

**GENERAL AGREEMENT
ON TARIFFS AND TRADE**

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WORKING PARTY ON THE ACCESSION OF CHINESE TAIPEI

Questions and Replies

KOREA

The representative of Chinese Taipei has submitted the replies reproduced hereunder to the questions submitted by Korea, for circulation to members of the Working Party on the Accession of Chinese Taipei. This text and the earlier documentation reproduced in documents L/7189/Rev.1 and L/7097 and Addenda will be considered at the meeting of the Working Party scheduled to take place on 12-15 October 1993.

(Area Restrictions)

- In this regard, I would appreciate Chinese Taipei's reply to the following questions:

1. With respect to the thirty-five industrial and nineteen agricultural products that appear in the "Table of Restrictive Area Commodities on Importation", is the importation of these products from mainly North America and Europe permitted without any quantitative restrictions currently? Or are these imports also subject to certain quantitative restrictions?

Reply 1

It is true that the importation of these products from North America and Europe permitted area is not subject to any quantitative restrictions.

2. We do not understand that the thirty-five industrial products are mostly automobiles and motorcycles. From the Automobile Industry Development Policy which Chinese Taipei was kind enough to make available to the contracting parties, I noticed on page 3, Import Control Measures, that the existing area restrictions, on the import of light trucks and station wagons will be discontinued at the end of this year. Does this mean full liberalization of imports of these products or does this mean only the removal of area restriction currently in place?

Reply 2

Chinese Taipei has the intention to liberalize the imports of these products. However, in order to lessen the impacts on its automobile industry and gradually restructure the industry, Chinese Taipei has to take the liberalization measures step by step. For liberalization of the imports of light trucks and station wagons, please see infra Reply 3.

3. I also noticed from the same policy paper that, starting from 1994, import of passenger cars made by the countries in restricted areas will be opened gradually and by quota system, and thereafter further relaxed through case-by-case review. Does this change mean that as from next year, the import of passenger cars, and for that matter the import of light truck and station wagons also, will be subject to one single régime without any area discrimination except for one contracting party specifically mentioned in that policy paper?

Reply 3

Chinese Taipei's current plan to liberalize car imports is as follows:

1. Heavy trucks can be imported freely from February 1994.
2. Passenger cars can be imported only from North America and Europe (Eastern Europe is excluded) until the end of 1993. From 1994 onwards, passenger car imports from North America and Europe (Eastern Europe is excluded) will remain free and Japanese passenger cars exceeding 3,000 c.c. can also be imported but subject to quantitative restriction; Japanese passenger cars no more than 3,000 c.c., however, cannot be imported. Passenger car imports from other areas are now under review and will be opened gradually.
3. Light trucks and station wagons can be imported only from European and North American countries until the end of 1993. From 1994 onwards, imports from European and North American countries will remain free and Japanese light trucks and station wagons exceeding 3,000 c.c. can also be imported but subject to quantitative restriction; Japanese light trucks and station wagons not more than 3,000 c.c., however, cannot be imported. Light truck and station wagon imports from other areas are still under review and will be opened gradually.
4. When does Chinese Taipei expect to liberalize automobile imports (particularly passenger cars) completely?

Reply 4

At this moment, Chinese Taipei has not had a fixed timetable for liberalization of automobile imports. However, it will take into account the measures adopted by the United States and European countries in the liberalization of automobile imports.

5. As to the transitional period pending the full liberalization and also pending the complete elimination of any discriminatory measures, we do understand Chinese Taipei said, in its answer to our follow-up question on Reply 2 and elsewhere in document L/7189, that it would consult with interested contracting parties and that it would take into account the practices of existing developed contracting parties.

- My first question here is, what does it mean "to take into account the practices of existing developed contracting parties? By so saying, is Chinese Taipei alluding to the possible introduction of VERs and other grey area measures? And if that be the case, what is the relationship between such VER type arrangements and paragraph 22 of the proposed Uruguay Round safeguards text that prohibits introduction of grey area measure?

- And if that is not the case, what is the specific legal form Chinese Taipei has in mind in seeking such a transitional period? Is it a specific provision built in the protocol of accession or a waiver under GATT Article XXV or something else? Could Chinese Taipei specify on this point?

Reply 5

Although Chinese Taipei would take into account the practices of existing developed contracting parties for the liberalization of automobile imports, Chinese Taipei does not have the intention to take any measures not accepted by the interested contracting parties or not allowed under the GATT framework. As to the legal form of the transition period Chinese Taipei currently is seeking in order to restructure its automobile industry, it will take a form agreed by members of the Working Party and at this moment it does not rule out any possibilities that may be available under the GATT.

6. As regards nineteen agricultural products currently subject to area restrictions, if the result of the Uruguay Round Agricultural Negotiations is implemented by the time Chinese Taipei enters the GATT, would Chinese Taipei apply the Uruguay Round results to these nineteen agricultural products without any area discrimination?

Reply 6

Chinese Taipei would apply the outcome of the Uruguay Round negotiation to these items currently subject to area restrictions. However, in case of need, Chinese Taipei will require a transitional period for full implementation of the Uruguay Round result.