

COMMUNICATION FROM THE PEOPLE'S REPUBLIC OF CHINA

The following communication, dated 18 March 2005, from the Delegation of the People's Republic of China, is being circulated in advance of the Negotiating Group meeting of 22-24 March.

**PROPOSAL ON CLARIFICATION AND IMPROVEMENT
OF GATT ARTICLE X**

I. INTRODUCTION

1. In light of the mandate in Annex D of the July Package, China would like to make its proposals on clarification and improvement of GATT Article X (Publication and Administration of Trade Regulations), with a view to further expediting the movement, release and clearance of goods, including goods in transit by way of increasing transparency in the publication and administration of trade regulations.

2. Greater transparency and predictability is of importance to the trade community. From the perspective of traders, it could provide them with information on trade procedures in an accurate and timely manner, avoid undue formalities and document requirements, accelerate trade process and reduce transaction costs. From the perspective of governments, it could increase administration efficiency, cut administrative costs and optimize resources allocation. In terms of policy making, through increasing transparency in the policy-making process, the regulations made would be more reasonable and operable, thus the compliance as well as efficiency of the regulations concerned could be enhanced. In general, increased transparency of trade regulations will play a positive role in increasing trade volume, reducing transaction costs and facilitating trade.

3. In light of China's experiences in this regard, the following proposals, if adopted, would help to reduce trade costs, increase administration efficiency and provide a more transparent and predictable environment for traders and enterprises, especially SMEs.

II. PROPOSALS

1. Scope of Trade Regulations Subject to Publication

Trade regulations subject to publication shall include all laws, regulations and other measures of general application pertaining to or affecting trade in goods, and other information concerning relevant procedures, fees, and charges related to border-crossing trade.

2. Methods of Publication

The publication shall be made via the media officially designated and easily accessible, including gazettes, journals and Internet; nevertheless, Internet shall be the first option utilized by Members with requisite technical and personnel resources.

3. Enquiry Point

Each Member shall, in accordance with their real situations, establish or designate one or more trade policy enquiry points where, upon request of any individual, enterprise or WTO Member, all information relating to the above-mentioned laws, regulations and measures may be obtained. Replies to requests for information shall generally be provided within 30 days after receipt of a request. In exceptional cases, replies may be provided within 45 days after receipt of a request. Replies to WTO Members shall be complete and shall represent the authoritative view of the Member government. Accurate and reliable information shall be provided to individuals, enterprises and WTO Members.

4. Commenting Period

Members should, without discrimination, allow reasonable time for other Members to make comments in writing, and take these written comments into consideration after such laws, regulations and measures are publicized while before implemented or enforced. There should also be a reasonable interval (e.g., at least 30 days) between the publication of regulations and their implementation or enforcement in order to allow time for exporting Members to make relevant preparation, except for those laws, regulations and measures involving national security, specific measures setting foreign exchange rates or monetary policy and other measures the publication of which would impede law enforcement.

III. IMPLEMENTATION CONCERN

4. The establishment of enquiry points and Internet requires relatively high resource input, especially for some developing Members. The implementation cost is closely related to the IT modernization level of individual Members. Taking into consideration the large gap between the developed Members and the developing Members in this regard, a longer implementation period should be provided for developing Members. Technical assistance and capacity building tailored to the specific needs of each individual developing Member would be very helpful to address the implementation concern. China, as a developing Member, has accumulated some experiences in establishing enquiry points since its accession to the WTO and is willing to share those experiences with other Members.

IV. SUGGESTIONS FOR FUTURE NEGOTIATION

5. Members are invited to summarize and submit to the Secretariat their experiences with regard to enquiry points, commenting period and other related implementation issues with regard to transparency. The Secretariat then is requested to compile the submissions into one single document for Members' reference. This is very important for Members especially developing and least-developed Members to identify their needs and priorities in publication and administration of trade regulations.

6. Developing Members are invited to, on the basis of self-assessment, identify their implementation concerns and notify their needs and priorities to the Secretariat.

7. Based on the needs and priorities identified, measures to be developed to achieve transparency could be more targeted. Technical assistance and capacity-building support to the developing and least-developed Members could also be arranged in a more timely manner.