be one of the main drivers of the global economy and a major player in global trade.
- 4.580. As we all look forward towards a post COVID world, we look to China, I believe, to play a very significant role in terms of global economic recovery. Indeed, they are already doing so.
- 4.581. Whilst on the subject of COVID, allow me to express the grateful thanks of the Government and people of Zimbabwe for the generous, timely and indeed ongoing support extended by China and which has helped us to manage and to mitigate, relatively successfully, the impact of the pandemic on life and livelihoods in Zimbabwe.
- 4.582. The report submitted by the Government of China is comprehensive and detailed in its coverage of China's rapidly evolving trade and investment policies and practices.
- 4.583. China's economy is massive and highly complex. Structural reform and modernization is always extremely challenging even more-so within the context of COVID and the negative impact the pandemic has had and continues to have on economies and on global trade, in all aspects and at all levels.
- 4.584. What emerges from the Report is the extent of the reform-effort made since the last review and the clear evidence which has emerged of the effectiveness of those reforms.
- 4.585. We note that both import and export flows continue to attain record highs with China maintaining its long-held position as the world's second largest importer of goods.
- 4.586. We note the further streamlining of China's import policy, the accommodating approach to trade facilitation more broadly and the efforts made to further expand market access for inward FDI in terms of significant revision of the so-called "negative list", the opening-up of more sectors to inward FDI including the financial services sector and the greater levels of foreign shareholding now permissible across multiple economic sectors.
- 4.587. We note the improved performance in trade in services and, contrary to recent global trends, the impressive increase in inward FDI with primary focus on the service and high-tech industries sectors: a clear indication of strategic and logical future priorities within China's evolving economic growth and development matrix.

- 4.588. We note deepening reform in fiscal and taxation regimes; and the further strengthening of legislation and regulatory measures to protect intellectual property rights in China.
- 4.589. We note also the impressive progress achieved with regard to the reform of State-Owned Enterprises, a severe headache for any Government and, in this regard, the success of China's mixed ownership model.
- 4.590. China's National Development and Reform Commission (NDRC) now subsumed within the overarching State Administration for Market Regulation (SAMR) has, over many years, provided guidance and advice on the reform of Zimbabwe's 107 SOE's, 43 of which, including major power, financial and telecommunication entities, are currently undergoing major reform of one kind or another. It is a complex and challenging process. The progress made by China is highly commendable.
- 4.591. Over the past few years, all of this, together with the promulgation of China's Foreign Investment Law and a raft of other progressive administrative and regulatory reforms, have seen China move up more than 50 places on the World Bank's Global Ease of Doing Business Index.
- 4.592. Of course, critics will always find fault, will always characterize your efforts as inadequate and will always demand deeper and faster reform.
- 4.593. The important thing is to continue down the path of reform, at a pace and to a depth which is manageable for yourselves and which will not cause any major internal discomfort or turbulence.
- 4.594. Outward Chinese FDI, including in Zimbabwe, continues to see technology transfer, employment generation and significant contributions to the economies of host countries by way of tax revenues and foreign currency receipts.
- 4.595. We look forward to further win-win cooperation projects as we move forward and as we emerge from the pandemic.
- 4.596. On the trade front, in 2020, total trade between Zimbabwe and China amounted to just under USD 500 million, up by 2% over the previous year. Major traded products are machinery and equipment, minerals, chemicals and tobacco. Zimbabwe horticulture and floriculture products have now found a market in China and demand is growing. Progress is also being made to facilitate the exportation of Zimbabwe citrus fruits to China. We have no doubt that there is ample scope to increase these trade figures if the trade potential and market access opportunities between our two countries are fully tapped.
- 4.597. We value China's always constructive and supportive role within Forums such as the G20, BRICS and APEC, in proactively promoting global economic and trade cooperation, and the strong emphasis always placed on the furtherance of South-South cooperation of bringing developing countries closer to meaningful integration and participation in the global trading economy.
- 4.598. The Belt and Road Initiative and, for Africa, the Forum for China-Africa Cooperation (FOCAC) with their strong emphasis on building productive capacity and on connecting countries by prioritizing the development of hard-infrastructure, both within countries and across borders is hugely important for developing countries seeking to identify and develop internal and foreign markets for our products and to facilitate more cost-effective movement of those products.
- 4.599. Let me conclude by welcoming China's strong commitment to multilateralism, including the multilateral trading system, with a reformed, strengthened and more effective WTO at its centre.
- 4.600. Zimbabwe looks forward to a further deepening of our bilateral engagement and strategic partnership with China; and we wish Honourable Minister Wang Wentao and his delegation a very successful Trade Policy Review.

## **KAZAKHSTAN**

4.601. Kazakhstan warmly welcomes the distinguished delegation of China led by His Excellency Mr. Wang Wentao, Minister of Commerce of China. We also recognize with appreciation the presence

of Vice Minister and Deputy China International Trade Representative, Wang Shouwen, and our friend, Ambassador Li Chenggang and his team. We express our gratitude to the Government of China for its informative report and statement. We also thank Ambassador Xolelma Mlumbi-Peter for her insightful comments as the discussant, and the WTO Secretariat for its comprehensive report.

- 4.602. Kazakhstan enjoys strategic bilateral cooperation with China and attaches high importance to further deepening economic and trade relations. China is a key and third largest trading partner of my country. In 2020, the volume of our bilateral merchandise trade increased by 4% despite all the disruptions caused by COVID-19 pandemic and constituted USD 15.4 billion. This growth in bilateral trade volume was possible thanks to the successful implementation of the Nurly Zhol and Belt and Road programmes and effective functioning of the Khorgos Free Economic Zone at the border between China and Kazakhstan. This project became unique and aims at boosting bilateral trade and allowed the use of the full transit potential of Kazakhstan for China's trade with countries.
- 4.603. We also believe that China's initiative aimed at achieving shared growth through the collaboration of countries along the Belt and Road program has a significant potential for further enhancement of trade and economic cooperation within our region and beyond. China is also one of the five largest investors in Kazakhstan's economy. Over the period from 2005 to 2020, China's total direct investment exceeded USD 19.2 billion. Within the framework of the industrial and investment cooperation programme between our countries, it is planned to build 50 enterprises with USD 24.5 billion and it is expected that most of these projects will be completed by 2023.
- 4.604. We also enjoy mutually beneficiary cooperation within the agreement on trade and economic cooperation between the Eurasian Economic Union and China that was signed in 2019. It is worth noting that China, with the objectives to fight the pandemic, has been actively sending medical assistance overseas, donating medical supplies and vaccines. In this context, we express our highest gratitude to the Government of China for its support in delivering several shipments of Sinopharm vaccines to Kazakhstan which significantly contributed to the nationwide vaccination campaign in my country.
- 4.605. Kazakhstan welcomes China's work on trade facilitation measures, such as streamlining the customs procedures, inspections, optimization of pre-export control and certification services with a view to maintain trade flows of medical supplies and minimize the disruptions caused by the COVID-19 pandemic. We also note with appreciation that China has always been a supporter, active participant and major contributor to the accession processes to the World Trade Organization.
- 4.606. We recognize China's constructive engagement in the work of the WTO. Particularly, we appreciate China's contribution into the discussions on fisheries subsidies, on agriculture, trade and health, WTO's response to the pandemic, and women's economic empowerment. We also welcome China's active participation in major Joint Statement Initiative negotiations on investment facilitation, domestic regulation in services, and e-commerce.
- 4.607. In conclusion, we would like to congratulate Ambassador Li Chenggang and his team for the hard work and efforts that went into preparing this TPR. We wish the delegation of China every success for their 8th Trade Policy Review.

# **TAJIKISTAN**

- 4.608. Tajikistan is pleased to participate in the eighth trade policy review of China and would like to welcome entire delegation of China led by H.E. Mr. Wang Wentao, Minister of Commerce and would also like to extend appreciation to the Chinese delegation, the Secretariat for the excellent exercise of the eighth Review of the trade policy of China, and the discussant, H.E. Ms. Xolelwa Mlumbi-Peter of South Africa for her remarks.
- 4.609. The Republic of Tajikistan builds its relations with China taking into account its dynamically developing economy and its large financial resources, which create favourable conditions for mutually beneficial cooperation.
- 4.610. China is a key trading partner of Tajikistan. More than 300 enterprises with the capital of the People's Republic of China are registered in the Unified Register System of the Tax Committee of Tajikistan. Investments from the People's Republic of China are aimed at improving the

reconstruction of international roads, access to electricity, increasing industrial capacity, economic development and sustainability. The foreign trade turnover between Tajikistan and China for 9 months of 2021 amounted to USD 640 million and increased by 186.9% compared to the same period in 2020. Of the total turnover, exports to China amounted to USD 103.9 million and imports from China amounted to USD 536 million. The share of trade with China for 9 months of 2021 is 14.1%. The Republic of Tajikistan commends China's support to combat the COVID-19 and the contribution to ensure the sustainable economic development and implementing important infrastructure projects and its interest to continue the partnership and strategic relations between the two countries. The expansion of trade cooperation with China is in the interest of both States. In this regard, it is important to make use of available opportunities for the development of trade relations between Tajikistan and China.

- 4.611. This eighth Trade Policy Review of China provides a great opportunity to improve our understanding of its trade and investment regimes.
- 4.612. Since China's previous TPR in 2018, the country's economy has been a major driver of global growth. Real GDP growth rates fell from 7.0% in 2016-18 to 6.0% in 2019 and 2.3% in 2020. Growth is projected to reach 6.0% in 2021. China's GDP per capita was USD 11,710 in 2020 and services make up some 55% of GDP. My delegation acknowledges China's continued pursuit of trade liberalization in a multilateral, as well as bilateral context. China's contribution to and constructive involvement in the WTO negotiations is also remarkable.
- 4.613. As active Member of the WTO, China supports the work related to e-commerce within the WTO framework and participates in the JSIs on e-commerce, investment facilitation for development, micro, small, and medium-sized enterprises and domestic regulation in services.
- 4.614. We are confident that China will continue to undertake further trade policy and structural reforms to improve its overall efficiency and to maintain an open WTO consistent trade and investment regime to secure sustainable growth.
- 4.615. In conclusion I wish China a very productive and successful Trade Policy Review.

# **URUGUAY**

- 4.616. Uruguay would like to extend a warm welcome to the delegation of China, led by the Minister of Commerce, Mr Wang Wentao, on the occasion of its eighth Trade Policy Review. We thank Ambassador Ms Xolelwa Mlumbi Peter for her presentation and the Secretariat for its comprehensive report.
- 4.617. In 2020, the sudden pandemic wreaked havoc on the global economy. Despite the impact of COVID 19 on output and employment, China's economy has been a driving force of global economic growth. We note that China has been continuously enhancing the liberalization and facilitation of trade and investment, and pursuing a new pattern of opening up on all fronts. We note that China has harnessed reform and innovation as the primary driving force in endeavours to meet the fundamental goals of satisfying people's growing aspirations for a better life, as reflected in rising per capita GDP. According to the Secretariat's report, poverty fell during the review period and China continued the long-term structural shift away from industry to services.
- 4.618. Furthermore, we note the strenuous efforts made by China in the fight against the pandemic. We also recognize China's leadership in continuously strengthening South-South cooperation.
- 4.619. Uruguay recognizes China's commitment to the continuous improvement of trade facilitation. In this regard, we note that China notified measures implementing the Trade Facilitation Agreement (TFA) to the WTO ahead of schedule, including measures like "Exchange of Information", "Provision of Information" and "Establishment and Publication of Average Release Times". So far, China has fully implemented the measures stipulated in the TFA, and, reportedly, the overall customs clearance time for imports nationwide was reduced. We also commend China for its continued support for cooperation among WTO members on MSMEs issues such as information exchange, sharing best practices and trade facilitation.

- 4.620. At the bilateral level, on 3 February 1988, Uruguay and China established diplomatic relations. Since then, bilateral relations have developed fruitfully and steadily. The two countries have maintained high level contacts and economic and trade cooperation has steadily increased, with China currently being Uruguay's main trading partner. In this regard, the celebration of 30 years of diplomatic relations between Uruguay and China in 2018, which was an opportunity to raise the issues of highest priority for our countries, is of great importance. At that time, it was noted that in 30 years of diplomatic relations, trade had grown 40 times. It should be noted that Uruguay and China have signed a significant number of agreements, memorandums of understanding, protocols and minutes that reflect the intensity of the bilateral economic and trade relationship, and we advocate continuing expanding our relationship.
- 4.621. China and Uruguay agree on the great value attached to the WTO and its key role in the rules based multilateral trading system, as well as on the need to achieve meaningful outcomes at the Twelfth Ministerial Conference. Similarly, both countries share the need to ensure that the WTO remains relevant in the future and is able to rise to the occasion.
- 4.622. I also recognize China's commitment to the multilateral trading system, as reflected in the work of Ambassador Li Chenggang and his team in the work of the WTO.
- 4.623. In conclusion, we would like to reiterate our appreciation for this latest opportunity to discuss China's trade practices, and look forward to continuing to cooperate with China on all fronts: bilaterally, regionally and here at the WTO. Thank you and best wishes for a successful Review.

## **HONDURAS**

- 4.624. Let me begin by extending a very warm welcome to the Minister of Commerce of the Republic of China, Mr Wang Wentao and his delegation.
- 4.625. We thank the Chair, the Secretariat and the discussant for their valuable reports and statements, and we also thank China for its report and government statement.
- 4.626. With regard to the reports under review, we are pleased to note China's commitment to continuing to implement the United Nations Framework Convention on Climate Change and the Paris Agreement to address climate change, reiterating its efforts to peak its carbon dioxide emissions by 2030 and to achieve carbon neutrality by 2060.
- 4.627. We noted the approval of the establishment of China's first wholly foreign invested currency brokerage company, as well as the first foreign invested pension insurance company and the first foreign company offering digital payment services in China.
- 4.628. We welcome that the reports highlight that, in recent decades, China has made great strides in reducing poverty, which has meant that the number of people in China who have been lifted out of poverty represents more than 70% of the world total and, according to its authorities, the goal of eradicating poverty set by the United Nations 2030 Agenda for Sustainable Development has been met, 10 years ahead of schedule, which is admirable and remarkable.
- 4.629. Moreover, we recognize China's efforts to work hard to ensure that the WTO plays an important role in pandemic prevention and control and economic recovery, and we note China's commitment to continuing to participate actively in our discussions on the liberalization of trade in medical products, vaccine IPR exemption and other trade and health related issues.
- 4.630. From the reports, China will continue to strengthen South South cooperation, by contributing to poverty eradication, debt relief and economic growth of developing Members, and strengthening cooperation in agriculture, health, disaster mitigation and water resources.
- 4.631. With respect to this last topic, we highlight that China is associated with the hydroelectric project on the Patuca River with the company Sinohydro and the Patuca III Dam is the second largest hydroelectric dam in Honduras, with an investment of USD 460 million, and a capacity to generate 104 megawatts of clean energy.

- 4.632. Regarding our bilateral trade and investment, it reflects a trade balance in deficit for our country, and in 2020 we imported around USD 923 million in, inter alia, iron and steel, machinery, appliances, electrical equipment, vehicles and footwear, and exported USD 46 million in minerals, garments and clothing accessories and knitwear, ash, machinery, appliances and electrical equipment.
- 4.633. Finally, let me reiterate our appreciation for this latest opportunity to discuss and examine China's trade policies and practices, while wishing the authorities every success in presenting its Trade Policy Review mechanism.

## KYRGYZ REPUBLIC

- 4.634. The Kyrgyz Republic warmly welcomes the delegation of the People's Republic of China led by His Excellency Trade Minister Wang Wentao and Ambassador Li Chenggang.
- 4.635. We would like to express our gratitude to the WTO Secretariat and to the Chinese Government for providing such comprehensive reports of the eighth Trade Policy Review of China. We would also like to thank the discussant, H.E. Ambassador Mlumbi-Peter of South Africa for her insightful comments.
- 4.636. Sharing a border with us on the East and Southeast, China is one of the key trading partners for already three decades since our independence. Beginning from 1991, when the People's Republic of China was one of the first countries to recognize the independence of the Kyrgyz Republic, we enjoy the trade and economic partnership with China.
- 4.637. As of today, our countries have signed numerous agreements, which set a certain basis in regards to legal framework, administrative processes which is allowing further development of a mutually beneficial relations and diversified cooperation on bilateral level between our countries, as well as on the regional and international levels including in the framework of Shanghai Cooperation Organization, the United Nations, WTO and other International Organizations.
- 4.638. With regard to bilateral trade and economic relations, it should be noted that, despite the difficult situation in the global economy, China remains one of the main trade and economic partners of the Kyrgyz Republic.
- 4.639. The high level of political mutual trust is being continuously supported and reinforced by the leaders of our countries through series of reciprocal high-level visits and development of diplomatic relationship.
- 4.640. Furthermore, the Kyrgyz Republic was one of the first countries to officially confirm the country's active participation in the revival of the Great Silk Road in 2014. The initiative on economic development framework for primarily integrating trade and investment in Eurasia by building the Silk Road Economic Belt also known as One Belt One Road is being considered by Kyrgyz Republic as a way to promote the opening-up of inland and border areas as well as balanced development among different regions.
- 4.641. We are pleased to see that China continues to deepen its market-oriented reforms, moving in the direction of liberalization and simplification of its procedures, including customs reforms, which will contribute into removing of trade barriers.
- 4.642. Since the beginning of its Membership to the WTO, China has demonstrated its highest of dedications to the WTO rules and has continuously shown its commitment to trade liberalization under the multilateral trading system centered on the WTO.
- 4.643. To date, about 250 interstates, intergovernmental, interdepartmental and other bilateral documents have been signed between the Kyrgyz Republic and the People's Republic of China, which indicates the existence of a serious legal framework and the desire of the two countries to consistently develop mutually beneficial cooperation.
- 4.644. Trade and economic cooperation is the main catalyst for the development of Kyrgyz-Chinese relations. Interaction in this direction is carried out within the framework signed in 1998 of the

intergovernmental agreements on trade and economic cooperation and the creation of an intergovernmental Kyrgyz-Chinese Commission on trade and economic cooperation since 1994.

- 4.645. The trade turnover between the Kyrgyz Republic and China in 2020 amounted to USD 781.2 million and in comparison with 2019 decreased by 2.3 times, including export USD 43.2 million (decreased by 1.9 times), imports USD 736.9 million (decreased by almost 2.4 times).
- 4.646. There is an increase in the volume of trade between the Kyrgyz Republic and China this year. In January-July 2021, the trade turnover between the Kyrgyz Republic and China in comparison with the same period in 2020 increased by 1.7 times and amounted to USD 718.2 million, including import USD 681.4 million (growth by 1.7 times), export by 1.4 times and amounted to USD 36.8 million.
- 4.647. Inflow of foreign direct investment from China to the Kyrgyz Republic in 2016 amounted to USD 301.303 million and grew to USD 338.052 million by 2019. Investments at the end of 2020 amounted to USD 136.1 million.
- 4.648. The main export items from the Kyrgyz Republic to China are food products and agricultural raw materials (honey, tobacco products, various nuts, fresh and dried fruits, drinks, etc.), raw hides, tanned leather, ores and concentrates of precious metals, equipment and mechanical devices, vehicles and their parts. Import from the PRC to the glass, ceramics, cement, leather, wood, paper and cardboard.
- 4.649. The most important and promising areas of bilateral trade and economic interaction are cooperation in the development of infrastructure and transport, energy, processing industry, agriculture, mining, tourism, as well as cross-border cooperation.
- 4.650. Currently, the parties are successfully implementing a number of joint projects in the Kyrgyz Republic, which are of great socio-economic importance for Kyrgyzstan.
- 4.651. Broad opportunities for cooperation between Kyrgyzstan and China are also provided by the "One Belt One Road" and the "Economic Belt of the Silk Road" initiatives. These initiatives have a long-term multi-directional character and aimed at expanding cooperation in the trade and economic sphere, in the field of infrastructure, including transport and energy, in the investment and financial fields.
- 4.652. Before concluding, we want to thank H.E. Ambassador Li and our colleagues at the Permanent mission of the People's Republic of China to the WTO for their active contributions and constructive engagement in the negotiations at the WTO and their close cooperation with our delegation.
- 4.653. In conclusion, the Kyrgyz Republic wishes to the delegation of the People's Republic of China a very successful Trade Policy Review.

#### 5 REPLIES BY THE REPRESENTATIVE OF CHINA AND ADDITIONAL COMMENTS

- 5.1. My colleagues and I listened attentively to the remarks made by Madam Chair, the discussant and representatives from 65 Members on Wednesday and today.
- 5.2. I would like to thank you very much all for the remarks. We very much appreciate your recognition of China's commitments and efforts in advancing opening-up to higher level, in supporting international cooperation in the fight against COVID-19, in promoting trade and investment liberalization and facilitation, and in supporting the multilateral trading system.
- 5.3. Most of the concerns raised by Members in their remarks have been addressed in Minister Wang Wentao's statement and my own remarks, as well as in our replies to the written questions. Here, I wish to address some of these concerns a bit further.

# With regard to the Belt and Road Initiative

- 5.4. In 2019, President Xi Jinping emphasized at the Second Belt and Road Forum for International Cooperation held in Beijing that China will adhere to openness, green development and clean governance, and total transparency in the implementation of the Belt and Road Initiative.
- 5.5. For BRI projects, China attaches great importance to strengthening debt management, helping partner countries to improve debt sustainability and enhance their sovereign debt risk prevention capabilities. For that purpose, China has jointly approved the "Belt and Road Initiative Financing Guiding Principles" with 27 countries.

# With regard to Forced Transfer of Technology and IPR Protection

- 5.6. In China's current law and regulations, there is no provision whatsoever that forces foreign companies to transfer their technology to the Chinese companies. On the contrary, the Administrative Licensing Law of China revised in April 2019 and the Foreign Investment Law implemented in January 2020 both explicitly stipulate that administrative agencies and their staff in China shall not force the transfer of technology.
- 5.7. China has gone a long way in strengthening the protection of intellectual property rights and achieved remarkable results. The number of patent applications in China has been ranking first globally in several years. Two years ago, the number of invention patents and trademark applications in China filed by foreign owners reached 157,000 and 255,000 respectively, representing an annual increase of 6% and 4.7% respectively over the previous year.
- 5.8. Furthermore, China is now an important buyer of the IPRs. Last year, the amount of intellectual property fees paid by China reached USD 37.6 billion, 1.7 times of the amount in 2015.

# With regard to Dual Circulation

- 5.9. President Xi Jinping has pointed out that dual circulation is by no means a closed-door circulation, rather it is an open international dual circulation. It not only serves the needs of China's own development, but also creates vast market opportunities for other economies and contributes more welfare to peoples of all nations. President Xi Jinping also stresses that China will not shut its door, and instead China will open its door even wider.
- 5.10. China keeps expanding domestic demand, while avoiding over-reliance on exports. The ratio of China's exports to its GDP was 17% last year. The exports to GDP ratio for the United States was 6.8%, and that for Japan was 12%. We can see China's economy relies more on exports than the United States, Japan and many other economies.
- 5.11. One important reason for China's expansion of domestic circulation is that some countries have imposed undue export controls on China under the pretext of national security, which cut off the supply chain for Chinese enterprises.
- 5.12. Consequently, China has no choice but to do the research and development on these products and technologies that cannot be purchased in the international market.

# With regard to Antidumping and Countervailing measures taken by China

- 5.13. Some Members mentioned in their statements that China frequently uses antidumping and countervailing measures.
- 5.14. This is not true. In fact, China has exercised much restraint in taking antidumping and countervailing measures, and China has strictly followed the provisions of the WTO antidumping and SCM agreements in initiating investigations.
- 5.15. According to the statistics of the WTO, there have been around 911 antidumping and countervailing investigations initiated during the review period.
- 5.16. Of these cases, there are only 42 cases initiated by China. So, that means China accounts for only 4.6% of the total AD/CVD cases initiated globally over the review period. And during the same period of time, China's imports accounted for 11% of the global imports. Evidently, these two figures are very much disproportionate.
- 5.17. For the same period between 2018 and 2020, some Members have launched as many as 266 antidumping and countervailing cases against China, accounting for 26% of the total cases, in sharp contrast with 13.5% that China's exports account for in the global total exports. Therefore, it is China who is the very Member suffering the largest number of antidumping and countervailing investigations in the world, and clearly, China is the biggest victim of the abusive trade remedy measures by some Members.

# With regard to Non-transparent and Unfair Operation in China's Government Procurement Practices

- 5.18. China's Government Procurement Law clearly provides that suppliers shall not be subject to different or discriminatory treatment under unreasonable conditions. The Foreign Investment Law requires that domestic and foreign-invested enterprises are treated equally in government procurement.
- 5.19. On 13 October this year, just one week ago actually, China issued the Notice to Implement the Equal Treatment to Foreign-invested and Domestic Enterprises in Government Procurement Activities, which requires that foreign-invested and domestic enterprises participate in government procurement in China on an equal basis.
- 5.20. China implements government procurement in a transparent way and publicly releases product and service list for government procurement in accordance with laws and regulations. It's a public tendering procedure. China has made tremendous efforts in its bid to join the GPA of the WTO over the past 14 years.
- 5.21. Up to now, China has submitted 7 GPA revised offers. The coverage of China's offers has been increasingly expanding and reached a level that is equivalent to the commitments of major GPA parties. The size of China's government procurement market is huge. Last year, the scale of national government procurement including local governments at all levels reached 3.7 trillion yuan, an increase of 11% over the year before.
- 5.22. My colleagues told me that New Zealand submitted its application to GPA in 2012, five years after China filed for application to join the GPA. Nonetheless, New Zealand became a party in 2015, and now New Zealand is a veteran GPA party for years. We admire New Zealand. However, we think that China's accession to the GPA cannot simply reply on China's own efforts.
- 5.23. We hope all GPA members will engage in the negotiations in a more flexible and pragmatic manner, so that China will become a GPA party as early as possible for the benefit of all GPA members.

# With regard to non-market practices and the SOEs in China

5.24. The Constitution of China stipulates that China practices a socialist market economy.

- 5.25. China has continuously promoted and deepened the process of marketization. Currently in China, interest rates and exchange rate are determined by market forces.
- 5.26. The Bankruptcy Law is uniformly applicable to all types of market entities in China. At present, more than 97% of China's goods and service prices are determined by the market. The scope of pricing set by the government is mainly limited to public utilities and public welfare services.
- 5.27. Article 16 of China's Constitution stipulates that state-owned enterprises have the right to operate autonomously within the scope prescribed by laws and regulations.
- 5.28. As independent market entities that operate on their own, the SOEs in China take responsibilities for their profits or losses, assume their own risks, keep self-disciplined and seek self-development.
- 5.29. The SOEs participate in market competition in the same manner as enterprises of other ownerships. The SOEs in China do not enjoy any privileges. Since 2018, the reform of the SOEs has achieved profound progress.
- 5.30. The reform to convert the SOEs into standard corporations has fully been accomplished. The number of SOEs with mixed ownership accounts for more than 70% of the total. Last year, the imports and exports of SOEs in China accounted for only 14.3% of China's total foreign trade.
- 5.31. The Government of China does not grant subsidies on the basis of the types of ownership.

## With regard to Overcapacity

- 5.32. Since 2015, China has been carrying out the supply-side structural reform, producing remarkable progress in over-capacity reduction.
- 5.33. For example, between 2018 and 2020, China has reduced over 150 million tonnes of crude steel production capacity and the utilization rate returned to an appropriate range of over 80%. The capacity utilization rate of the aluminum industry was above 85%.
- 5.34. Last year, the net export of China's crude steel was 16.72 million tonnes accounting for only 1.6% of China's total crude steel output and China's net steel export took up only 4.2% of the global export. For the aluminium industry, China exported 4.6 million tonnes of aluminum last year, down by 10%, accounting for only 8% of China's aluminum total output.
- 5.35. China maintains control over new capacity and is committed to establishing and improving a long-term mechanism for resolving excess capacity through marketization and rule of law.

# With regard to Forced Labour

- 5.36. China is firmly opposed to any form of forced labourin China's economic activities.
- 5.37. The Criminal Law of China explicitly prohibits forced labour and the Law stipulates that in cases where the circumstances of violation are serious, the persons who are directly responsible for offence shall be sentenced to imprisonment of three to ten years.
- 5.38. Meanwhile, the laws and regulations of China clearly prohibit the export of forced labour products. Therefore, it is totally unwarranted to withhold export from China into some members on the ground of forced labour.

### With regard to Economic Coercive Measures

5.39. China is strongly opposed to unilateralism and protectionism measures, including the economic coercive measures. China actually is a victim of these measures itself. The dispute settlement mechanism of the WTO could be relied on to find a satisfactory resolution to any trade dispute.

- 5.40. Since accession to the WTO, China has respected and implemented all the rulings whether favourable or adverse to China made by the WTO Dispute Settlement Body. It is a shame that due to the boycott by a single Member, the WTO Appellate Body has fallen into paralysis.
- 5.41. China is glad to see a Multi-Party Interim Appeal Arbitration Arrangement (MPIA) being operational at the time when WTO Appellate Body is out of operation. China accepts the rules and procedures of the MPIA and is willing to work with all parties to resolve disputes under this Arrangement.
- 5.42. China has taken note of the Australia's allegation about China's import restrictions. That accusation is groundless. According to Australian statistics, Australia's global trade surplus last year was about USD 39 billion while Australia's trade surplus with China was USD 40 billion, larger than Australia's global trade surplus.
- 5.43. For the first eight months of this year, Australia's exports to China reached USD 99 billion, up by 53.1% over the same period last year. This is also Australia's trade statistics. Facts speak louder than words.

# With regard to temporary preventive measures under the pandemic

- 5.44. China has adopted scientifically-based pandemic prevention and control measures, which are necessary to prevent imported cases. As of today, inbound cases have been effectively prevented, and the Chinese economy achieved the earliest recovery, which contribute to the global economic growth.
- 5.45. The measures taken by China have not affected adversely other WTO Members' exports to China. To take meat as an example, China imported almost 10 million tonnes of meat from other WTO Members last year, with an annual increase by 60.4%.
- 5.46. In terms of international travel, China has continuously taken proactive measures to create conditions to facilitate the international travel of business people into China.

# With regard to Transparency

- 5.47. China has done a relatively good job in fulfilling its obligations of notification under the WTO agreements. During the review period, in accordance with the requirements of the WTO, China submitted its notifications of subsidies in 2019 and 2021, respectively.
- 5.48. These notifications cover 150 subsidy programmes at central level and 794 programmes at sub-central level, including tax incentives for the integrated circuit, refined oil for fishery subsidies, new energy vehicle purchase subsidies, subsidies for the iron and steel industry to resolve excess capacity and other subsidies for some key industries.
- 5.49. On 15 and 19 October, a few days ago just before this review, China submitted its latest notifications on quantitative restrictions and state trading respectively. The Secretariat has yet to circulate these notifications. In addition, China will submit the latest notification on domestic support in agriculture in the first half of next year.

# With regard to Trade Surplus

- 5.50. As a major exporter and importer, China does not seek trade surplus with its trading partners as a policy. According to the UK's Economist magazine, the edition of 9-15 October this year, according to that magazine, China's current account surplus accounted for 2.8% of its GDP, for Japan it was 3.4%, for Euro Zone countries it was 3.3%, and for the USA, it was -3.4%. So, you can see China's trade is more balanced than some of the major economies.
- 5.51. China's import of goods ranks the second place in the world, totalling about USD 2 trillion last year. To break down, the industrial products accounted for 60% of the total imports, and agricultural products 10%, while energy and mineral products took up 28%.

- 5.52. To increase imports, China hosts the China International Import Expo every year for four years in a row and China welcomes all WTO Members including India and Brazil which have expressed their interests in exporting more products to China, to export products, industrial and agricultural produces alike to China. I am also told by my colleagues that 139 economies in the world are represented in the China International Import Expo, the upcoming one will take place between November 5 and November 10. So, we welcome more businesses from WTO Members to be represented.
- 5.53. I have also taken note of the questions raised by Uganda and Mongolia. We will answer your questions in due course.
- 5.54. I have also taken note of the remarks by some LDC members. I want to assure you that China places a lot of emphasis on cooperation with LDCs. In my remarks on Wednesday, I have stated that China accorded 0 tariff treatment on 97% all tariff lines to 42 LDCs. China has been the biggest export market for LDCs in the past 12 years. China will continue to support LDCs endeavour to integrate into the global trading system through China cooperation projects with the WTO Secretariat. I also want to reassure LDC countries that China's market will continue to be open to your products and services and we particularly welcome you to participate in the China International Import Expo to sell your goods and services. We welcome you to participate in China International Fair for investment and trade which is also an important platform for attracting investment into your countries. We also hope you could make the best use of the e-commerce to export your goods to China via global e-commerce platforms.
- 5.55. In conclusion, I want to express my appreciation to all those colleagues who have made comments either praising China or being critical of China. I want to say that through this exercise of trade Policy review we have taken note of the concerns of all relevant WTO Members and we will address those concerns in a very constructive and efficient manner. And I am sure that China's market will be available and providing more opportunities for all WTO Members. Thank you, Madam Chair.

# **DISCUSSANT**

- 5.56. Madam Chair, I would like to start by congratulating China, led today by Vice Minister Wang Shouwen, and also Ambassador Chenggang Li and their teams for their active participation in this Trade Policy Review. China received over 2000 questions covering a wide variety of issues and China's response within the timeframes demonstrates a tremendous commitment to the Trade Policy Review Mechanism and the number of questions from Members also shows the value the membership attaches to the TPRM, given China's important role in the global economy.
- 5.57. There are a number of issues that came up in the review. Members noted the significance of this review given that it coincides with the 20th anniversary of China's accession to the WTO. They also highlighted the role of the MTS in China's integration into the global economy. Members noted the remarkable progress China has achieved since its accession to the WTO, the expansion of China's share of global trade and the progress it has achieved in lifting millions of people from poverty. Members also welcomed China's continuous support for the multilateral trading system. Some welcomed China's effort for combating unilateralism, protectionism and its support for global cooperation. Some Members highlighted the need for China to play a constructive role to improve the multilateral trading system and for China to take more responsibility commensurate with its economic weight and level of development.
- 5.58. Like in any other Review, there are concerns that were shared by Members and areas for improvement. These include the need to improve notification obligations, especially in relation to state trading entities and domestic support. Some highlighted the importance of ensuring a non-discriminatory public procurement system so as to also open space for participation of foreign entities. It was noted that the Government Procurement law is being revised and Members are hoping for equal access to public procurement for both foreign companies and SOEs so as to level the playing field. The need to address competition distortions and the support provided to SOEs was emphasized. Concerns were also raised with regards to industrial subsidies provided by China that lead to overcapacity. Other Members raised the importance of addressing investment restrictions and the need to strengthen the enforcement of IP rights. Some were of the view that China must do more to ensure that incentives are given on an equitable basis. Members also raised questions about

the scientific rationale of COVID-19 measures which they considered stringent and called for lifting of such measures in light of FAO guidance and highlighted the impact these measures have on their products of export interest. Concerns were also raised with regards to the implications of Decree 248 and 249 and some Members requested China to review the implementation date.

- 5.59. In relation to LDCs, some Members enquired about China's plan to implement preferential Rules of Origin, and whether the preferential access granted to LDCs will also apply to graduating LDCs.
- 5.60. Importantly, Members also appreciated the opportunity provided by the TPR in taking stock of China's role in the MTS. Members acknowledged the positive and active engagement by China in the WTO, including in the JSIs. Members also acknowledged the market reforms that China has implemented towards opening-up its economy, although some Members expected China to do more and implement deeper market reforms given its increasing importance and stature in the global economy. Other Members also appreciated China's commitment to South-South cooperation, through various initiatives, including the Belt and Road Initiative and technical assistance provided to developing countries and LDCs.
- 5.61. It has been a pleasure and an honour to be the discussant for China's eighth Trade Policy Review. I want to thank you, Chair, as well as the WTO Secretariat for their efforts. And finally, I would like to once more congratulate the Chinese delegation for a successful Review.

#### **UGANDA**

- 5.62. Good morning to all, to China, to the Chair, Ambassador Madam Molokomme, to the discussant, Madam Mlumbi-Peter, to the Chinese delegation led by H.E. Mr. Wang Wentao, to the Chinese delegation to the WTO led by Ambassador Li and to the Chinese delegation in Geneva. I want to thank you for the opportunity to speak at this memorable occasion, to welcome China and thank them and congratulate them as well for their 20th anniversary of acceding to the WTO.
- 5.63. I would like to sincerely apologize for Uganda's inability to speak on Wednesday. This was due to a technical issue. We had an issue with our numbers. We had different numbers from our Presidency and different numbers from our Ministry and we needed to share accurate numbers with China. I was pulled out of the room for that reason but today we are able to share accurate numbers. My sincere apologies.
- 5.64. I would like to give a bit of context to Uganda's submission at this time. Without China, there is no concept in my country for a post-COVID-19 recovery. This is a novel concept and let me explain. My Government is still working through a shut down and a lock down, with only 20% of our offices open to essential workers, including the Government; our schools, as listed by UNESCO yesterday, have been closed for over 77 weeks; in English, this would be 18 months. All our tertiary institutions of education are closed indefinitely. To say that our small businesses have been wiped out, closed or decimated is an understatement. As you well know, our population is roughly 40 million. Our population remains largely unvaccinated, save for approximately 1.5 million, many of whom have received a vaccination from China.
- 5.65. Uganda is very much in the eye of COVID and discussing of post-COVID-19 strategy remains an anomaly. However, we would like to celebrate with China. Uganda would like to thank China for its constant resilient support of our health care system. As of October 2021, Uganda has received over 2 million doses of China's Sinopharm vaccine and an additional 700,000 doses of Sinovac, supporting Uganda's vaccine drive for all health care workers, for our teachers, for our patients with other comorbidities and our marginalized population.
- 5.66. Uganda looks to China for further discussions on potential purchasing agreements on the vaccine that will allow for increased access to China's vaccines for all. That said, we do not disregard China's donations to our country for, without that, we would not be able to begin to discuss continued post-COVID development.
- 5.67. On paragraph 10, China shared information on the progress of poverty alleviation that has been achieved by China over the last decade, resulting from high GDP growth rates and market-oriented reforms. In many ways, there is no conversation about poverty alleviation in Uganda

without China. Uganda has been a clear beneficiary of China's progress and programmes on poverty alleviation beyond China's borders. There is no conversation again, I repeat, on China and Uganda's poverty alleviation, there is no conversation without China and, in that regard, China and Uganda's bilateral cooperation without the recognition of your major contributions will be remiss.

- 5.68. Our population, particularly our women, have been supported by China's economic transformation in my country. Through sustained support in the agricultural sector, particularly where 68% of our farmers are women, China's assistance in the value addition, various industrialization progress, microfinance loans for small and subsistence farmers, particularly women, has kept poverty at bay in 2020 and in 2021.
- 5.69. In agriculture in particular, Uganda has seen growth and resilience during COVID and this would not have been possible without China. To that regard, our question to China falls in line with page 10, paragraph 1, and we would like to request China to outline its further progress in poverty alleviation during this review period. The intensification of our regional and bilateral and *ad hoc* economic integration efforts will be more enhanced post-COVID, as we work towards a more resilient economic structure for Uganda.
- 5.70. We can already see the advantages and the importance of the multilateral trading rules, the trading environment provided by the WTO and, with these lessons to be learned, we work towards the Africa Continental free trade area, whose primary objective is the elimination or reduction of tariff and non-tariff barriers amongst the 54 African States, providing a single market for goods, services, facilitated by movements of persons in order to deepen our economic integration and prosperity as Africa. Closeness to original markets has been becoming and will become more important as investment determinants. Let me rephrase, as China continues to take a closer look at our markets based on the Report before us, on page 10, paragraph 8, can China please specify main measures for improving foreign direct investment during this review period?
- 5.71. As our trade began, bottlenecks and global value chains immediately emerged. We have seen the return of protectionism, nationalism and a prioritization on national economic policies, capabilities, production, financing and interventionism in the services industry.
- 5.72. As we confront severe structural impediments to development, this promises to be only the beginning of a change towards a more resilient and sustainable transformation for Uganda. The longer-term policy reaction to the pandemic and the drive for greater supply chain resilience will accelerate trends and national production, cross-border regional economic trade and digitalization of our customs unions. China's fiscal and monetary policy reactions, as reported, and also with Uganda, have helped mitigate the economic impact of the COVID-19 pandemic. As China plans to build a network of high-standard FTAs to promote trade and investment liberalization and facilitation, Uganda is already witnessing the benefits of this particular low-hanging fruit.
- 5.73. China and Uganda signed an Authorized Economic Operator and Mutual Recognition Agreement at the 5th World Customs Organization Global AEO Conference held in Dubai. This is the first such agreement between China and an African country. According to China's general administration of customs, Uganda stands to benefit greatly from simplified and digitalized customs procedures, much needed as we look towards our post-COVID resilience reforms. That said, China, please would you specify your main policies and measures for streamlining customs procedures, particularly in Africa?
- 5.74. In conclusion, as we look to WTO's MC12, Uganda requests that China share additional information as well on the special preferential treatment for LDCs and with a view to assisting us considering our post-COVID economic crisis. Is there any room for additional programmes for LDCs and particularly to bring this particular programme of special preferential treatment to bear much fruit?
- 5.75. As Vice Co-Chair of the WTO's MC12, Uganda would like to conclude by asking China: 1/what is China's expectation for MC12? 2/would China look to supporting Africa, the African Group, South Africa, India, as we look for a TRIPS waiver. We say this with great respect. We say this also as the grandfather of the TRIPS waiver. Uganda was among the first countries to ask for a TRIPS waiver at the WTO during the HIV crisis 20 years ago, when China was acceding to the WTO. We ask that one

of our closest, strongest, most important ties that you would look into our conversations with South Africa.

#### **NEPAL**

- 5.76. At the outset, my delegation wishes to extend a warm welcome to the delegation of the People's Republic of China led by H.E. Mr. Wang Wentao, Minister for Commerce. I commend insightful highlights on the review reports by the Minister and Vice Minister.
- 5.77. I would like to extend sincere appreciation to the PRC Government and the WTO secretariat for preparing and submitting separate comprehensive and complete trade policy reports.
- 5.78. My delegation thanks H.E. Ms Xolelwa Mlumbi-Peter, Ambassador of South Africa for her comprehensive remarks as discussant.
- 5.79. I commend China's active and constructive role in safeguarding multilateralism at the WTO functioning. China's commitment to rule-based, transparent and inclusive multilateral trading system is laudable.
- 5.80. China's TPRs have presented its major trade and economic policies in the review period and also its commendable success in growth, innovation, export promotion, and poverty alleviation during the past decade.
- 5.81. My delegation takes a good note of China becoming an example of managing the COVID-19 pandemic successfully with minimal impact on its economy.
- 5.82. China's support to the supply of vaccines, essential medicines and medical instruments and skilled human resources to the countries in need to fight against the COVID-19 is commendable.
- 5.83. We deeply appreciate China for the medical and vaccine supplies to Nepal in our fight against COVID-19.
- 5.84. I wish to take a good note of China's contribution to the global economic growth. Despite some negative impact of the pandemic in 2020, the country has achieved a fast economic recovery resulting in an estimated growth of 6.0% in 2021.
- 5.85. Various reform initiatives taken by China during the review period mainly in foreign Investment regime, trade facilitation, tax regime, and licensing, among others have remained highly valued.
- 5.86. Initiatives taken through the rural revitalization strategy would contribute enhancing livelihood of rural people in the days ahead.
- 5.87. The Made in China initiative and the Internet Plus initiative is a motivating factor in promoting its manufacturing sector.
- 5.88. The way forward presented in the government report clearly reveals its future prospect, especially in promoting innovative development of foreign trade, improving its business environment, and building a new highland for opening-up by using the pilot free trade zones and free trade ports as leading examples, among others.
- 5.89. While turning to the bilateral front, the relations between Nepal and China are age-old, deep-rooted and close.
- 5.90. Our bilateral relations have been marked by friendliness, understanding, mutual support, cooperation and respect for each other's sensitivities.
- 5.91. The friendly ties have been deepening in economic, trade and transit, investment, tourism and people-to-people front ever since the establishment of bilateral relation in 1955.

- 5.92. Nepal is firmly committed to One-China policy and is also committed to not allowing its territory for any inimical activities against China.
- 5.93. A number of bilateral mechanisms exist to further strengthen our socio-economic relations between the two countries.
- 5.94. Nepal-China Joint Consultation Mechanism is one such mechanism led by the Foreign Secretary of Nepal and the Vice Minister of the Foreign Ministry of China, which periodically reviews the entire gamut of bilateral cooperation.
- 5.95. My delegation sincerely appreciates China's assistance in Nepal's development efforts in the areas of infrastructure building, industrialization process, human resources development, health, education, water resources, sports and the like.
- 5.96. With the signing of the Memorandum of Understanding on Cooperation under the Belt and Road Initiative, new avenues have opened up for bilateral cooperation in mutually agreed areas.
- 5.97. Trade, investment, tourism and infrastructure development are major areas of interest for economic cooperation between the countries.
- 5.98. China is the second largest trading partner of Nepal accounting for 16% of Nepal's total trade.
- 5.99. Recent trade data reveals that the total value of merchandise export of Nepal to China in the year 2020 stood around 681 million NRs whereas its total value of imports from China remained around 158.723 billion NRs, resulting in a huge trade deficit for Nepal of NRs 158 billion. It shows Nepal's export value 233 times less than its value of imports from China. This could be an opportunity for strengthening our partnership and collaboration in achieving a balanced trade in future.
- 5.100. China is the largest source of Foreign Direct Investment and the second largest source of foreign tourists to Nepal.
- 5.101. My delegation appreciates China for extending zero tariff entry facility to over 8,000 Nepali products in 8 digits HS code. However, Nepal hasn't been able to harness the potential opportunity due to its supply-side capacity constraints.
- 5.102. Nepal and China bilateral economic and trade cooperation is further cementing through numbers of policy instruments signed by both countries and bilateral mechanisms established under those instruments. To mention the latest few of them, successful conclusion of transit transport agreement and its protocol became landmark policy instrument to diversify trade and transit relations with Nepal.
- 5.103. In this context, I would like to mention that both countries have huge potentials for strengthening our collaboration and partnership for wider and just socio-economic benefits to us.
- 5.104. Finally, Chair, I wish a highly successful Trade Policy Review of China.

# **ECUADOR**

- 5.105. I would like to convey the gratitude of our authorities to you, Chair, and to the discussant for your hard work in facilitating this important Trade Policy Review. We would also like to express our appreciation for the work of the WTO Secretariat. I extend our greetings and congratulations to the Chinese delegation, led by Minister Wang Wentao, Deputy Minister Wang Shouwen and, of course, Ambassador Li and his team in Geneva. Unfortunately, Ambassador Valencia is unable to join us today. However, I will make our statement on his behalf.
- 5.106. Ecuador considers China as a strategic partner in a number of areas of its international relations, including trade and investment. Both countries have achieved mutually beneficial results and increased their cooperation in areas such as infrastructure, energy, agriculture, minerals and finance.

- 5.107. Ecuador and China have supported each other during the COVID 19 pandemic. Ecuador appreciates the important supply of vaccines which, together with those acquired from other countries, allowed our Government to successfully immunize 70% of the Ecuadorian population to date.
- 5.108. Ecuador joining the Belt and Road initiative in December 2018 and the Asian Infrastructure Investment Bank in November 2019 has made it possible to boost cooperation with China, promote direct investment, generate efficient digital economy networks and launch new links between countries in the Asia Pacific region with a view to improving trade routes and opening new markets. All of this is very positive for Ecuador at a time when the global public health crisis has had a serious impact on trade expectations.
- 5.109. We congratulate China on its eighth Trade Policy Review. On this occasion, Ecuador has submitted written questions regarding China's trade policies in a number of areas, including sanitary and phytosanitary measures and trade facilitation issues.
- 5.110. We recognize China's important and active participation in the multilateral trading system, as well as its progress in a number of areas, which is recorded in the Secretariat's report; for example, in trade facilitation for import registration, documentation and inspection requirements, as well as in response to the COVID 19 pandemic. The national single window for international trade, for example, has been expanded and the overall time for customs clearance of imports throughout the country has been reduced.
- 5.111. China participates in the joint statement initiatives in the WTO on electronic commerce, investment facilitation, and small and medium sized enterprises. We also acknowledge its participation in the working group on gender and as a coordinator of the Informal Dialogue on Plastics Pollution and Environmentally Sustainable Plastics Trade, together with Australia, Barbados, Ecuador, Fiji and Morocco. We value the establishment of synergies and cooperation with other international processes on the subject within this framework.
- 5.112. We congratulate China on the anniversary of its accession to the WTO and because, since China's 2018 Trade Policy Review, the country's economy continues to be a major driver of global growth, with progress on poverty alleviation achieved in recent decades, resulting from high GDP growth rates and market-oriented reforms. We encourage the continuation of those reforms.

# **SRI LANKA**

- 5.113. My delegation welcomes the delegation of the People's Republic of China led by His Excellency Mr. Wang Wentao, Minister of the Ministry of Commerce for the eighth review of the trade policies and practices of China.
- 5.114. We thank Her Excellency Ms. Xolelwa Mlumbi-Peter, the discussant, for her insights and report and the WTO Secretariat and the Government of China for their comprehensive reports made available to the Members.
- 5.115. As my delegation noted that China has maintained its position as the world's second largest importer of goods, which accounted for 11.5% of global imports in 2020, for the 12 consecutive years. China is also the second largest importer of services trade in the world.
- 5.116. As we are well known, during the COVID-19 outbreak, when people's safety and health were seriously endangered, China mobilized maximum efforts and resources within the shortest period of time to contain the spread of the pandemic and took urgent steps to send medical assistance overseas, donating medical supplies to countries and International Organizations across the globe. The complete industrial chains and strong support systems in China played a positive role in boosting the recovery of the world economy. Sri Lanka as a beneficiary country of pandemic support extended by China, we highly appreciate China's initiatives and assistance during the pandemic.
- 5.117. We acknowledge that China, who is celebrating 20th Anniversary of Accession to the WTO, is a strong supporter of the open and rule-based multilateral trading system, and active participant and major contributor to the multilateral trading system. Its initiatives and encouragements for

other members to maintain a rule-based, transparent, non-discriminatory, open and inclusive multilateral trading system, and to oppose unilateralism and protectionism is commendable.

- 5.118. It is commendable that China has fulfilled all its notification obligations under all WTO Agreements. As the largest developing member, China has made significant progress in subsidy notification, which is the most difficult exercise in terms of data collection process. China has further streamlined import administration procedures and continuously lowered import tariffs which are beneficial for developing countries, in particular the LDCs.
- 5.119. On bilateral economic cooperation, China was the 8th export market for Sri Lanka with a share of 2.25% in 2020 and the largest import partner with a share of 22.95% in 2020. China was number one among FDI origins to Sri Lanka in 2019. Chinese investments have contributed immensely to expand the economy, employment and tax revenue in Sri Lanka. China was the 3rd largest source of tourist traffic to Sri Lanka in 2019 with 8.76% of the total traffic received in 2019. These facts indicate that China is one of the major economic partners of Sri Lanka.
- 5.120. Both Sri Lanka and China are signatories of the Asia Pacific Trade Agreement (APTA) and Sri Lanka's exports and imports under APTA shows increasing trend during the last few years.
- 5.121. Holding "South Asia Expo" dedicated to South Asian products, is an important measure that has been taken by the Government of China to promote fruitful trade and economic cooperation between China and South Asian Countries. Organizers of the Expo provide free exhibition—facilities as well as assisting with the customs clearance and product promotion to encourage—enterprises from South Asia. Notably, it is more useful for the Sri Lankan SMEs. Sri Lanka has been participating at this fair (South Asian Commodity fair) from its inception in 2007. The success of participation at the previous events encouraged Sri Lanka to participate at the future fairs too, and we look forward China's cooperation in this regard in the future as well.
- 5.122. Sri Lanka-China Joint Committee for Trade and Economic Cooperation was established in 1991. The Sixth Session of the Joint Committee was held on 7th June 2014 in Beijing. As per a decision taken at this meeting, both sides launched negotiations on an FTA which has not yet been concluded.
- 5.123. In concluding, my delegation appreciates China's highly valued contribution to the multilateral trade system, and its active engagement in the negotiations on most of the key areas, including in the reform process for making the WTO a viable forum for meaningful negotiations, and we too value its contributions in the area of technical assistance for building the capacity of developing countries and LDCs in many related areas.
- 5.124. The dynamic role played by Ambassador LI Chenggang, Permanent Representative to the WTO and his able and dedicated team in Geneva in proactively engaging in ongoing activities of the WTO, is highly commendable.
- 5.125. We wish delegation of China a successful deliberation on its Trade Policy Review.

#### **EGYPT**

- 5.126. Egypt associates itself with the statement delivered by Mauritius on behalf of the African Group, and joins others in extending a very warm welcome to the Chinese delegation headed by His Excellency Mr. Wang Wentao, Honourable Minister of Commerce, as well as the esteemed colleagues both from Beijing and in Geneva.
- 5.127. We thank Her Excellency Ambassador Xolelwa Mlumbi-Peter (of South Africa) for the insightful comments as discussant, and express our appreciation to both China and the WTO Secretariat for their comprehensive reports.
- 5.128. It gives us great pleasure to participate in the 8th TPR of China, and we start by acknowledging China's prominent contribution to trade and global economic growth. Indeed, China represents a success story for leveraging trade for economic development.

- 5.129. Egypt congratulates China for its strong economic performance and notable achievements during the review period, including efforts to help mitigate the severe impact of COVID-19 pandemic. I seize this opportunity to underscore our mutual cooperation in responding to the pandemic, and express Egypt's appreciation for China's support in responding to the pandemic, especially providing vaccines, diagnostics and therapeutics, as well as helping local vaccine production in Egypt.
- 5.130. The Secretariat report highlights many facets of China's wide range of economic reform policies during the review period, including those related to promoting investment, innovation, intellectual property rights, services liberalization, as well as the full and early implementation of the Trade Facilitation Agreement resulting in better customs clearance performance. We commend the Chinese government for such significant progress, and encourage it to continue on this path and extend its reform efforts to encompass other important areas of its trade policy.
- 5.131. We applied China's general reduction of simple applied average MFN tariffs on almost all product categories; however, the Secretariat's report also notes that the average applied tariff on several agricultural products remains higher than on non-agricultural ones.
- 5.132. Egypt and China share ever-growing bilateral relations owing to the comprehensive and strategic partnership between both countries, which paints broader horizons for deeper cooperation on both bilateral and multilateral levels, particularly on the economic front.
- 5.133. Egypt regards China as an integral development partner, as it is our largest individual trade partner, and a pivotal investor in several mega-projects, including infrastructure, the New Administrative Capital, as well as in the Suez Canal Economic Zone. However, we strongly encourage China to intensify bilateral cooperation and extend it to wider areas in trade and investment where considerable potential remains untapped.
- 5.134. We highlight that bilateral trade value grew by 9% to record USD 14 million in 2020, yet the value of Egyptian exports to China witnessed a decrease during the same period. In this regard, we note the difficulties faced by Egyptian exporters of some agricultural and processed agricultural products due to the prolonged duration by the relevant Chinese authorities to grant the required approvals, as in the case of dried dates and semi-dried dates. We also refer to the pending request submitted by Egypt in 2019 for granting market access to our exports of pomegranates to the Chinese market, for which no feedback has been received as of yet. In this context, we call upon China to facilitate and accelerate procedures of granting market access to agricultural exports.
- 5.135. Finally, Egypt reaffirms its aspirations to deepen cooperation between both countries and wishes the Chinese delegation a successful and fruitful Trade Policy Review.

# **BOLIVIA**

- 5.136. Bolivia welcomes Mr Wang Wentao, Minister of Commerce of China, the Deputy Minister of Foreign Trade and Ambassador Li Chenggang and the entire Chinese delegation. We appreciate their presentation at this Trade Policy Review and the information shared with all WTO Members. We also thank the Secretariat for its report and the Ambassador of South Africa for her important contributions.
- 5.137. China is one of Bolivia's main trading partners and a market for Bolivian exports of minerals such as zinc, silver and lead. It is also one of the main destinations for Bolivian beef; between January and June 2021 it managed to export 9,121 tonnes to China, worth USD 45.2 million. This market accounts for around 85% of the total amount of exports of that product. Bolivia also exported around 600 tonnes of quinoa to China before the health crisis, which is one of our country's most important products, as are several other high quality products that Bolivia produces.
- 5.138. Within the excellent relations that Bolivia has with China, we hope to further improve and strengthen our trade relations, using as a basis the memorandum of understanding signed in 2019, especially in areas such as infrastructure, logistics, warehousing, manufacturing, industry, services, and others, to overcome the current negative trade balance.

- 5.139. We also hope to continue exploring export channels for other Bolivian products such as soybean sprouts, milo, coffee, cocoa, acai berries, and to invest in the automotive and pharmaceutical sectors.
- 5.140. Bolivia recognizes China as a strategic partner in the global economic recovery; the upward trend of GDP in recent years, and especially during the pandemic year, are evidence of its high resilience and economic capacity.
- 5.141. In Latin American countries, the volume of bilateral trade exchanges has been in continuous and sustained growth despite the health crisis. Thus, its leading role is crucial to the development of the region, especially with regard to manufacturing, services and infrastructure and, of course, in the opening of new trade routes such as the Silk Road generating new opportunities for our countries.
- 5.142. We share with China the vision of strengthening multilateralism and reaching consensus to contribute to the innovative, coordinated, green, open and shared development of all, taking into account the particular circumstances and needs of developing countries and landlocked developing countries in terms of their specific challenges in developing their trade potential.
- 5.143. We look forward to continuing to work together on the issues that are central to our Organization today, WTO reform and agricultural trade reform, effective responses to the pandemic, trade in services, electronic commerce and finding collective responses to the climate emergency. This should be within the framework of a transparent and inclusive rules-based trading system that incentivizes special and differential treatment for developing countries as a consolidated right of Members.
- 5.144. We take this opportunity to express our gratitude for China's commitment and support to Bolivia in the fight against the COVID 19 pandemic. The shipment of vaccines and medical supplies this year was essential to achieve an adequate response and achieve our goals. The vaccines sent by China amounted to a total of 9 million by September this year, enabling Bolivia to carry out a vaccination campaign with very good results.
- 5.145. Finally, we reiterate our appreciation for the information presented by the Chinese delegation and wish them a successful eighth Trade Policy Review.

## **CABO VERDE**

- 5.146. Cabo Verde would first like to welcome the delegation of China, namely Minister of Commerce, Mr Wang Wentao, and Deputy Minister Mr Wang Shouwen, and Ambassador Li. Cabo Verde would also like to congratulate the Chair, Secretariat and the Ambassador for South Africa for their valuable contribution to this exercise.
- 5.147. The review of China's trade policy and practices is taking place in an international climate marked by the global COVID-19 crisis that has seriously weakened the multilateral trading system. No country has been spared this major economic recession that we are currently experiencing.
- 5.148. The Republic of Cabo Verde commends the Chinese people's resilience in managing the COVID 19 pandemic crisis. We would like, once again, to express our gratitude to the Chinese authorities for their continued support to Africa, including Cabo Verde, development assistance, access to vaccines and investment during this difficult period that we are going through.
- 5.149. The presence of the Chinese delegation at this Review shows, once again, the country's commitment to full transparency in cooperating with the WTO and accelerating its previous reforms to meet the requirements of international trade rules geared towards development and the social well-being of all.
- 5.150. The COVID-19 crisis has, once again, bolstered China's desire to transform its economic development policies, in particular for structural diversification, on the one hand, and improvements to the functioning of its financial market and the consolidation of crucial safety nets for the population on the other.

- 5.151. Furthermore, my country, Cabo Verde, welcomes the adoption of measures by the Chinese authorities aimed at further increasing growth in domestic demand and encouraging the expansion of services, as well as substantial reforms to the liberalization of trade and investment regimes in order to better promote competition.
- 5.152. The adoption of effective measures to counter protectionist pressures deserves particular attention. Furthermore, my delegation welcomes China's growing commitment to the development of South-South trade.
- 5.153. In conclusion, Cabo Verde encourages China to pursue its courageous reforms and invites Members to support and accompany it in achieving its development and social progress objectives.

#### **ANGOLA**

- 5.154. The delegation of Angola would like to congratulate China on its 8th Trade Policy Review presentation and discussion. We have carefully read the report from China to find an excellent, detailed document that highlights, with transparency, all of the achievements, objectives, policies, and practices that have been undertaken in the trade sector. Angola is particularly impressed with China's continuous and stable recovery of the economy after the damaging impacts of the pandemic crisis, which gives a positive impulse towards world trade.
- 5.155. Angola takes note, with interest, of China's implementation of structural economic reforms, adjustment in industrial structure, and the new stage of development. We are pleased to acknowledge that the novel development paradigm, cored on domestic economic circulation, relies on promoting international trade and cooperation, thus generating a harmonious process of internal and external economic flows. It is especially relevant to follow the report's section on high-quality development of trade, that includes a new optimization of trade structures and institutions suggesting a new incremental role to the WTO. It is particularly gratifying for Angola to see that China will engage in a more proactive import policy, merging with a relevant implementation of the Trade Facilitation Agreement.
- 5.156. The Angolan delegation also wants to thank the analytical report from the Trade Policy Review Body Secretariat, that provides us with a proper review of the Chinese document, within a global context. The 206 pages of recommendations is notably relevant for the trade sector, as a profound overview of the People's Republic of China's economic achievements, which we can agree is a major driver of global growth and world trade development.
- 5.157. Angola has enjoyed excellent trade relations with the People's Republic of China since January 1983, when diplomatic ties were officially inaugurated. After timid bilateral economic exchanges initially, Angola exports to China have increased at an annual rate higher than 24%, incrementing from a modest USD 118 million in 1995 to more than USD 20 billion. Recently, in 2018, Angolan exports to China have reached USD 24.5 billion, however in 2020, they fell to USD 14.5 billion, echoing the pandemic crisis effects.
- 5.158. Nonetheless, statistics show that Angola still is the leading African exporter to China, due to the significant crude oil sales, accounting for 98% of bilateral exports and more than 60% of this national sector participation in the world market. At the same time, Angola is the second main destination of Chinese investment in Africa and a substantial financial loans recipient.
- 5.159. Nowadays, the China-Angola Chamber of Commerce registers almost 200 Angolan companies and more than 100 Chinese companies, that are interested in widening the trade portfolio towards new areas of transport and logistics, banking, insurance, capital markets, tourism, housing, culture, health, education, innovation, information, and communication technology. Notwithstanding, there is still room for improving trade in mineral resources, agricultural production, reindustrialization, and infrastructures modernization, areas in which Angola would like to rely on Chinese investment and cooperation to generate more domestic jobs and social improvement.
- 5.160. Angola is also grateful for China's recent efforts in debt and loans payment relief, consequences of the pandemic crisis that unfortunately will last for LDC countries, including those in the path of graduation like Angola.

- 5.161. Finally, the Republic of Angola reiterates its wish to reinforce economic cooperation and diplomatic relations with the People's Republic of China in the Novel Framework Of High-Quality Development Of Trade, with the aim of improving Angola's capacity of attracting more FDI, productive commerce, and other interest towards sustainable social development.
- 5.162. Thank you Chair for your patience, congratulations to China for an excellent and valuable Trade Policy Review.

## CHAD ON BEHALF OF THE LDC GROUP

- 5.163. The honourable delegation of the People's Republic of China, led by H.E. Mr Wang Wentao, Minister of Commerce, and including H.E. Mr Wang Shouwen, Deputy Minister, and H.E. Mr Chenggang Li, Permanent Representative to the WTO.
- 5.164. On behalf of the LDC Group, the Republic of Chad would like to warmly welcome the delegation of China for its eighth Trade Policy Review at the WTO. We also commend H.E. Ms Mlumbi Peter, Ambassador of South Africa, for her excellent work as discussant and the WTO Secretariat for preparing the Trade Policy Review report.
- 5.165. China is a major player in world trade. As the Secretariat's report highlights, and despite the recent and temporary slowdown in its economic growth rates, China remains one of the main drivers of global growth. The rapid growth of the Chinese economy over the last few decades, guided by market driven reforms, has lifted hundreds of millions of people out of poverty.
- 5.166. Like other WTO Members, China is facing a difficult economic situation, due to the impact of the COVID 19 pandemic, which is continuing to affect various regions of the world. The GDP growth rate in China has gone from 7% during the 2016–2018 period to 6% in 2019 and 2.3% in 2020. However, it is expected that growth will again reach 6% in 2021 and that economic activities will get back to normal.
- 5.167. Thus, the Chinese economy's fundamentals remain solid in the face of the current crisis. Annual inflows of FDI into China have continued to increase. Inflation remains subdued, ranging between 0.5% and 3.8% over the period of this eighth Review, and structural reforms continue to be undertaken to improve the efficiency of the private sector and increase revenue per capita, as well as to address climate change.
- 5.168. We congratulate the authorities of the People's Republic of China on these impressive economic results, which command respect and hopefully demonstrate the power of trade as a tool for achieving legitimate development aspirations. With great power comes great responsibility.
- 5.169. China is an active and important member of the multilateral trading system, keen to strengthen the system and to help to achieve its objectives, as mentioned in the preamble to the Marrakesh Agreement.
- 5.170. China is also an important and active partner in South-South cooperation. We thank it for sponsoring the South-South Dialogue on LDCs and Development, the fourth series of which was held in Montreux last September, under the title of "Reinforcing the multilateral trading system for development" and enabled us to have more in depth discussions.
- 5.171. We also welcome the programme to assist LDCs in acceding to the WTO. Through this programme, China provides technical assistance and support in terms of capacity building. Since the creation of this programme, nine round tables bringing together LDCs, China and other developing countries have been organized. The last one is scheduled for March 2021.
- 5.172. With regard to trade relations with LDCs, China is our largest trading partner in terms of value and our WTO Group welcomes the initiatives taken by China, in particular since the Hong Kong Ministerial Conference in 2005, to develop trade and market access.
- 5.173. The preferences accorded by China to the LDCs affect both duty free and quota free market access for 97% of traders and facilitated access for LDC service suppliers, as well as the establishment of preferential rules of origin in line with the Nairobi Decision in 2015.

- 5.174. These are fundamental special and differential treatment components for our Group, which take into account the particular constraints and challenges that we are facing to enable us to integrate better into global trade.
- 5.175. We hope that these gains can be consolidated in the future. The LDC Group highly appreciates the support China is able to provide to LDCs in the ongoing WTO negotiations and in the work of the regular bodies, as well as the support for the Enhanced Integrated Framework programme, which remains an important tool for LDCs in the multilateral trading system, thereby further strengthening the institutional and productive capacity of LDCs, including graduating LDCs, in accordance with the Sustainable Development Goals.
- 5.176. Like China, the LDC Group would like to see a strong, rules based, fair, transparent and inclusive multilateral trading system. We also aspire to growth and sustainable development benefiting our people.
- 5.177. Finally, we hope for a fruitful deepening of our trade relations with China.
- 5.178. The LDC Group takes this opportunity to renew its congratulations to China on the initiatives and reforms that it has initiated. We wish it every success in the future and in this Trade Policy Review.

#### **MONGOLIA**

- 5.179. The delegation of Mongolia would like to express gratitude to the delegation of China and the Secretariat for the comprehensive reports on China's trade-related policies and the discussant's overview on the updates to these policies.
- 5.180. China is an important and longstanding trading partner of Mongolia. The Government of Mongolia attaches great significance to further expanding the bilateral trade and economic cooperation within the framework of the comprehensive strategic partnership. The bilateral trade volume between the two countries has been growing in recent decades, reaching USD 8.8 billion in 2019. However, the volume has decreased in 2020 by 16% over the previous year.
- 5.181. Mongolia is pleased to see China's active and constructive role in the multilateral trading system. We are confident that the TPR meeting would provide good opportunity for China and her trading partners, including Mongolia, to assess the progress and impact of China's trade policy on the functioning of the multilateral trading system. We highly appreciate the efforts made by China in the implementation of the TFA.
- 5.182. As China has achieved significant progress in developing and building a new system of an open economy, pushing forward liberalization and facilitation of trade and investment, Mongolia underlines that China's initiative on achieving shared growth through discussion and collaboration of countries along the Belt and Road (BRI) has a significant potential to boost trade and economic cooperation between the relevant countries.
- 5.183. Mongolia expresses sincere gratitude for China's assistance in the fight against the COVID-19 pandemic and commends China's economy's strong recovery from the COVID-19 pandemic, which has heavily affected the world economy.
- 5.184. Mongolia would greatly appreciate if China could provide further information to the questions below:
  - 1. China is one of the largest transit countries on the territory of which the world's largest ports are located. Given the experience gained during the pandemic, what lessons have been learned to prevent a situation where, for various reasons, ports are not able to use their capacity and thus creating disruptions in the global supply chain?
  - 2. The SPS provisions are applied equally to imported goods and goods in transit. What is China's policy on improvement of rules and procedures for goods in transit, in order to ensure the smooth and uninterrupted transit through border points in terms of SPS?
  - 3. How are the additional fees and charges imposed by the local provincial authorities consistent in line with the WTO rules and regulations?

- 4. Could China provide detailed information on the paperless application procedures for imports and customs clearance for goods subject to non-automatic import licensing regime, including meat and dairy products? (paragraph 3.6 of the WT/TPR/G/415)
  5. What are the expected economic expectations for China from joining the Regional
- Comprehensive Economic Partnership Agreement? (paragraph 3.24 of the WT/TPR/G/415)
- 6. Due to the COVID-19 pandemic, the LLDCs' situation has worsened by border closures and sanitary measures imposed by countries across the world, and disruptions of transport networks have further revealed its dependence on the neighbouring countries. Could China elaborate more on the policy arrangements to expedite and release transit goods to ensure its commitments to take down barriers in facilitating trade and transit transport? (paragraphs 4.12 and 4.14 of the WT/TPR/G/415)
- 7. Could China provide detailed information on the benefits for foreign enterprises under the Authorized Economic Operator (AEO) programme? (paragraph 3.12 of the WT/TPR/S/415).
- 5.185. We express appreciation to the delegation of China for the hard work in preparing for this TPR and wish a successful Review.

#### **MYANMAR**

- 5.186. Myanmar aligns itself with the ASEAN statement made by Permanent Representative of Brunei Darussalam.
- 5.187. My delegation would like to join others in welcoming the China delegation led by H.E. Mr. Wang Wentao, Minister for Commerce of China.
- 5.188. Myanmar would also like to commend H.E. Mr. Li Chenggang, Permanent Representative of China and his team for their hard work and appreciate the comprehensive remarks made by Her Excellency Madam Xolelwa Mlumbi-Peter, Permanent Representative of South Africa to WTO.
- 5.189. Our appreciation also goes to the Government of China and WTO Secretariat for the reports.
- 5.190. Myanmar and China are neighbours not only sharing a long border but also many affinities in our social, cultural and religious areas. We cherished and upheld our diplomatic relations since 1950 and further strengthened our ties with mutual trust, friendliness and close cooperation.
- 5.191. For the expansion of trade and investments, both countries are cooperating under every possible area through bilateral, regional and multilateral fora such as the Joint Border Trade Coordinating and Cooperation Committee (JBTCCC), RCEP and WTO.
- 5.192. In terms of bilateral trade, both countries are experiencing the steady growth throughout the times, but China is always in favour of Myanmar. According to the statistics from Myanmar, China is the top major trading partner of Myanmar both in exports and imports.
- 5.193. Myanmar would like to commend China for its economic reforms which put the nation into new development stage and its new development paradigm to better connect the domestic and international markets. In this regard, according to World Bank Doing Business Report 2020, China is among the top ten economies with the greatest improvement in the global business environment for 2 consecutive years.
- 5.194. It is also noteworthy that even in the time of COVID-19 and the global economic downturn, China has GDP increase of 2.3% in 2020 and created 11.86 million new jobs. In addition, the GDP growth rate of the People's Republic of China is expected to reach 6.0% again in 2021.
- 5.195. According to the statistics from Myanmar, up to September 2021, China is the 2nd largest investor in Myanmar constituting 23.85% of the total investments. Myanmar supports the investment projects under Belt and Road Initiatives to create new dynamics into the global industrial chains and supply chains.
- 5.196. China's aim to expand international trade and investment in its Five-Year Plans can support the recovery of new economy and enhance global GDP since China is the major trading partner of more than 120 countries and the region.

- 5.197. Myanmar believes China as the strong supporter of multilateral trading system and would like to thank China for its contributions under South-South Cooperation Assistance Fund for developing members to implement their agendas according to UNSDG and China Programme in WTO to help developing members integrate into and benefit from multilateral trading system. In addition, Myanmar would like to express China's preferential Tariff Treatment for LDC members to integrate into international trading system.
- 5.198. Before I conclude, I would like to thank China not only for its donation of vaccines and medical products to Myanmar but also for selling the vaccines and sharing experience for prevention, control and fight against COVID-19.
- 5.199. I wish China every success in its 8th TPR process.

# **PERU**

- 5.200. First of all, I would like to convey Peru's greetings to H.E. Mr Wang Wentao, Minister of Commerce of China, and to extend these greetings to the entire Chinese delegation, in particular to the distinguished Ambassador Li, and to the members of his country's Mission in Geneva.
- 5.201. The delegation of Peru thanks Mr Wang for his presentation and Ambassador Mlumbi Peter for her valuable comments as discussant.
- 5.202. The context has changed significantly since China last undertook such a review. The challenges that international trade and the multilateral system faced then are more evident today, and cooperation efforts are therefore more urgently required.
- 5.203. In that regard, Peru welcomes China's renewed commitment to international trade and the task of making it fairer and more inclusive, so that we can all reap the benefits for the development and prosperity of our peoples.
- 5.204. Let me briefly refer to Peru's trade relationship with China, our main trading partner.
- 5.205. For Peru, China is the main destination and origin of the goods it trades with the world, and our relationship is primarily based on Peruvian exports of minerals and Chinese exports of machinery, vehicles and equipment.
- 5.206. Our bilateral trade has been growing steadily over the past few years and has remained above US\$ 20 billion, even in 2020, when our bilateral trade decreased by 5%, primarily due to the pandemic. It is our wish for this fruitful trade relationship to continue to strengthen and diversify in the years to come, given the announcement of the opening up of China's trade.
- 5.207. This promising dynamism is accompanied by close political and cultural ties resulting from our longstanding bilateral relations dating back to the nineteenth century, cooperation and shared economic interests.
- 5.208. The importance of our economic relations is reflected in the Free Trade Agreement between Peru and China that has been in force since March 2010 and has set the stage for the development and growth of bilateral trade between the two countries.
- 5.209. I would like to note, in this connection, that China's investments in Peru are considerable, and cover a range of different sectors of our economy, such as mining and construction. My country is sure that China will continue in its efforts to ensure that its investments in Peru contribute to the sustainable and environmentally friendly development to which my country aspires.
- 5.210. Peru notes and will follow with interest two points contained in the reports that form part of the present review. On the one hand, China's new policy to end subsidies for fuel and shipbuilding, as well as to improve the prevention of illegal, unreported and unregulated fishing; and, on the other hand, the announced adjustment of China's energy mix, based primarily on the development of clean and low carbon energies.

- 5.211. Turning to the multilateral system, we appreciate that this Review has served as a framework for China to renew its commitment to the stability and soundness of the system, which can only be maintained and strengthened if all Members undertake to comply with the obligations to which they have committed.
- 5.212. We welcome China's active role and efforts in this forum, and we are confident that it is ready to take on its role, in keeping with the size of its economy and its capacities, with the responsibilities that this entails within the international trading system.
- 5.213. We appreciate China's willingness to engage in dialogue and its notable participation in the negotiations on various aspects of this Organization's agenda. We therefore encourage China to maintain those efforts over the coming months, which are crucial to ensuring that this year's Ministerial Conference has the substantive outcomes we are all seeking.
- 5.214. Having made these important points, it only remains for me to thank the Chinese delegation for this exercise, and to wish it a successful Trade Policy Review.

## **TUNISIA**

- 5.215. My delegation is pleased to participate in the eighth Trade Policy Review of China, a major player in world trade, and welcomes the Chinese delegation led by H.E. Mr Wang Wentao, Minister of Commerce of China. We would like to convey to him our appreciation for the exhaustive presentation on his country's economic situation and trade policy.
- 5.216. I also extend our congratulations to the Secretariat for its comprehensive report submitted for this Review and to the discussant, H.E. Ambassador Ms Mulumbi Peter, for her insightful comments.
- 5.217. My delegation would like to emphasize that the Chinese economy has continued to be a major driver of global growth over the review period. The positive GDP growth rate in 2020, during an unprecedented situation impacted by the pandemic, testifies to the strength of the Chinese economic system and its ability to adapt effectively to crises.
- 5.218. The structural development of the Chinese economy, which has moved away from agriculture and industry towards services, has largely facilitated this rapid adaptation and has also contributed to the remarkable progress that has been made in the fight against poverty in recent decades.
- 5.219. The pandemic has also been an opportunity for China to reaffirm its important contribution to global value chains, enabling it, in particular, to mitigate some of the shortages linked to the pandemic and the trade distortions that have occurred. We also thank the Chinese authorities for the solidarity they have shown by sharing vaccines and medical equipment.
- 5.220. In this regard, my country recognizes that China was one of the first friendly countries to participate in the solidarity effort that enabled Tunisia to emerge from a serious health crisis. We will work to institutionalize this cooperation with China as part of Tunisia's desire to make the most of its know-how and production capacities in the quest to increase the global production of vaccines.
- 5.221. We note, moreover, that the review period has shown in particular the development of international investment by China, which has pursued an active policy of attracting local and foreign investment, but also of opening up to the world by increasing the number of agreements concluded with various partners. This demonstrates China's dominant role in the multilateral trading system and in regional trade agreements.
- 5.222. In this respect, China, a very active WTO member, could play a leading role in the conclusion of several agreements currently being negotiated, including electronic commerce and the sustainability of fisheries.
- 5.223. Furthermore, the efforts made by China as part of its industrial restructuring policy and the optimization of its energy structure to tackle climate change would be strengthened through more effective measures to reduce carbon emissions.

- 5.224. Tunisia and China have enjoyed diplomatic relations for almost 60 years and have a privileged relationship of friendship and trade, technical and financial cooperation.
- 5.225. Economic and trade cooperation is part of a mutually beneficial and win-win partnership. China is thus involved in several major projects in Tunisia, and Tunisia benefits from a transfer of technology and related financial assistance.
- 5.226. The two countries are working closely together to promote the implementation of the outcomes of the 2018 Beijing Summit of the Forum on China African Cooperation.
- 5.227. Moreover, China, currently Tunisia's third largest source of imports, ranks first in terms of Tunisia's trade deficit. This deficit has continued to grow in recent years and accounts for 25% of the total deficit of the country's trade balance.
- 5.228. Tunisia remains determined to strengthen and consolidate its cooperation with China in all areas. It welcomes its willingness to accelerate the processes already under way, obtain the necessary authorizations to market certain Tunisian agricultural and food products in China, such as cereals, vegetables, meat and seafood, and encourages the resulting increase in the number of Chinese tourists in Tunisia.
- 5.229. Finally, we congratulate H.E. Ambassador Chenggang, the Permanent Representative of China to the WTO, and his team for their active engagement in WTO work, and we wish China a very successful Trade Policy Review.

#### **NIGERIA**

- 5.230. Nigeria congratulates the People's Republic of China on their 8th Trade Policy Review. We welcome the entire delegation of China led by Minister of Commerce Mr. Wang. We also thank the discussant, H. E. Ms. Xolelwa Mlumbi-Peter, Ambassador to WTO of South Africa for her insightful remarks. We thank the Chinese Government and the Secretariat for their comprehensive reports during the period under review. We commend Ambassador Li Chenggang of China to the WTO for his tireless efforts in coordinating the preparatory process of this review exercise and for his active participation in the ongoing WTO negotiations.
- 5.231. Since the last review of China, we note from the Secretariat report that the Chinese economy has been a crucial catalyst for global growth. Remarkably, China's GDP per capita recorded a considerable increase in 2020. With the long-term structural changes in China's economy that witnessed a shift from agriculture and industry to services of which the services sector now contributes 55% to the GDP of China. It is worthy of note that the market-oriented reforms and high GDP growth rate is responsible for the impressive progress of the country on poverty alleviation.
- 5.232. As with some economies, the Chinese economy experienced a significant decrease except for their financial services and the information technology sector. However, the country was noted to begin recovery by mid-2020 as a result of public investment and international trade.
- 5.233. China is one of Nigeria's closest trading partners and the relations between Nigeria and China have considerably expanded based on growing bilateral trade and strategic cooperation. This is evidenced by the two nations cooperation for ICT infrastructure backbone phase 11(NICTIB 11) Project. Furthermore, the belt and road initiative launched by mainland China is an initiative which Nigeria officially joined in 2018 and it is intended to boost the infrastructural agreements between Nigeria and China and furthermore, improve connectivity and cooperation between Africa and other continents of the world.
- 5.234. It is commendable that China's underlying principle for all trade-related rules formulated by the authorities at all levels must be compliant with international trade agreements to which China is a party to. This shows China's commitment to its international obligations including the Marrakech Agreement and its covered agreements.
- 5.235. We commend China for its active participation in the agriculture negotiations and we hope to continue to deepen our collaboration during the work of the committee and at various committees of the WTO.

- 5.236. We also commend China's active participation in the joint statement initiatives on electronic commerce, investment facilitation for development, MSMEs and domestic regulation in services of which Nigeria is a party. We shall continue to work closely with China in the various negotiations.
- 5.237. We particularly note China's commitment in creating a global network of RTAs including the recently signed regional comprehensive economic partnership Agreement towards consolidating economic and trade ties with its trading partners. This signifies China's commitment to promoting free trade.
- 5.238. On intellectual property, we urge China to increase its efforts in regulating IP within the country.
- 5.239. We are pleased to note that China continues to grant unilateral preferences to least developed countries and have implemented zero tariffs on 97% of taxable items for LDCs. We also commend China's generous donations at the aid for trade. We would be pleased increased export of non-oil products from Nigeria to China in order to contribute to our development goals.
- 5.240. In conclusion, my delegation would continue to work closely with the delegation of China to deepen our bilateral relations. We also urge China to support the efforts being put in place by WTO Members and show more flexibility where necessary to reach convergence in various WTO negotiation issues with a view to achieving a successful MC12 with fruitful outcomes.
- 5.241. We wish the People's Republic of China a successful 8th Trade Policy Review exercise.

#### **BOLIVARIAN REPUBLIC OF VENEZUELA**

- 5.242. The delegation of the Bolivarian Republic of Venezuela would like to extend a warm welcome to the delegation of the People's Republic of China, led by Mr Wang Wentao, Minister of Commerce, which is with us today to show us the progress made by their country in economic, trade and social affairs since the last Trade Policy Review.
- 5.243. We would also like to thank the Ambassador of South Africa, Ms Xolelwa Mlumbi Peter, for her positive introductory remarks, which, together with the report presented by the head of the Chinese delegation, made sure we properly understood the context. Our thanks are also extended to the Secretariat for their organization and documentation.
- 5.244. A special feature of this Trade Policy Review is that it is being held on the eve of the tenth anniversary of China's accession to this Organization, which took place on 1 December 2001. In this regard, I am pleased to add the Bolivarian Republic of Venezuela to the long list of Members that have recognized China as a strategic and reliable trading partner, while appreciating China's efforts to fulfil the commitments that it undertook when it acceded to the WTO. We appreciate its leadership in defending the original principles of this Organization, such as the principle of special and differential treatment for developing countries.
- 5.245. The bilateral cooperation links between China and Venezuela are solid and include a common destiny for development, which we continue to strengthen through the China Venezuela Comprehensive Strategic Partnership and the mechanisms established by the Joint Commission, in order to continue working on "high flying and at all levels" cooperation on trade, health, space, communication, satellites, oil, energy, mining, finance, the military and culture.
- 5.246. We share common political, economic and social visions, with the goal of ensuring maximum benefit for our peoples. Recalling the words of our President, Nicolás Maduro, the two nations are "more united than ever" in what we call an "indestructible brotherhood".
- 5.247. We acknowledge China's full support for global cooperation in combating COVID 19. As rightly noted in the report submitted by China for the eighth Trade Policy Review for the period 2018–2020 (document WT/TPR/G/415), China has made contributions to maintaining the stability of the global industrial chains and supply chains, and building a global health community for mankind. We highlight China's participation in the World Health Organization (WHO) driven COVAX Facility, its commitment to donating a first batch of 10 million doses of vaccines to developing

countries in urgent need, as well as vaccines donated to 85 developing Members, including Venezuela.

- 5.248. At the international level, we share the same ideals and defend common principles. In this regard, we oppose any hegemonic pretensions on the part of those who wish to undermine the sovereignty of States through the imposition of illegal and criminal unilateral coercive measures. Our foreign ministers, in the framework of the 76th United Nations General Assembly, reaffirmed their mutual rejection of coercive measures, interference in the internal affairs of States and the tendency towards unilateralism. The consequences of the implementation of this type of illegal and inhuman measures are recognized by the United Nations system itself and are condemned by the multilateral system. In the outcome document of the recent Fifteenth Session of the United Nations Conference on Trade and Development (UNCTAD), States were once again urged to refrain from promulgating and implementing any unilateral economic, financial or trade measures that are not in accordance with international law and the United Nations Charter, in the light of concerns about the restrictive nature and implications for development of such measures, which have a negative impact on the well-being of populations and can impede the full achievement of economic and social development in the States concerned, as well as harm their trade relations.
- 5.249. Another aspect that we would like to highlight in China is the Belt and Road initiative, through which the country promotes the principle of pursuing shared benefits through consultation and collaboration, promoting cooperation with all parties. In this regard, Venezuela has joined in various events, areas and sectors where this initiative is being rolled out, in the search for global balance in trade.
- 5.250. We appreciate China's level of commitment to South-South cooperation, with the objective of helping to make economic globalization more open, inclusive, balanced and beneficial for all. We appreciate China's support for Venezuela's leadership in the Latin American and Caribbean region and are committed to advancing relations between China and Latin America and the Caribbean, through the Community of Latin American and Caribbean States (CELAC) and the Bolivarian Alliance for the Peoples of Our America Peoples' Trade Agreement (ALBA TCP), with a view to the success of the upcoming third meeting of the China CELAC Forum.
- 5.251. Before concluding, we would also like to congratulate Ambassador Li Chenggang, Permanent Representative of China to the WTO, on his efforts and contributions to the work of this Organization.
- 5.252. In wishing the People's Republic of China a successful Trade Policy Review, we wish to reaffirm our willingness to strengthen trade ties with the country, as well as our shared commitment to the establishment of a strong, fair and predictable multilateral trading system, based on solidarity and on common and transparent rules.

## **EUROPEAN UNION**

- 5.253. Let me start by expressing our appreciation to the Chinese delegation for the replies to the EU's questions. China received over 2200 questions from 40 Members (up from 1900 in the last TPR); over 140 questions from the EU alone.
- 5.254. These numbers are an indicator of China's increasing importance in the trading system. We heard during the discussion on Wednesday that China is the first or a major trading partner for many of the Members present in this Review. China's policies have an ever-increasing impact on all its partners and on the fabric and development of the trading system itself. A comprehensive understanding by the international community of China's policies is therefore crucial.
- 5.255. We would also encourage China to provide complete and transparent replies, in order to further the goals of this review in a responsible and effective manner. We hope that the follow-up questions that we have submitted on state-owned enterprises, export credits, subsidies, intellectual property, just to name a few areas, will be answered in this spirit.
- 5.256. On the opening day, many Members shared the sentiment about the key role China's WTO accession played in its very remarkable economic success. But we also heard many voices echo the same concerns the EU has that the degree to which China has reformed and opened up its markets

no longer correspond to the weight it has in the global economy and does not allow other Members comparable access to China's markets.

- 5.257. In his opening statement, Minister Wang emphasized China's commitment to a transparent, non-discriminatory, open and inclusive rules-based multilateral trading system. We share these values fully.
- 5.258. Minister Wang also underlined that China has been abiding by WTO rules and fulfilling its accession commitments.
- 5.259. For EU traders, and traders of several other Members who have intervened on the first day, I have to comment that the reality on the ground sometimes feels different. Those interventions pointed to some longstanding concerns that remain. A level playing field has not been achieved, notably due to pervasive State influence in the economy, with concerns focused on the role of state-owned enterprises, the lack of transparency on industrial subsidies and domestic support, opaque regulations that facilitate discrimination between domestic and foreign companies, or a lack of effective protection of intellectual property. The expansive use of an excessively broad concept of national security and its impact on foreign companies was another issue of concern. These are just some examples that not only prevent a fair competition between foreign and domestic businesses on China's market, but also affect and generate distortions in global markets.
- 5.260. Many have also echoed worrying new trends that seem to go in the opposite direction of liberalization, notably the increasing role of the State or the politicization of the business environment.
- 5.261. In Minister Wang's statement, we heard the promise that "China will open its door wider", and this was reiterated by Vice Minister Wang who said that China was "intensifying efforts to create a market-oriented environment" and will turn China's market into a "market that is accessible to all". The European Union hopes that these words will transform into tangible actions that lead to the dismantling of trade barriers and a fair access to China's markets for our businesses.
- 5.262. We have noted the indication in China's opening statement about "China's willingness to approach special and differential treatment with pragmatism" and in a manner that is commensurate with its capacity. We believe that this should imply China not claiming special and differential treatment benefits in any ongoing negotiations.
- 5.263. We very much welcome China's stated commitment to WTO reform, a process where the European Union sees China as a key partner.
- 5.264. As affirmed on many occasions in the past, the European Union is committed to a credible and rules-based trading system and believes it is the essential foundation for the post-pandemic economic recovery. We need to ensure that this trading system is able respond to modern challenges and provides a level playing field, as well as fair opportunities for sustainable growth to all of its Members.
- 5.265. The European Union calls on China to contribute to this process, both by observing its accession commitments and all its WTO obligations in law and in spirit, as well as by contributing constructively to a collective effort to reform the multilateral trading system.
- 5.266. In concluding, I would like very much to express once more the EU's appreciation to the whole delegation of China for their participation and their valuable contributions to this Review of China which we have welcomed.

## **UNITED STATES**

- 5.267. Today we would like to make a few observations in light of the discussions that took place on Wednesday and today, and then we will explain the concerns that underlie some of our more important follow-up questions, which we submitted earlier today.
- 5.268. As we listened on Wednesday and today, we heard one overarching theme from a large number of Members. Looking back over the twenty years since China's accession to the WTO, these

Members noted that China and its economy have greatly benefited from China's WTO Membership, but China has not taken the anticipated steps to transform its state-led, non-market approach to trade and the economy. These Members therefore called once again for China to embrace open, market-oriented policies.

- 5.269. We also heard Members identify a number of specific problems with China's trade regime. These problems included:
  - Industrial policies that skew the playing field against the foreign competition and create systemic problems for global trade;
  - Severe and persistent excess capacity, especially in the steel and aluminum sectors;
  - Preferential treatment for state-owned enterprises that contributes to the un-level playing field for the foreign competition;
  - · Forced technology transfer;
  - Inadequate enforcement of intellectual property rights;
  - Restrictions on foreign investment in key sectors;
  - Inadequate regulatory transparency;
  - An overly broad cybersecurity regime that seems designed to serve protectionist purposes;
  - Cross-border data restrictions and data localization requirements;
  - China's use of forced labour in several sectors;
  - China's use of its Anti-Monopoly Law for industrial policy purposes; and
  - A variety of problematic sanitary and phytosanitary (SPS) measures.
- 5.270. That is a very long list of problems that have been identified with China's trade regime, and all of these problems are serious ones.
- 5.271. We hold out hope that China will take the initiative to address each of these problems.
- 5.272. We note, however, that almost all of these same problems were identified during China's Trade Policy Review three years ago, yet they persist.
- 5.273. On Wednesday and today, we also heard Members raise concerns about China's approach here at the WTO.
- 5.274. Several Members urged China to take on responsibilities at the WTO commensurate with its economic weight and its stature as one of the world's largest traders, including by refraining from claiming benefits that would correspond to a developing country in ongoing negotiations.
- 5.275. Consistent with the Secretariat's report, many Members also raised concerns about China's inadequate adherence to its transparency obligations. In this regard, these Members drew special attention to China's poor record of submitting timely and complete WTO notifications, especially in the areas of industrial subsidies, state trading, agricultural domestic support and fisheries subsidies.
- 5.276. The United States fully supports these sentiments.
- 5.277. Finally, let me highlight some of our follow-up questions.
- 5.278. We have asked several follow-up questions about China's prolific use of government guidance funds as a means to provide massive financial support to Chinese industries. The Secretariat report also highlighted this issue. China's brief response to numerous U.S. questions about these government guidance funds was simply to say that the State has no role in them. We note that China's response appears to be inconsistent with publicly available information, and it is also not responsive to most of the questions asked by the United States.
- 5.279. We have also asked a number of follow-up questions relating to the fisheries sector, including with regard to subsidies, illegal, unreported and unregulated (IUU) fishing and distant water fishing.
- 5.280. Our remaining follow-up questions concern a variety of topics, including the Made in China 2025 industrial plan, excess capacity, state-owned enterprises, export credits, value-added tax export rebates, export duties, recycling materials, SPS measures, China's Foreign Investment Negative List, services market access and the Belt and Road Initiative, among other topics.

5.281. We look forward to China's responses to all of these follow-up questions. That conclude our comments.

#### **JAPAN**

- 5.282. First of all, we would like to express our appreciation for the replies to our advance written questions, and for the dedicated efforts made by the Chinese delegation headed by H.E. Mr. Wang Wentao and the insightful comments and remarks made by the discussant, Ambassador Mlumbi-Peter.
- 5.283. On Wednesday and today, the Members discussed many observations and requests, including those on S&DT, transparency, market distorting measures, SOEs, and cross-border data flow. We appreciate the opportunity provided by this TPR to deepen exchanges over our issues and concerns with regard to China's trade policies and practices. Many of the issues highlighted by the Members need to be further clarified or more concretely addressed. We expect China, as the world's largest trading partner and a responsible major economy, to sincerely address the Members' comments and to fully avail of this chance to effect positive change.
- 5.284. This morning, we submitted additional questions on matters, on which we believe China's answers are not yet adequately clear or sufficient. We look forward to receiving lucid and sincere responses to our questions from China.

#### **CHILE**

- 5.285. Thank you, Chair, for giving us the opportunity to make this second statement at this Trade Policy Review of China.
- 5.286. Unfortunately, I was unable to be present at Wednesday's session, as I was chairing the negotiations on investment facilitation for development. I just wanted to thank China today for its commitment to this important joint initiative, which brings together the largest number of WTO Members. China's leadership, and especially its role as coordinator of the Friends of Investment Facilitation for Development group, has been key to moving this process forward in a sustained manner with concrete results, which participants hope to present to ministers at the end of November in the form of a text "as clean as possible". As coordinator of the initiative, I would like to personally thank Ambassador Li for his involvement in the negotiations and his efforts to bring in new participants. Thank you very much Chenggang.
- 5.287. I also take this opportunity to highlight China's important role in the Asia Pacific Cooperation Forum (APEC). We share interests on the goals of the forum and on the vision for the next decade. During our APEC Year in 2019, China supported all our priorities: connectivity, the digital economy, inclusive development, women and SMEs and sustainable development. During the meeting of APEC Ministers Responsible for Trade in 2019, Ambassador Li, as head of delegation, was an important player in achieving the first consensual ministerial statement after many years, with strong support for the multilateral trading system based on non-discriminatory rules. Today, we are working with China in APEC on issues such as smart cities, trade inclusiveness and the single window action plan. China also leads the Trade in Value Added pillar of our BluePrint 2.0 and two Chilean ports have joined the China APEC e port model network initiative, to name a few joint projects.
- 5.288. As we noted on Wednesday, we wish China every success in this new Trade Policy Review.

#### UNITED KINGDOM

5.289. I will start by thanking you, Madam Chair, and our distinguished discussant for your roles in enabling this Trade Policy Review. But also let me thank Vice Minister after his comments this morning and indeed the Chinese delegation for their approach to this TPR, for their replies given to the written questions. I think that from over 2000 advance written questions, 150 initial ones were from the United Kingdom and we submitted some more overnight, just to keep our Chinese colleagues busy.

- 5.290. As others have said, the high number of questions that we all asked reflect China's key role within this Organization and the scale of the Chinese economy within the global economy. Its trading practices clearly have a marked impact on that global trading system.
- 5.291. In the two opening statements on Wednesday, we heard that China is a major trading partner for more than 120 countries. Addressing the concerns that have been raised in this trade policy review would be very widely welcomed across the WTO Membership.
- 5.292. The Minister also stated in his statement on Wednesday that China takes this TPR very seriously. China's colleagues have made several recurring themes in the statements delivered on Wednesday and again this morning. Concerns, for example, like transparency, about the use of market distorting practices, as well as the targeting of the goods of some countries for what appears to be political reasons.
- 5.293. The issue here, I think, is not about China's stated intention to work with Members, it's about China's ability to demonstrate through its actions its commitment to those WTO principles and to increase the transparency in its processes. It is about deeds not words. This would, we believe, increase international confidence and be to the benefit of both China and the precious shared international trading system. And we trust that our Chinese partners will reflect on what they have heard over the last couple of days and do more to address the concerns raised.
- 5.294. Our own expectation is that China will follow through on the statements it has made here and implement its commitment in a transparent manner. Like many other Members of this Organization we will continue to monitor closely the trajectory of China's economic reforms and particularly the real world impact of those reforms on British firms operating in China and those British firms partnering with or indeed competing with Chinese firms.
- 5.295. We look forward to also engaging with China bilaterally once this Review is complete. And finally, I would like to express my thanks, once again, to the whole China's delegation here and in Beijing for their contributions to this eighth Trade Policy Review in this very historic 20th year following their accession.

# **AUSTRALIA**

- 5.296. Thank you, Ambassador Molokomme, and thank also to friends, Ambassadors Chenggang and Mlumbi-Peter for your able management of these important proceedings, and, of course, Vice Minister Wang Shouwen's presence here today, virtually.
- 5.297. As Simon and Xolelwa have just said, the high level of engagement in this Review reflects the importance of China in the multilateral trading system. It also underlines China's commensurate level of responsibility to support the rules-based order on which we all rely.
- 5.298. Minister Wang Wentao on Wednesday referenced the need to safeguard a rules-based multilateral trading system that is transparent, non-discriminatory, open and inclusive. Australia encourages China to give full effect to that vision.
- 5.299. We note the wide range of concerns raised by Members during the meeting, including in relation to state-owned enterprises, non-market policies and practices, problematic sanitary and phytosanitary measures, market distorting subsidies, inadequate transparency, and investment restrictions.
- 5.300. We note Vice Minister Wang Shouwen's comments just now about elements of our statement on Wednesday. We stand fully by that statement.
- 5.301. Members have clearly called during this Review for China, the world's second largest economy, to do more to fully align its practices with its WTO obligations. Australia encourages China to adhere to all rules and not just claim to do so.
- 5.302. While Australia welcomed China's stated commitment to transparency, the answers received from China to our questions unfortunately did not alleviate our key concerns on China's trade practices. Australia has submitted a number of follow-up questions to the Secretariat in order to

seek additional information. We urge China to reflect on all the messages delivered during this Trade Policy Review, both positive and negative, and to act and constructively address the genuine concerns expressed by Members in the spirit of the TPR process.

5.303. Australia looks forward to China's responses to our follow-up questions and to working cooperatively with China in a lead-up to MC12 towards our shared goals.

## **PAKISTAN**

- 5.304. Pakistan would like to take this opportunity to once again appreciate the Chinese government for their continued commitment to the multilateral rules-based trading system, for their rapid reform and economic progress achieved in the face of enormous challenges and adversity. China has indeed shown how the largest population in the world can be lifted out of poverty in record time, how a large economy can be structurally transformed while integrating globally, to achieve most competitive levels in the world.
- 5.305. As a developing country with a large population, Pakistan is fully cognizant of the huge task that comprehensive and sustainable development entails, particularly when countries like ours are only trying to catch up with the world. Indeed, development in a country is a process of complete structural transformation which requires balancing the rising demands of unemployment, social cohesion, political uncertainty, severe budgetary constraints, and technological challenges coupled with low productive capacities, against the constraining global requirements of policy reform, requirements for relinquishment of policy tools, heightened transparency, and uniformity of policy approaches. For a large country like China, this balance also needs to run in tandem with the responsibility to maintain stability in the region, face myopic, destabilizing policies of some partners, while contributing towards global prosperity and in taking along other developing countries. Such delicate balances and demands require the use of all policy approaches and tools available to a government according to the needs and demands at any particular moment, that would achieve those aims, of long-term sustainable development.
- 5.306. Who would know this better than today's developed countries who have all gone through these processes and met those challenges following their own unique methods. Fortunately, for today's advanced countries, during their ascent on the development ladder, their challenges were considerably limited as they had the freedom to experiment with policies without any prescriptions or demands to follow only one, uniform economic model. As a result, today's advanced countries had the policy space to maneuver their policies as they wished, and to continue to shape them at every stage of their development for as long as it took to achieve their legitimate objectives, without strict deadlines.
- 5.307. Indeed, this is the reason that this august institution has enshrined the concept of special and differential treatment for developing countries in its rules and has refrained from dictating any particular economic model to any developing country.
- 5.308. It is disappointing Chair, that even today, while criticizing members for using certain policy tools, certain developed countries when themselves confronted with challenges often resort to the same policies without a second thought. Unjustifiably large subsidies for agriculture or fisheries, heavy bail-out packages for industries, tightly controlled labor mobility to protect employment, state funded development and thereafter hoarding of vaccines during arguably the worst global pandemic, are only a few examples.
- 5.309. For developing countries, China's exceptional development story cannot, but be appreciated. No country has been able to raise the living standards of so many people in such a short time. This includes not just China's own people but through the novel concept of 'shared prosperity', the fostering of development in other countries. Through its initiative of connectivity in the region, it has shown "trade for peace" can be translated into success for everyone involved. Through its adoption, development and sharing of newer, greener, and digital technologies China has shown its commitment to overcoming new global challenges.
- 5.310. China has promoted a model of South-South cooperation which shows considerable promise for developing and least developed countries, as it is based on the shared development objective. The key difference shown by China is the readiness to share technology and technical know-how,

the ability to form joint-ventures to transfer technology and develop skills and contribute to productive capacities in other developing countries. The COVID pandemic overlapping with China's current review period has brought this approach to centre stage, where China has not only developed and donated vaccines but also readily partnered with countries like ours in crucial research and development, manufacturing and distribution exercises to enhance production and share technical know-how.

- 5.311. This gives promise to developing countries for their future that they need not languish in poverty with straitjacketed policy approaches and models seeking only a top-down prescription to follow. We wish China all the best on its developmental path, and most importantly we remain confident that China, once developed will not kick away the development ladder after climbing it, and will not call on developing countries to abandon their legitimate policy objectives or relinquish development goals.
- 5.312. After all, the prime task of governments is to make lives better for their people and make countries better for them to live in. We appreciate the Chinese Government for achieving this in an exemplary manner.
- 5.313. The WTO remains an institution for all. It must allow a chance to developing countries to pursue their objectives according to their peculiar circumstances and integrate at their own pace. The need for policy space and diversity in economic models must be recognized, and their objectives must be supported. Therefore, at the 20th anniversary of China's accession to the WTO, Members should find ways to advance support to China's progress as an effort in collective prosperity. Anything but support to China's progress can only have wider consequences for the global economy.

#### **INDIA**

- 5.314. In our opening statement on the 20th of October. we have raised several concerns and questions with respect to our trade with China. We heard similar concerns on the trade restrictive practices of China from other Members as well.
- 5.315. We have also received the replies to our advance written questions which are still being reviewed by my Capital in detail. However, a preliminary reading of the replies provided by China reveal that the replies are weak and don't address our concerns and questions. Therefore, today morning we have provided certain additional questions to China for response, and we hope they will provide clear replies to them in a sincere and transparent manner.
- 5.316. We also heard from the Vice Minister earlier today morning that China would like to see more exports from India. We thank him for that and we hope that the Chinese policies will allow that to happen.
- 5.317. We, once again, thank the Chinese delegation for their engagement in this transparency exercise.

# H.E. MR. WANG SHOUWEN, VICE MINISTER OF COMMERCE AND DEPUTY CHINA INTERNATIONAL TRADE REPRESENTATIVE

- 5.318. I wish to thank the 8 representatives from the WTO Members who have just spoken. I particularly wish to thank Chile, the Ambassador from Chile, for his role in the negotiations on investment facilitation. I would like to make the following remarks in response to some of the statements made by the 8 speakers.
- 5.319. Firstly, with regard to the interpretation of Minister Wang Wentao's statement in relation to China's position concerning special and differential treatment, I think it is advisable that the Minister's statement be interpreted as it is, to the letter and to the spirit. I think any interpretation which does not conform to the intention of the Minister would not be helpful.
- 5.320. Secondly, I want to say that, if China indeed had imposed unreasonable restrictions, SPS or otherwise on imports, China's imports would not have grown by such big margins over the years to become the number 2 importer in the world. The same is true of foreign direct investment. Had China restricted foreign investment for various and unjustified reasons, China's attraction of foreign

direct investment would not have grown 5% last year amidst 40% of decline in global flow of FDI last year. Had China been an economy in which there is no transparency, in which there is no proper protection of intellectual property rights, in which there is a widespread overcapacity in various industries, and in which the State leads the economy without market forces playing a role, China's economy would have already fallen apart, would have already collapsed. China would not be able to grow as it has grown. China would not have been able to lift hundreds of millions of people out of poverty.

- 5.321. The third point I wish to make is that China has fully implemented its WTO obligations. In case of any WTO obligation violation, we would be ready to accept any ruling, as I said before, favorable or adverse to China made by the WTO Dispute Settlement Mechanism. And China has a good track record to implement those rulings.
- 5.322. A moment ago, a Member representative mentioned investment restrictions. He also mentioned cross border data flow. He also mentioned cyber security. Indeed, it is reasonable for WTO Members to expect China to implement WTO rules. It is, I think, also reasonable not to expect China to implement rules in the WTO context which are not provided for in the WTO agreements.
- 5.323. Finally, Madam Chair, Colleagues, as we are approaching to the end of the eighth Trade Policy Review of China, I wish to thank Ambassador Molokomme for your leadershipand for your remarks. I also want to thank Ambassador Mlumbi-Peter for leading these discussions. Particularly, we wish to thank the Secretariat for their meritorious efforts and hard work in the preparation of this Trade Policy Review. I also want to express our gratitude to all Members who have expressed their remarks in recognizing China's efforts, in supporting China's efforts or attention to China's efforts. As Ambassador from Australia mentioned, whether these remarks are negative or positive, we have taken note of them and I want to thank you for those remarks.
- 5.324. WTO Members are now overcoming the difficulties posed by the pandemic, and the importance China has attached to this Trade Policy Review itself indicates China's commitment to the multilateral trading system. It indicates China's commitment to the three pillars of the WTO system. I want to share with you that many people from 62 government ministries and agencies have participated in this exercise over the last few months. And this, again, indicates China's commitment to the TPR in particular, and to the WTO system in general.
- 5.325. As I just said, we will take very seriously the remarks made by all WTO Members who have spoken during this review process and we will study these remarks, and we will, of course, reflect on your concerns. And I can assure you that we will be working very hard to give response to your questions raised later than October the 6th and we will give you those responses in one-month time.
- 5.326. I do not have sufficient time and I do not intend to address all the questions in the remarks made by the 8 speakers, and I am looking forward to having further discussions with you on those issues and many other issues.
- 5.327. I want to reiterate that China is committed to the open policy which is win-win and mutually beneficial. We wish to make China's development the opportunity to be shared by all nations in the world and we will continue to work very hard to safeguard the authority and efficacy of the multilateral trading system. At a time when the multilateral trading system is facing unprecedented challenges, in the midst of the global pandemic, China is willing to work with all WTO Members after this Review to make MC12 a success so that we could make a humble contribution to the construction of a shared future for mankind. Thank you very much, Madam Chair.

#### **6 CONCLUDING REMARKS BY THE CHAIRPERSON**

- 6.1. This eighth Trade Policy Review of China has indeed allowed us to better understand the important developments in the economic, trade and investment regime of China over the last three years. I would like to thank the Chinese delegation headed by Mr. Wang Wentao, Minister of Commerce, for their very active participation and engagement in this exercise.
- 6.2. I would also like to thank our discussant, Ambassador Xolelwa Mlumbi-Peter, Permanent Representative of the Republic of South Africa to the WTO, for her remarks and insightful words that have propelled these discussions, as well as the 65 delegations which took the floor during this meeting.
- 6.3. Members commended China for its overall solid economic performance during the review period and noticed that the Chinese economy had continued to be a major driver of global economic growth. They noted that the outbreak of the COVID-19 pandemic had a major impact on China's output and employment in 2020, but underlined that China's economy had shown remarkable resilience in the wake of the health crisis.
- 6.4. Many Members stressed that rapid economic development, induced by market-oriented reforms, had lifted hundreds of millions of people out of poverty and provided a high level of prosperity to many of China's citizens.
- 6.5. Recalling that 2021 marks the 20<sup>th</sup> anniversary of China's WTO accession, Members praised its active participation in, and commitment to, the WTO. They appreciated China's role in trade negotiations and as a major contributor to the multilateral trading system. In particular, Members welcomed its constructive participation in the Joint Statement Initiatives and plurilateral discussions.
- 6.6. Noting that China benefited enormously from the multilateral trading system, some Members urged it to assume more responsibility commensurate to its trade weight to uphold and defend WTO principles. Many Members also recognized China's participation in regional integration and took note of its growing network of free trade agreements.
- 6.7. Members welcomed China's stated commitment to continued trade liberalization. With regard to tariffs, Members applied China for unilaterally reducing MFN applied tariffs on a wide range of products and for providing preferential tariff treatment to LDCs. China was encouraged to continue tariff liberalization initiatives, particularly on agricultural products where tariffs were considered to be still relatively high.
- 6.8. It was also widely commended for its various other measures to facilitate trade and reduce overall customs clearance times as well as for fully implementing the WTO's Trade Facilitation Agreement ahead of schedule. China was encouraged to continue these reforms, to reduce disruptions still being encountered as well as to facilitate trade in agricultural and perishable products.
- 6.9. On investment, Members recognized China's steps to create a more attractive investment environment and welcomed recent liberalization in financial services and the negative list approach China had begun to adopt. China was encouraged to further streamline administrative measures for foreign investors and relax the remaining restrictions on foreign participation. However, various Members indicated that foreign companies established in China still reported significant issues relating to unequal treatment with local companies, inconsistent application of regulations, hidden subsidies, and business environment that was perceived as increasingly politicized.
- 6.10. Many Members showed appreciation for China's support given to developing and least-developed countries. In this context, China was commended for the delivery of COVID-19 vaccines, for providing preferential tariff treatment to LDCs, for its ongoing participation in the Aid for Trade Initiative, and for its overall engagement in South-South cooperation.
- 6.11. For many Members, the lack of transparency with regard to China's state measures was an issue of fundamental concern. Members noted a generally opaque subsidy regime and the lack of timely notifications on key issues such as state trading enterprises and domestic support and

encouraged China to submit these notifications. Members underlined that transparency was a fundamental WTO principle and urged China to fully comply with its transparency commitments.

- 6.12. The role of state-owned enterprises was also an issue of interest; many Members highlighted the importance of SOEs in China's economy and expressed concerns about implicit support to SOEs and distortions created by them. In this context, Members recalled China's accession commitments and urged it to speed up reforms and fully embrace market-oriented policies.
- 6.13. Members expressed support for China's efforts to promote the use of clean energy and the recent establishment of a carbon emission trading system, with a view to decarbonizing its economy. They congratulated China for this step and were interested in more details on the actions it would be taking to achieve its 2030 and 2060 emission targets.
- 6.14. Several Members raised concerns about China's SPS regime, including that emergency measures taken in the context of the COVID-19 pandemic were without scientific justification and that new regulations to be introduced on overseas producers of imported food were unclear and potentially trade restrictive. China was asked to review these regulations or delay their implementation dates to allow businesses sufficient time for compliance. China was encouraged to ensure its SPS measures are transparent and do not arbitrarily block imports.
- 6.15. Some Members also voiced concerns over a general increase in non-transparent and discriminatory measures and practices in China, sometimes in response to political disagreements with other trading partners. They urged China to take measures to end non-transparent and discriminatory measures.
- 6.16. Other issues of concern for some Members included: continuously insufficient IPR protection, laws and regulations related to cybersecurity and data management, a very wide definition of national security, insufficient measures to address steel overcapacity, and the use of forced labour in China's economy.
- 6.17. With respect to fisheries, Members were encouraged by China's recent initiatives, including the termination of its own subsidy programmes as well as its indication that it will not seek full special and differential treatment in negotiations on fisheries subsidies. China's intention to crack down on Illegal, Unreported and Unregulated fishing was also welcomed and China was asked to ensure its controls are effective.
- 6.18. China received a very high number of written questions, more than 1'600, and has provided timely replies to nearly all of them, of which Members were highly appreciative. This TPR will be successfully concluded once replies to any outstanding and follow-up questions are received in one month's time. The large number of questions and active engagement by over 60 delegations is testament to the importance of China to the multilateral trading system.
- 6.19. The Trade Policy Review Mechanism indeed has an important role for engendering constructive dialogue among Members and in increasing transparency. May I then add my word of congratulations to China on the successful conclusion of its eighth Trade Policy Review and thank all the delegations for their cooperation and assistance.