



**TRADE POLICY DEVELOPMENTS PAPER NO. 53**

**TRADE POLICY MONITORING REPORT  
OF  
THE PEOPLE'S REPUBLIC OF CHINA  
(JULY 2013 - SEPTEMBER 2013)  
VOLUME X**

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## **ABBREVIATIONS**

APEC	-	Asia-Pacific Economic Cooperation
APEDA	-	Agricultural Products Export Development Authority
AQSIQ	-	The General Administration of Quality Supervision, Inspection and Quarantine
ARFs	-	Automatic Registration Forms
Art.	-	Article
ASEAN	-	Association of South-East Asian Nations
BL	-	Bidding Laws
BOFT	-	Bureau for Fair Trade for Imports and Exports
CAAC	-	General Administration of Civil Aviation
CBRC	-	China Banking Regulatory Commission
CCC	-	China Compulsory Certification
CEPA	-	Comprehensive Economic Partnership Agreement
CERC	-	China Electricity Regulatory Commission
CIRC	-	China Insurance Regulatory Commission
CPC	-	Communist Party of China
CQC	-	The China Quality Certification Centre
CSRC	-	China Securities Regulatory Commission
DFEC	-	Department of Foreign Economic Cooperation
DITEA	-	Department of International Trade and Economic Affairs
DSB	-	Dispute Settlement Body (WTO)
EEA	-	European Economic Area
EFTA	-	European Free Trade Association
EPA	-	Economic Partnership Agreement
EU	-	European Union

FDI	-	Foreign Direct Investment
FTAs	-	Free Trade Agreements
GAC	-	General Administration of Custom
GAT	-	General Administration of Taxation
GDP	-	Gross Domestic Product
GIs	-	Geographical Indications
GPA	-	Agreement on Government Procurement GPA
HS	-	Harmonised System
IBII	-	Investigation Bureau for Industry Injury
IP	-	Intellectual Property
IPR	-	Intellectual Property Rights
ISO	-	International Organization for Standardization
IT	-	Information Technology
ITES	-	Information Technology Enabled Services
MLPS	-	The Multi-Level Protection Scheme
MOA	-	Ministry of Agriculture
MOF	-	Ministry of Finance
MOFCOM	-	Ministry of Commerce
MPS	-	The Ministry of Public Security
NAFTA	-	North American Free Trade Agreement
NBER	-	National Bureau of Economic Research
NCAC	-	National Copyright Administration of China
NDRC	-	National Development and Reform Commission
NME	-	Non-Market Economy
NPC	-	National People's Congress
NPK	-	Sodium, Phosphorous, Potassium
NT	-	National Treatment

OECD	-	Organization for Economic Cooperation and Development
PBC	-	The People's Bank of China
PPP	-	Purchasing-power parity
PRC	-	People's Republic of China
PSI	-	Pre-shipment inspection
QIP	-	Quarantine Inspection Permit
RAIEG	-	Regulation on the Administration of the Import and Export of Good
RMB	-	Renminbi
ROO	-	Rules of Origin
SAARC	-	South Asian Association for Regional Cooperation
SAC	-	The Standardization Administration of China
SAFE	-	State Administration of Foreign Exchange
SAIC	-	The State Administration of Industry and Commerce
SASAC	-	State-Owned Asset Supervision Administration Commission
SAT	-	Chinese State Administration of Taxation
SCNPC		Standing Committee of the National People's Congress
SEZs	-	Special economic zones
SIPO	-	State Intellectual Property Office
SOEs	-	State-owned enterprises
STE	-	State-trading enterprises
TBT	-	Technical Barriers to Trade
TCF	-	Textiles, clothing and footwear
TRIMs	-	Trade-Related Investment Measures
TRIPs	-	Trade-Related Aspects of Intellectual Property Rights
TRQs	-	Tariff-rate quotas
USTR	-	United States Trade Representative

VAT	-	Value-added Tax
WAP	-	The WLAN Authentication and Privacy Infrastructure
WIPO	-	World Intellectual Property Organization
WLANs	-	Wireless Local Area Networks
WTO	-	World Trade Organization



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## EXECUTIVE SUMMARY

- China's economy grew by 7.8% during the quarter. Despite a decline in output from the mining sector, other core sectors such as manufacturing have experienced growth. Inflation during the quarter was within the limits, which have been set by the Government at the beginning of Q1 2013. Despite decent growth, speculations of China's economic slowdown are on the rise. The Government has declared a slew of investment facilitation measures in an attempt to attract foreign investments.
- The State Council approved the establishment of a pilot free-trade zone in Shanghai (SHFTZ), which marks a milestone in another wave of economic reforms, the previous wave of economic reforms were during the years - 1978-84, 1984-93, and 1993-2005. The SHFTZ is designed to promote trade and investment, particularly in the financial sector. Although most of the measures focus on opening up the finance and banking industries in China, Chinese Customs are aiming to introduce a new set of supervision measures for managing the activities in the SHFTZ. Thus, it is expected that there shall be some advantageous tax and customs benefits that will appeal to traders and manufacturers.
- Update on China's on-going and recently concluded negotiations with Canada, Chile, Switzerland, Republic of Korea, etc. have been pointed out. The Government has not made an official statement, but media reports suggest that China is contemplating about joining the Trans-Pacific Partnership. Further, important trade arrangements have also been dealt with in this report.
- It was noted that while China initiates a number of anti-dumping investigations every quarter, a far greater number of anti-dumping investigations are initiated against China in other countries.
- Lastly, this report provides an update on the WTO disputes that China was involved, during this quarter, including the US-Broiler Case (China — Anti-dumping and countervailing duty measures on broiler products from the United States), which was ruled against China by the WTO DSB.

# TRADE POLICY MONITORING REPORT OF CHINA

## FOR THE QUARTERLY PERIOD: JULY - SEPTEMBER 2013

### I. INTRODUCTION

This is the tenth Quarterly Trade Policy Monitoring Report prepared by the Centre for International Trade and Economic Laws (CITEL), Jindal Global Law School. This report will monitor and discuss the trade and macroeconomic policy developments that took place in China during the review period: July - September 2013.

### II. ECONOMIC ENVIRONMENT

#### GDP

GDP in Q2 2013 grew by 7.8% over the same period last year. This increase was in line with the market expectations and also marks the highest reading in three calendar quarters. The data from National Bureau of Statistics suggests that both private consumption and investment have gained some momentum during the quarter. According to the spokesperson of National Bureau of Statistics, Sheng Lanyon, “public and private consumption contributed 3.5% to GDP growth in the first three quarters of the year, while gross capital formation added 4.3%.”<sup>1</sup>

#### Industry

Industrial production grew by 10.2% in the month of September 2013 but showing a decrease of 0.2% from the previous month. Industrial growth was driven by the manufacturing sector during the quarter and grew by 0.72% in seasonally adjusted terms, which was down from the 0.92% rise as tallied in August. The annual average growth in industrial production increased to 9.7% at the end of the quarter<sup>2</sup>.

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<sup>1</sup>Focus-Economics, China GDP profile, [http://www.focus-economics.com/en/economy/news/China-GDP-GDP\\_accelerates\\_in\\_Q3-2013-10-18](http://www.focus-economics.com/en/economy/news/China-GDP-GDP_accelerates_in_Q3-2013-10-18).

<sup>2</sup>Focus-Economics, Industrial production decelerates in September, [http://www.focus-economics.com/en/economy/news/China-Industry-Industrial\\_production\\_decelerates\\_in\\_September\\_-2013-10-18](http://www.focus-economics.com/en/economy/news/China-Industry-Industrial_production_decelerates_in_September_-2013-10-18).

## **Inflation**

In China, the consumer price increased by 3.1% (in y/y terms) at the end of the quarter. This was an increase of 0.5% when compared to August 2013 and the highest level since February 2013. The annual average inflation grew from 2.3% in August to 2.4% in September 2013. However, the Producer Price Index declined by 1.3% at the end of the quarter (in y/y terms). The Government expects inflation to average at 3.5% at the end of 2013<sup>3</sup>.

## **Investments**

Fixed asset investment rose by 20.2% over the same period last year (August: +20.3% year-on-year). The figure came in slightly below the market expectations of a 20.3% increase. A month-on-month comparison shows that investment in urban fixed assets rose a seasonally adjusted 1.28% in September—the lowest growth rate in 12 months - undershooting the 1.68% increase tallied in August<sup>4</sup>. However, the Government has announced a slew of policy measures in an attempt to attract more investments.<sup>5</sup>

## **Employment**

The economic growth in China has decreased as compared to the previous quarter but the employment has increased for the first six months. China created 7.25 million new jobs this quarter, which is more than the corresponding period in 2012. Unemployment is still a major problem for the Government.<sup>6</sup>

## **Exports-Imports**

Imports grew by 0.4% (in m/m terms) during this quarter to 7.4%, whereas exports decreased by 0.3% (in m/m) to 6.9%.<sup>7</sup> For imports, the growth of 7.4% during this quarter was in addition to the 7% growth that was measured at the end of the previous quarter. Overall, the trade balance recorded a surplus of USD 15.2 billion but showing a decrease when compared to USD 27.5 billion surplus

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<sup>3</sup>Focus-Economics, Inflation hits a seven-month high in September, [http://www.focus-economics.com/en/economy/news/China-Inflation-Inflation hits a seven month high in September-2013-10-14](http://www.focus-economics.com/en/economy/news/China-Inflation-Inflation%20hits%20a%20seven%20month%20high%20in%20September-2013-10-14).

<sup>4</sup>Investment growth slows in September, [http://www.focus-economics.com/en/economy/news/China-Investment-Investment growth slows in September-2013-10-18](http://www.focus-economics.com/en/economy/news/China-Investment-Investment%20growth%20slows%20in%20September-2013-10-18)

<sup>5</sup>More details in Part IV of the Report

<sup>6</sup>Deloitte, Deloitte Press University, China, <http://dupress.com/articles/asia-pacific-economic-outlook-september-2013-china/>

<sup>7</sup>*Supra. n.4*

recorded in the same month last year. According to the 12-month sum of the trade, trade surplus fell from USD 266 billion in August to USD 254 billion in September 2013.<sup>8</sup>

### **III. TRADE AGREEMENTS & ARRANGEMENTS**

#### **III.A. Updates on China-Australia Free Trade Agreement**

In July 2013, Chinese Commerce Minister, Gao Hucheng met with the Australian Minister for Trade and Commerce, Richard Marles and held talks on the China-Australia bilateral economic relations and China- Australia FTA negotiations. China has promised to make efforts to work flexibly with Australia in order to improve the on-going negotiations. Moreover, China will host the APEC meetings next year (2014) whereas Australia will host the G20 Summit. By doing so, Australia would want to deepen the communication and coordination with China and make full use of these platforms.<sup>9</sup>

Later, in the quarter, on 7 September 2013, the ‘Coalition’, an alliance of center-right political parties, won the 2013 Australian Federal Election after defeating the former Labor Government that had held power since 2007. The new Prime Minister, Tony Abbott and his ministers have made numerous public statements regarding the Coalition’s trade policy, emphasizing a willingness to conclude long-running free trade agreements and reach fast, pragmatic bilateral agreements with Australia’s trading partners.<sup>10</sup> At the recent Asia-Pacific Economic Cooperation (APEC) summit held in Bali, the Prime Minister announced that the Coalition would conclude the China-Australia FTA within 12 months.<sup>11</sup>

#### **III.B. CCCME and other Industrial Associations Release a Joint Statement on adopting Price Undertaking in EU-China Solar Panels Case**

In July 2013, the China Chamber of Commerce for Import and Export of Machinery and Electronic Products (CCCME), China Renewable Energy Society (CRES), China New Energy Chamber of

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<sup>8</sup> Focus-Economics, Trade in China, <http://www.focus-economics.com/en/economy/reports/economic-indicators/country/China/Trade>

<sup>9</sup> Ministry of Commerce People’s Republic of China , Head of Department of International Trade and Economic Relations Made an Interpretation on China-Switzerland Free Trade Agreement, <http://english.mofcom.gov.cn/article/newsrelease/policyreleasing/201308/20130800233165.shtml>

<sup>10</sup> Baker & McKenzie, International Trade Compliance Newsletter, <http://www.bakermckenzie.com/internationaltrade/newsletters/>

<sup>11</sup> *Id.*

Commerce (CNECC), China Renewable Energy Industries Association (CREIA) and China Photovoltaic Industry Alliance (CPIA) jointly released a statement on adopting a price undertaking in EU-China Solar Panels case. The representatives of Chinese industry and the EU have reached a price agreement on Chinese products to be exported to EU, where Chinese products will continue to be exported to EU and will occupy a reasonable market share. Hence, this agreement is mutually beneficial to both the parties. It also fosters a sound environment for the development of China-EU bilateral trade relations.<sup>12</sup>

### **III.C. V<sup>th</sup> Session of China-Georgia Joint Committee on Commerce and Trade**

In July 2013, the V<sup>th</sup> Session of China-Georgia Joint Committee on Commerce and Trade was held in Tbilisi, Georgia. There were discussions on the possibility of establishing cooperative mechanisms and reinforcing co-operation on technical standards to foster mutually beneficial cooperation between the nations. The two parties also discussed positive financial cooperation, with the aim to provide more support and convenience for the development of trade and investment between the nations. Moreover, Georgia hoped that China would invest in Georgian markets such as mineral exploitation, telecommunication, electronic power, roads, ports, railways and airports. It further hoped that China would make Georgia the manufacturing center for selling products to the European markets.<sup>13</sup>

### **III.D. Update on China-Switzerland Free Trade Agreement**

The Chinese Commerce Minister, Mr. Gao Hucheng and the Swiss Federal Councilor and the Head of the Swiss Federal Department, Mr. Johann Schneider- Ammann signed the China-Switzerland FTA on 6 July 2013 in Beijing, China. This FTA is the first such agreement that China has signed with a European nation. The agreement has benefits for both the parties. Firstly, there is high percentage of zero tariffs been given on trade in goods: 99.7% of China's exports to Switzerland, and 84.2 % of Swiss' exports to China will have free-tariff percentage. Therefore, the gross total percentage of tax reduction on Swiss products is 99.99%, while it is 96.5% on Chinese products.

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<sup>12</sup> Ministry of Commerce People's Republic of China , CCCME and Four Other Industrial Associations Release a Joint Statement on Adopting Price Undertaking in EU-China Solar Panels Case, <http://english.mofcom.gov.cn/article/newsrelease/significantnews/201308/20130800228809.shtml>

<sup>13</sup> Ministry of Commerce People's Republic of China ,Fifth Session of China-Georgia Joint Committee on Commerce and Trade was Held in Tbilisi, <http://english.mofcom.gov.cn/article/counselorsreport/europereport/201210/20121008370512.shtml>

Secondly, both countries have aimed for bilateral cooperation. Thirdly, China and Switzerland have reached a consensus on issues like government purchasing, environment, labor, employment, IPR and competition.<sup>14</sup>

As mentioned above, the FTA provides that Switzerland will levy zero tariffs on 6958 items. Further, 619 kinds of products will receive tax reduction varying from 10%-50% and 254 kinds of products will be exempted from any kind of tax reduction. China will also apply zero tariffs on 1803 items of imports from the time the FTA comes into force. Further, 5495 products will get zero tariffs within the next 5 years -10 years, and 168 products will have a ten-year transition to gradually enjoy a tax reduction of 60%. There are 457 products that are exempted from any sort of tax reduction as per the FTA.<sup>15</sup>

Switzerland has agreed to regulate the time limits on the acceptance and issue of visa; work permit and residence permit for Chinese nationals. Further, Switzerland agreed to carry out dialogues with China on traditional Chinese medicine. It has promised to work on issues including major barriers in service exports of traditional Chinese medicine by strengthening information exchanges with China. Besides, Switzerland has also made commitments to China on areas like tourism and translation, which are conducive to China's global aspirations.<sup>16</sup>

### **III.E. XI<sup>th</sup> China-ASEAN Economic Ministers Meeting held in Siem Reap, Cambodia**

In August 2013, the XI<sup>th</sup> China - ASEAN Economic Ministers Meeting was held in Cambodia and the Economic Ministers from China and 10 ASEAN countries attended the meeting. In the meeting, ASEAN countries appreciated China's long-term efforts to build an ASEAN Community and further develop East Asian cooperation. ASEAN countries believed that the progress of China-ASEAN Free Trade would promote bilateral trade and strengthen cooperation. Moreover, these countries also exchanged views on strengthening economic cooperation of China-ASEAN Free

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<sup>14</sup> Ministry of Commerce People's Republic of China, Head of Department of International Trade and Economic Relations Made an Interpretation on China-Switzerland Free Trade Agreement, <http://english.mofcom.gov.cn/article/newsrelease/policyreleasing/201308/20130800233165.shtml>

<sup>15</sup> *Id.*; *See also*, 9<sup>th</sup> Trade Policy Mechanism Review: China, CITES Report.

<sup>16</sup> *Id.*

Trade Area, improving rules of origin, querying the possibility of Hong-Kong joining China-ASEAN Free Trade Area.<sup>17</sup>

### **III.F. South Korea and China complete first-stage FTA Talks**

In September 2013, the seventh round of South Korea and China FTA talks were held in Wei Fang (Shan Dong Province), China and the two parties reached agreements on coverage by the FTA. Since both the parties have already concluded the first stage of FTA talks, it is expected for the second stage of the FTA talks to proceed smoothly. Also, both parties have agreed to conduct the eighth round of Sino-Republic of Korea talks in South Korea (ROK) this year.<sup>18</sup>

### **III.G. Chinese Commerce Minister meets WTO's Director-General**

In September 2013, Chinese Minister of Commerce, Mr. Gao Hucheng, exchanged views with the Director- General of WTO, Mr. Azevedo, on issues of promoting early harvest program of Doha Round Negotiations, safeguarding multilateral trading system and topics of trade at the G-20 Summit. Mr. Gao said that China would like to reiterate its determination to oppose trade protectionism in all forms, and had also urged all parties to enhance transparency of regional trade arrangements. He further added that China would continue to support WTO and the Director-General to advance these negotiations.<sup>19</sup>

### **III.H. Minister Gao Hucheng signs Economic and Trade Cooperation Agreements with Cuban Foreign Trade and Investment Minister Investment of Cuba**

On 24 September 2013, Minister of Commerce, Mr. Gao Hucheng signed economic and trade cooperation agreements with Cuban Minister of Foreign Trade and Investment, Mr. Rodrigo

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<sup>17</sup> Ministry of Commerce People's Republic of China, 11th China-ASEAN Economic Ministers Meeting Held in Siem Reap, Cambodia, <http://english.mofcom.gov.cn/article/newsrelease/significantnews/201208/20120808315018.shtml>

<sup>18</sup> Ministry of Commerce People's Republic of China, ROK and China Complete First-stage FTA Talks, <http://english.mofcom.gov.cn/article/newsrelease/significantnews/201309/20130900294787.shtml>

<sup>19</sup> Ministry of Commerce People's Republic of China, Gao Hucheng Met with WTO's Director-General Azevedo, <http://english.mofcom.gov.cn/article/newsrelease/significantnews/201309/20130900294921.shtml>

Malmierca Diaz.<sup>20</sup> More information on the details of this agreement will be provided in subsequent reports.

### **III.I. Update on China-Chile Free Trade Agreement**

China's Minister of Commerce, Mr. Chen Deming and Chile's Minister of Foreign Affairs, Mr. Alfredo Moreno signed a Supplementary Agreement on Investment of the Free Trade Agreement in September 2013 at Moscow. By signing this agreement, both the parties hope to protect investors' interests, promote two-way investment between enterprises, deepen Sino-Chile economic and trade cooperation, bring bilateral economic and trade relations to a higher level and accelerate the pace of China-Chile strategic partnership.<sup>21</sup>

### **III.J. Update on China-Canada Bilateral Investment Protection Agreement**

In September 2013, the 23<sup>rd</sup> session of the Sino—Canada Committee of Economy and Trade was held in the Xiamen province of China. The meeting was presided by Wang Chao, Vice Minister of Commerce of China and Louis Levesque, Vice Minister of Department of Foreign Affairs and International Trade of Canada. Extensive conversation on various issues like trade and economic relations involving expansion of trade investment and cooperation between both the nations was entered into. Mr. Louis Levesque expressed his view that the Canadian side is devoted to strengthening bilateral trade and economic cooperation.<sup>22</sup>

### **III.K. China prohibits certain shipments to North Korea**

On 23 September 2013, the Ministry of Commerce, Industry and Information Technology and the General Administration of Customs issued an announcement prohibiting export of dual-use items and technology to the Democratic People's Republic of Korea (North Korea), in order to

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<sup>20</sup> Ministry of Commerce People's Republic of China, Minister Gao Hucheng signs up the Economic and Trade Cooperation Agreements with Cuban Foreign Trade and Investment Minister Investment of Cuba on September 24, <http://english.mofcom.gov.cn/article/photogallery/gaohucheng/201309/20130900327560.shtml>

<sup>21</sup> Ministry of Commerce People's Republic of China, Interpretation of Supplementary Agreement on Investment of China-Chile Free Trade Agreement by An Official from the Department of Treaty and Law of MOFCOM, <http://english.mofcom.gov.cn/article/newsrelease/significantnews/201209/20120908359906.shtml>

<sup>22</sup> Ministry of Commerce People's Republic of China, Interpretation of China-Canada Bilateral Investment Protection Agreement by An Official from the Department of Treaty and Law of MOFCOM, <http://english.mofcom.gov.cn/article/newsrelease/significantnews/201209/20120908359187.shtml>

implement the resolutions of UN Security Council<sup>23</sup>. The list of goods that is prevented from being shipped is divided into four parts, covering the nuclear field, the field of missiles, chemical and biological fields and supplemental items and is based on various UN Security Council Resolutions and International Atomic Energy Agency documents.<sup>24</sup>

#### **IV. MEASURES AFFECTING TRADE AND INVESTMENT**

##### **IV.A. SHANGHAI FREE TRADE ZONE- BREIF OVERVIEW**

Shanghai Municipal People's Government released the "*Administrative Measures for the Shanghai Free Trade Zone*" on 29 September 2013, which lists administrative measures for the Shanghai Free Trade Zone (Shanghai FTZ) in the following four areas:<sup>25</sup>

- Investment management
- Trade development and facilitation
- Financial innovation and risk management
- Comprehensive management and services

##### **IV.A.1. Functions of the Shanghai FTZ**

The main functions of the Shanghai FTZ are as follows:

- Promoting the opening-up of the service industry and investment management system reform.
- Facilitating trade transformation and upgradation
- Deepening the opening-up of the financial field
- Innovating the supervision service mode
- Exploring and establishing an administrative management system in line with international investment and trade rule systems

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<sup>23</sup> MOFCOM, Customs Notification No. 59 of 2013

<sup>24</sup> Baker & McKenzie, International Trade Compliance Newsletter for October, available at <http://www.bakermckenzie.com/internationaltrade/newsletters/>

<sup>25</sup> China-Briefing, Administrative measures released for Shanghai free trade zone, : <http://www.china-briefing.com/news/2013/10/16/administrative-measures-released-for-shanghai-free-trade-zone.html#sthash.YG3xjwiL.dpuf>

- Cultivating an international and lawful business environment

The Shanghai FTZ will increase the opening-up levels in the areas of Financial services, Shipping services, Commercial and trade services, Professional services, Cultural services and Social services. Further, the Shanghai FTZ will suspend entry requirements on investors' qualifications, as well as restrictions on shareholding proportions and business scope.<sup>26</sup>

The Shanghai FTZ will also implement the Capital Registration System where the shareholders of enterprises in the zone shall independently agree upon the contributing amount, forms and period, and record such in the company's Articles of Association. Enterprises in the Shanghai FTZ may commence normal production and operation activities after obtaining the business license.<sup>27</sup>

#### **IV.1.B. Trade Development and Facilitation**

The Shanghai FTZ encourages MNCs to establish Asia-Pacific headquarters and operating centers with trade, logistics and settlement functions in the zone. Moreover, the Shanghai FTZ will facilitate the transformation and upgradation of the following businesses:<sup>28</sup>

- International trade
- Warehousing and logistics
- Processing and manufacturing

In addition, the Shanghai FTZ will promote the development of the following new types of trade businesses:

- Offshore business
- International trade settlement
- International bulk commodities transactions
- Financial leasing
- Bonded delivery of futures
- Cross-border e-commerce

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<sup>26</sup> *Id.*

<sup>27</sup> *Id.*

<sup>28</sup> *Id.*

The Shanghai FTZ will facilitate the development of the following shipping businesses:

- Shipping finance
- International shipping
- International ship management
- International crew management
- International shipping brokerage
- Shipping price index derivatives trading business

#### **IV.1.C. Intellectual Property & Dispute Settlement in the Shanghai FTZ**

The Shanghai FTZ will encourage the strengthening of intellectual property protection by encouraging professional institutions to provide intellectual property protection and mediation services in the zone.

For handling of commercial disputes, enterprises in the Shanghai FTZ may bring a lawsuit to the people's court or apply for arbitration or commercial mediation based on mutual agreements.

#### **IV.1.D. Record Filing Measure for Shanghai FTZ**

The Shanghai Municipal People's Government released the "*Administrative Measures for the Record-Filing of Foreign Investment Projects in the Shanghai Free Trade Zone*"<sup>29</sup> and the "*Administrative Measures for the Record-Filing of Foreign-Invested Enterprises in Shanghai Free Trade Zone*"<sup>30</sup> on 29 September 2013, which primarily lays down the procedure for record-filing measures for foreign investment in the Shanghai FTZ.<sup>31</sup>

#### ***Administrative Measures for the Record-Filing of Foreign Investment Projects in the Shanghai Free Trade Zone***

This Measure will apply to all foreign investment projects subject to the record-filing administration

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<sup>29</sup> Notification [2013] No. 71

<sup>30</sup> Notification [2013] No. 73

<sup>31</sup> China-Briefing, Shanghai releases record filing measures for foreign investment in Shanghai free trade zone, <http://www.china-briefing.com/news/2013/10/08/shanghai-releases-record-filing-measures-for-foreign-investment-in-shanghai-free-trade-zone.html#sthash.bKswzON4.dpuf>

in the Shanghai FTZ, which includes the following foreign investment projects not covered under the negative list:<sup>32</sup>

- Sino-foreign equity joint venture
- Sino-foreign cooperative joint venture
- Wholly foreign-owned projects
- Foreign-invested partnerships
- Acquisitions of a domestic enterprise by a foreign investor
- Capital increases by a foreign-invested enterprise

Moreover, foreign investment projects that require national security review shall be subject to security review in accordance with the relevant provisions.

### ***Administrative Measures for the Record-Filing of Foreign-Invested Enterprises in Shanghai Free Trade Zone***

As per this measure, foreign-invested enterprises under any of the following circumstances shall go through the record-filing formalities through the foreign investment platform:<sup>33</sup>

- Changing of registered capital (increase or decrease)
- Transfer of equities or cooperation interests
- Pledged shares
- Merger and division
- Changing of operating period
- Early termination
- Changing of investment forms and investment period
- Early recouping of investment by foreign investors in Sino-foreign cooperative enterprises

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<sup>32</sup> *Id.*

<sup>33</sup> *Id.*

#### **IV.1.E. Negative List of Shanghai FTZ**

The Shanghai Municipal People's Government released the "Special Administrative Measures on the Entry of Foreign Investment into China (Shanghai) Free Trade Zone-2013 Negative List" on 30 September 2013, which details the different treatment for foreign investors and Chinese investors in the Shanghai Free Trade Zone. The list covers the following 16 service sectors and details 190 management measures:<sup>34</sup>

- Agriculture, Forestry, Animal Husbandry and Fishery Industries
- Mining Industry
- Manufacturing Industry
- Production and Supply Industries for Power, Gas and Water
- Construction Industry
- Wholesale and Retail Industries
- Transportation, Warehousing and Postal Service Industries
- Information Transmission, Computer Service and Software Industries
- Finance Industry
- Real Estate Industry
- Leasing and Commercial Service Industries
- Scientific Research and Technical Service Industries
- Water Conservancy, Environmental, and Public Facilities Management Industries
- Education Industry
- Health and Social Industries
- Cultural, Sports and Entertainment Industries
- New agencies
- Radio and film companies
- Publishing of newspapers, magazines and books
- Production of electronic publications
- Gambling
- Internet bars

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<sup>34</sup> *Id.*

- Construction and operation of golf parks

Moreover, foreign investment is restricted in the telecommunication and satellite transmission service industries, and so is foreign involvement in high-end properties such as offices, hotels and convention centers. However, the list allows Sino-foreign joint ventures in the following industries:

- Exploration of shale gas and sea-bottom natural gas
- Auto parts and aircraft maintenance
- Railway construction and management

The list, which comes into effect immediately, is a temporary version for 2013 and will be updated based on future conditions.

#### **IV.1.G. Isolated Internet freedom in Shanghai FTZ**

According to the reports in South China Morning Post, quoting unnamed official sources, the Chinese Government has endorsed a plan to allow uncensored internet access in the new Shanghai Free Trade Zone and foreign internet service providers would also be allowed to bid for licenses in the zone. China's three biggest service providers – *China Mobile*, *China Unicom* and *China Telecom* – have all apparently been informed of the decision to permit operational licenses to Foreign Service providers in the zone.<sup>35</sup>

### **IV.B. INVESTMENT PROMOTION**

#### **IV.B.1. China Clarifies Issues Regarding Cross-Border RMB Settlement by Foreign Investors**

People's Bank of China released the "Circular on RMB Settlements of Investments in Domestic Financial Institutions by Foreign Investors" which clarified several cross-border RMB settlement issues faced by foreign investors when investing in country's financial institutions.<sup>36</sup> According to the circular, foreign investors investing in domestic financial institutions, upon approval by the finance

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<sup>35</sup> China-Briefing, Isolated internet freedoms in Shanghai's free trade zone, <http://www.china-briefing.com/news/2013/09/25/isolated-internet-freedoms-in-shanghais-free-trade-zone.html#sthash.YCTM3jrg.dpuf>

<sup>36</sup> China-Briefing, China clarifies issues regarding cross border RMB settlement by foreign investors, <http://www.china-briefing.com/news/2013/10/09/china-clarifies-issues-regarding-cross-border-rmb-settlement-by-foreign-investors.html#sthash.bQLDT9bT.dpuf>

supervision authority under the State Council, may use RMB for the following investment activities relating to financial institutions:

- Establishment of financial institutions
- Capital increases
- Mergers and acquisitions
- Share purchases
- Equity transfers
- Profit distribution
- Liquidations
- Capital reductions
- Shareholding reductions
- Early recouping of investment

When processing the RMB investment in a domestic financial institution by a foreign investor, the domestic settlement bank shall open RMB bank settlement accounts for the foreign investor and the domestic financial institution in accordance with relevant provisions on bank settlement account management.

#### **IV.B.2. China Releases Financial Security Assessment Report on Non-Financial Listed Companies**

Due to the opening of Chinese capital markets and rapidly increasing numbers of both qualified foreign institutional investors (QFIIs) and RMB qualified foreign institutional investors (RQFIIs) looking to enter the country, the Chinese Government has been working to improve the transparency of its capital markets. Further, the Government is also looking to provide more guidance for both domestic and foreign investors to navigate the capital market landscape.<sup>37</sup>

In this light, the Credit Rating and Certification Center of the Chinese Academy of International Trade and Economic Cooperation under China's Ministry of Commerce (MOFCOM) recently released its 'Spring-2013 Assessment Report' on the financial security of China's non-financial listed

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<sup>37</sup> China-Briefing, China releases financial security assessment report on non-financial listed companies <http://www.china-briefing.com/news/2013/08/06/china-releases-financial-security-assessment-report-on-non-financial-listed-companies.html#sthash.CbFUukB0.dpuf>

companies (NFLCs) to further detail the state of its markets. Specifically, the Report stated that 2013 has been ranked among the worst years ever experienced since 2008 in terms of the overall financial security of China's NFLCs. Further, it noted that 25.88% of NFLCs are rated as either "risky" (those rated CCC or lower) or "highly risky" (those listed C or lower) with regard to their financial situation. The report suggested remedies to strengthen the financial security of China.

#### **IV.B.3. Foreign insurance companies permitted to use RMB for some operations**

On 8 June 2013, the Chinese Government released the "Regulations on Administration of Foreign Invested Insurance Companies (Revised Version)" that came into effect on 1 August 2013. In accordance with this Revised Version, foreign insurance companies are allowed to use RMB denominated income to make capital injections into their joint ventures or into wholly foreign-owned subsidiaries, and to allocate working capital to branches within China. Before the adoption of this Revised Version, foreign insurance companies were only permitted to use freely convertible currencies to conduct capital injections or allocation of working capitals in China. The Revised Version cancelled this restriction, thus facilitating foreign investment in the Chinese insurance sector.<sup>38</sup>

#### **IV.B.4. Investment subsidy and interest discount project for certain economic areas**

On 24 June 2013, the National Development and Reform Commission (NDRC) released the "Measures for Management of Central Budgetary Investment Subsidy and Interest Discount Project" and these measures came into effect on 15 July 2013.<sup>39</sup> In accordance with these Measures, qualified governmental or private investment projects will receive investment subsidies and loan interest discounts. The investment subsidy and interest discount funds will be focused on economic and social areas where the government presumes market failures. Qualified projects include:

- Public welfare and public infrastructure investment projects
- Environmental protection and improvement projects

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<sup>38</sup> The Central People's Government of the People's Republic of China, People's Republic of China State Council Order, [http://www.gov.cn/zwggk/2013-06/08/content\\_2422468.htm](http://www.gov.cn/zwggk/2013-06/08/content_2422468.htm)

<sup>39</sup> National Development and Reform Commission Notifications, [http://www.ndrc.gov.cn/zcfb/zcfbl/2013ling/t20130624\\_546561.htm](http://www.ndrc.gov.cn/zcfb/zcfbl/2013ling/t20130624_546561.htm)

- Investment projects promoting economic and social development of under-developed regions
- Investment projects that promoting technological development and high-tech industrialization

## **V. TRADE POLICY BY PRACTICE AND MEASURE**

### **V.A. MEASURES AFFECTING IMPORTS**

On 26 August 2013, the Customs Tariff Commission of China's State Council published Notice no. [2013] of 31, imposing a 3% import duty on lignite, a low-grade form of coal. Since 2008, the tariff had been 0%. The measure came into effect on 30 August 2013.

### **V.B. TECHNICAL BARRIERS TO TRADE**

Please refer to Annexure A.

### **V.C. SANITARY & PHYTO-SANITARY MEASURES**

Please refer to Annexure B.

## **VI. CONTINGENCY TRADE PROTECTION MEASURES**

### **VI.A. ANTI-DUMPING MEASURES ADOPTED BY CHINA**

#### **Initiation of countervailing duty investigation on imports of wine from the EU**

- On 1 July 2013, China's Ministry of Commerce (MOFCOM) issued the Notice No.37 (2013), announcing the initiation of a CVD investigation against wine imported from the European Union. The HS codes in question are: 2204.1000, 2204.2100 and 2204.2900. In accordance with this Notice, 20 subsidy projects related to the wine industry in the EU will be under investigation. The investigation will be completed before 1 July 2014, and will be extended to July 2015 under special circumstances.

## **Initiation of investigation into imports of tert-butylhydroquinone from India**

- MOFCOM announced that it had launched an investigation into imports of Indian tert-butylhydroquinone (TBHQ). It had received requests from domestic TBHQ producers, accusing Indian manufacturers of dumping the product on the Chinese market and calling for an inquiry. The investigation is expected to take at least a year, and may be extended to February 2015. TBHQ is an aromatic organic compound widely used in the food industry as antioxidation for vegetable oil, many edible animal fats, roasted food, fried food and other meat products. It is also used as a stabilizer for insecticide, as well as an intermediate for dyes and pharmaceuticals.<sup>40</sup>

For other updates, please refer to Annexure C.

## **VI.B. ANTI-DUMPING MEASURES ADOPTED AGAINST CHINA**

- Australia: The Anti-Dumping Commission and Australian Customs have already shown that they are increasing compliance activities. On 19 August, 2013, Australian Customs released a statement advising that it had executed search warrants across Victoria, New South Wales and Queensland in relation to the alleged circumvention of dumping and countervailing duties on importations of aluminum road wheels from China. The affected importers and exporters are suspected of evading the additional duties by importing the goods through a third country rather than direct shipment from China.<sup>41</sup>
- Eurasian Economic Commission: Extension of the application of anti-dumping measures in respect of rolling bearings (except for the needle), originating in the People's Republic of China and imported into a single customs territory of the Customs Union (as per Decision No. 197 of 17 September 2013).

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<sup>40</sup> Antidumping action against India, China Daily, [http://www.chinadaily.com.cn/business/2013-08/22/content\\_16914451.htm](http://www.chinadaily.com.cn/business/2013-08/22/content_16914451.htm)

<sup>41</sup> Baker 7 McKenzie, International Trade Compliance Newsletter, <http://www.bakermckenzie.com/internationaltrade/newsletters/>

For more updates, please refer to Annexure D.

## **VII. MEASURES AFFECTING PRODUCTION AND TRADE**

### **VII.A. TAXATION**

#### **VII.A.1. China clarifies VAT exceptions**

China's State Administration of Taxation promulgated the "Administrative Measures for Value-Added Tax (VAT) Exemptions of Cross-Border Taxable Services in Business Tax to VAT Reform" ("Announcement 52") to clarify the "Regulation on Zero VAT Rate and VAT Exemption Policies Applied to Taxable Services" released as an attachment of Circular No. 37 in May 2013.<sup>42</sup> Announcement 52 clarifies, in detail, the types of cross-border services that are VAT exempted. It applies retroactively from 1 August 2013, and any qualified revenue from 1 September 2012 to 1 August 2013 could be refunded or offset against tax due in the following period.

Announcement 52 states that in order to enjoy the VAT exemption, taxpayers should complete a record filing at the competent tax authority by providing the following documents:

- Record-filing form for VAT exemptions of cross-border services
- Original contract for providing the cross-border services and a copy of the contract (including Chinese translation of the contract with company seal or signature of the legal representative)
- Supporting documents to prove the services are provided in compliance with the exemption's corresponding requirements
- Supporting documents to prove the service recipient(s) are located overseas
- Other documents required by local tax authorities

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<sup>42</sup> China-Briefing, China clarifies new vat exemptions applied to cross border services, <http://www.china-briefing.com/news/2013/09/26/china-clarifies-new-vat-exemptions-applied-to-cross-border-services.html#sthash.c8jAZ2QD.dpuf>

### **VII.1.B. China clarifies recognition of Resident Enterprises under Hong Kong DTAA**

To enjoy the tax benefits of the double taxation avoidance agreement (DTAA) signed between Hong Kong and Mainland China, eligible applicants must be tax residents of Hong Kong. Recently, China's State Administration of Taxation released the "Announcement Concerning Resident Status Recognition Procedures in Implementing the DTA between Hong Kong and China Mainland" (Announcement 53) to clarify the criteria for being recognized as a Hong Kong resident for tax purposes, which will enter into force on 1 November 2013.<sup>43</sup>

As per Announcement 53, tax authorities in Mainland China will make a written request for a Certificate of Resident Status issued by the Inland Revenue Department (IRD) of Hong Kong to verify the application of applicants in the following circumstances:

- Applicants who claim beneficial owner status under Article 3 of SAT Announcement [2012] No. 30
- Applicants who declare tax treatment under Article 13 of Hong Kong – China Mainland DTA (which specifies the collection of taxes under property gains)
- Companies registered outside of Hong Kong but with administration and controlling institutions in Hong Kong
- Foreign individuals who only stay in Hong Kong for a short period but declare themselves to be a Hong Kong resident
- Other circumstances where the documents provided by the applicants are not reliable enough to convince tax authorities of their resident status

Applicants are responsible for taking the written request made by the tax authorities of the Mainland to the Hong Kong in order to apply for the Certificate of Resident Status. The laws of Hong Kong will be applied in determining the resident status.<sup>44</sup>

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<sup>43</sup> China-Briefing, China clarifies recognition of resident enterprises under Hong Kong DTA, <http://www.china-briefing.com/news/2013/10/15/china-clarifies-recognition-of-resident-enterprises-under-hong-kong-dta.html#sthash.P357fsA9.dpuf>

<sup>44</sup> *Id.*

## VIII. WTO DISPUTE UPDATES

### **Panel established on EU complaint against China's anti-dumping duties on stainless steel tubes**

The Dispute Settlement Body, on 30 August 2013, established a panel requested by the European Union to examine Chinese measures imposing anti-dumping duties on high-performance stainless steel seamless tubes from the EU. The EU said that anti-dumping duties imposed by China on imports of steel tubes from the EU were inconsistent with the WTO's Anti-Dumping Agreement. Consultations to resolve the matter had failed, hence the EU's request for the establishment of a panel.<sup>45</sup>

### **China — Anti-dumping and countervailing duty measures on broiler products from the United States (DS427)**

The dispute concerned China's imposition of anti-dumping and countervailing measures on broiler chicken products from the United States. The United States challenged before the Panel both, the China's Ministry of Commerce's ("MOFCOM") substantive analysis under several provisions of the Anti-Dumping Agreement, SCM Agreement, the GATT 1994, as well as the manner of MOFCOM's conduct of investigations.<sup>46</sup>

The Panel concluded that:<sup>47</sup>

- China acted inconsistently with the requirements of Art 6.2 of the Anti-dumping Agreement due to MOFCOM's failure to provide opportunities for interested parties with adverse interests to meet and present opposite views and rebuttals.
- China acted inconsistently with Art 6.5.1 of the Anti-Dumping Agreement and Art. 12.4.1 of the SCM Agreement due to MOFCOM's failure to require the Petitioner to provide adequate non-confidential summaries of information that it submitted in confidence.
- China acted inconsistently with Article 6.9 of the Anti-dumping Agreement as MOFCOM did not disclose all of the essential facts, in particular those pertaining to its determination of

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<sup>45</sup> World Trade Organization, available at [http://www.wto.org/english/news\\_e/archive\\_e/dis\\_arc\\_e.htm](http://www.wto.org/english/news_e/archive_e/dis_arc_e.htm)

<sup>46</sup> World Trade Organization, [http://www.wto.org/english/tratop\\_e/dispu\\_e/cases\\_e/ds427\\_e.htm#bkmk427r](http://www.wto.org/english/tratop_e/dispu_e/cases_e/ds427_e.htm#bkmk427r)

<sup>47</sup> Panel Report, *China — Anti-dumping and countervailing duty measures on broiler products*, <http://www.worldtradelaw.net/reports/wtopanels/china-broilerproducts%28panel%29.pdf>

the existence and margins of dumping to the three relevant interested parties: Pilgrim's Pride, Tyson, and Keystone.

- China acted inconsistently with the first sentence of Article 2.2.1.1 of the Anti-dumping Agreement when MOFCOM declined to use Tyson and Keystone's books and records in calculating the cost of production for determining normal value. With respect to Pilgrim's Pride, the United States has not established that China acted inconsistently with the first sentence of Article 2.2.1.1.
- China acted inconsistently with the second sentence of Article 2.2.1.1 because: (i) there was insufficient evidence of its consideration of the alternative allocation methodologies presented by the respondents; (ii) MOFCOM improperly allocated all processing costs to all products; and (iii) MOFCOM allocated Tyson's costs to produce non-exported products to the normal value of the products for which MOFCOM was calculating a dumping margin.
- The United States' claim under Article 2.4 of the Anti-Dumping Agreement is outside the Panel's terms of reference.
- China acted inconsistently with Article 6.8 of the Anti-Dumping Agreement due to MOFCOM's application of an "all others" rate determined on the basis of facts available to US producers/exporters who failed to register in the anti-dumping duty investigation.
- China acted inconsistently with Article 6.9 of the Anti-Dumping Agreement due to MOFCOM's failure to disclose certain "essential facts" forming the basis of its determination of the "all others" anti-dumping rate.
- China acted inconsistently with Articles 12.2 and 12.2.2 of the Anti-Dumping Agreement because MOFCOM failed to disclose "in sufficient detail the findings and conclusions reached on all issues of fact and law considered material" or "all relevant information on matters of fact" with respect to its calculation of the "all others" anti-dumping rate in the Final Anti-Dumping Determination.
- China acted inconsistently with Article 12.7 of the SCM Agreement due to MOFCOM's application of an "all others" rate determined on the basis of facts available to US producers/exporters who failed to register in the countervailing duty investigation.
- China acted inconsistently with Article 12.8 of the SCM Agreement due to MOFCOM's failure to disclose certain "essential facts" underlying its decision to apply an "all others" countervailing duty rate.

- China acted inconsistently with Articles 22.3 and 22.5 of the SCM Agreement, because MOFCOM failed to disclose "in sufficient detail the findings and conclusions reached on all issues of fact and law considered material" or "all relevant information on matters of fact" with respect to its calculation of the "all others" countervailing duty rate in the Final Countervailing Duty Determination. The Panel does not rule on the corresponding claims of the United States with respect to the Preliminary Determination.
- China acted inconsistently with Article 19.4 of the SCM Agreement and Article VI:3 of the GATT 1994, because MOFCOM did not ensure that the countervailing duty levied did not exceed the amount of the subsidization per unit of the subsidized and exported product.

## **ANNEXURE A**

### **TECHNICAL BARRIERS TO TRADE (TBT) UPDATES**

Notification/ Date of Notification	Description	Objective
<p><b>G/TBT/N/CHN/263/Rev.1</b></p> <p><b>Cotton</b></p> <p><b>bales, bagging materials and tying materials</b></p> <p><b>HS Numbers:6305</b></p> <p><b>ICS Numbers:55.020</b></p> <p><b>21 August 2013</b></p>	<p>This standard provides the technical requirements, packaging methods, labelling and test methods for cotton baling.</p> <p>This standard applies to bales of ginned cotton baling and cotton linter baling. The date of adoption of the product is 90 days after circulation by the WTO Secretariat.</p>	<p>To guarantee the safety and sanitation of cotton bales during storage and transportation.</p>
<p><b>G/TBT/N/CHN/967</b></p> <p><b>Push-bar</b></p> <p><b>emergency exit locks</b></p> <p><b>ICS Numbers:13.220.50</b></p> <p><b>1 July 2013</b></p>	<p>Chapters 5 (except 5.1.1), 7 and Article 8.1 of this standard are mandatory, the others are recommended. The mandatory contents are the requirements, inspection rules and marks for push-bar emergency exit locks installed and used on the exit doors of buildings.</p>	<p>To protect the safety of people and property.</p>

<p align="center"><b>G/TBT/N/CHN/969</b></p> <p><i>Toys intended or predetermined for playing by children up to 14 years of age and also products which are not specifically designed for playing, but has a playing function for use by children up to 14 years of age.</i></p> <p><b>HS Numbers:9501;9502;9503</b></p> <p><b>ICS Numbers:97.200.50</b></p> <p align="center"><b>1 July 2013</b></p>	<p>This standard specifies the basic safety requirements for toys, including mechanical, physical, flammable, chemical and electrical properties and requirements for health, radiation and toys identifications.</p>	<p>To protect the safety and health of children.</p>
<p align="center"><b>G/TBT/N/CHN/972</b></p> <p align="center"><b>Toys</b></p> <p><b>HS Numbers:9501;9502;9503</b></p> <p><b>ICS Numbers:97.200.50</b></p> <p align="center"><b>1 July 2013</b></p>	<p>This standard specifies the requirements of maximum acceptable levels, methods of sampling and procedure of testing sample preparation and extraction for migration of the elements antimony, arsenic, barium, cadmium, chromium, lead, mercury and selenium from toy materials and parts of toys.</p>	<p>To protect the safety and health of children.</p>

<p><b>G/TBT/N/CHN/975</b></p> <p><b>Motorcycles and Mopeds</b></p> <p><b>ICS Numbers:43.140</b></p> <p><b>21 August 2013</b></p>	<p>Chapters 3 and 4 of this standard are mandatory, others are recommended. The mandatory contents are the general requirements and specific requirements for anti-theft devices of motorcycles and mopeds. The date of adoption of the product is 90 days after circulation by the WTO Secretariat.</p>	<p>To ensure the safety of consumers' property.</p>
<p><b>G/TBT/N/CHN/976</b></p> <p><b>HS Numbers:87</b></p> <p><b>ICS Numbers:43.020</b></p> <p><b>21 August 2013</b></p>	<p>This standard specifies the fuel consumption limits for heavy duty commercial vehicles. This standard applies to the gasoline and diesel commercial vehicles with maximum design total mass above 3500 kg, including trucks, semi-trailer tractors, buses, dumpers and city buses. The product will be adopted 90 days after circulation by the WTO.</p>	<p>For energy conservation and environmental protection.</p>

<p><b>G/TBT/N/CHN/977</b></p> <p><b>HS Numbers:87</b></p> <p><b>ICS Numbers:43.020</b></p> <p><b>21 August 2013</b></p>	<p>This standard specifies the technical requirements and test methods for protection of outside frontal passenger in the event of a frontal collision for motor vehicle. This standard applies to category M1 vehicles and category N1 vehicles with maximum design total mass not exceeding 2500 kg, as well as multi-purpose trucks.</p>	<p>For the protection of occupant's safety.</p>
<p><b>G/TBT/N/CHN/978</b></p> <p><b>Television</b></p> <p><b>HS Numbers:8528</b></p> <p><b>ICS Numbers:33.160</b></p> <p><b>16 September 2013</b></p>	<p>This document requires all new televisions of 40 inches and above sold in China's domestic market to have the capability to receive terrestrial DTV broadcast signals from 1 Jan 2014, and requires new televisions of all dimensions to include the capability from 1 Jan 2015; the products should meet the Chinese standard of terrestrial digital television receiver. The document also proposes additional measures to promote terrestrial DTV receivers.</p>	<p>To protect the consumers and accelerate the transition of analogue TV to digital TV, while providing manufacturers with adequate time to include DTV capability in their TV products.</p>

## ANNEXURE B

### SANITARY & PHYTOSANITARY UPDATES

Notification/Date of notification	Description	Objective
<b>G/SPS/N/CHN/623</b> 12 August 2013	This standard applies to soy sauce. The date of adoption of the product is yet to be determined.	Food safety
<b>G/SPS/N/CHN/624</b> 12 August 2013	This standard prescribes vinegar, including fermented vinegar and mixed vinegar. The adoption of the product is yet to be determined.	Food safety
<b>G/SPS/N/CHN/625</b> 12 August 2013	This standard prescribes sugars made from canes or beets, including raw sugar, white sugar, soft white sugar and brown sugar. The adoption of the product is yet to be determined.	Food safety
<b>G/SPS/N/CHN/626</b> 12 August 2013	This standard prescribes fermented sauce, not including semisolid composited dressings. The date of adoption of the product is yet to be determined.	Food safety

<p><b>G/SPS/N/CHN/627</b> 12 August 2013</p>	<p>This standard applies to preserved vegetables. The adoption of the product is yet to be determined.</p>	<p>Food safety</p>
<p><b>G/SPS/N/CHN/628</b> 12 August 2013</p>	<p>This standard prescribes aquatic dressing. The date of adoption is yet to be determined.</p>	<p>Food safety</p>
<p><b>G/SPS/N/CHN/629</b> 16 August 2013</p>	<p>This standard specifies investigation levels and restricts concentrations of 12 artificial radionuclides and 7 natural radionuclides in foods. This standard applies to all kinds of food under normal circumstances. The date of adoption of the product is yet to be determined.</p>	<p>Food safety</p>
<p><b>G/SPS/N/CHN/630</b> 12 August 2013</p>	<p>The draft will amend Article 4 of National Food Safety Standard Maximum Levels of Mycotoxins in Foods to establish the maximum levels of Ochratoxin A in wine and coffee. The date of adoption is yet to be determined.</p>	<p>Food safety</p>

## ANNEXURE C

### ANTI-DUMPING CASES INITIATED BY MOFCOM

Ref. No.	Merchandise/ Country	Action
51 of 2013	Oriented silicon electrical steel from the USA	Implementation of WTO ruling
52 of 2013	Terephthalate originating in S. Korea	Renaming of Lotte Chemical
54 of 2013	Single-mode fiber originating in India	Initiation of AD investigation
55 of 2013	Bisphenol A originating in Japan, South Korea, Singapore and Taiwan	Final review of AD ruling
56 of 2013	Broiler chickens originating in the USA	Substitution of Perdue Farms LLC for Perdue Farms Inc.
57 of 2013	TBHQ originating in India	Initiation of AD investigation
63 of 2013	Solar-grade polysilicon originating in the United States	Preliminary countervailing duty notice
62 of 2013	Pyridine originating in India and Japan	Notice extending the AD cases

## ANNEXURE D

### ANTI-DUMPING CASES AGAINST CHINA

Country	Merchandise	Action
<b>MEXICO</b>	Blankets of synthetic fibre, raschel fabric, prints, smooth, with or without embroidery, with or without intermediate wadding, of any size, originating in China, regardless of country of origin.	Preliminary resolution of the AD investigation
	Blenders for household or commercial use, from China, regardless of country of origin	Resolution accepting the request of a party and initiating an AD investigation
	Steel cables from China, regardless of country of origin	Resolution accepting the request of a party and initiating an AD investigation
<b>EUROPEAN UNION</b>	Certain molybdenum wire, containing by weight at least 99,95 % of molybdenum, originating in China	Council Implementing Regulation extending the definitive ADD to imports of molybdenum wire, containing by weight at least 97 % of molybdenum, of which the maximum cross-sectional dimension exceeds 1,35 mm but does not exceed 4,0 mm, originating in China

	Certain prepared or preserved citrus fruits (namely mandarins, etc.) originating in China	Notice concerning the AD measures in force in respect of imports into the Union: change of the name of a company subject to an individual ADD
	Certain candles, tapers and the like from China	Notice of the impending expiry of certain anti-dumping measures on 15 May 2014
	Certain PSC wires and strands from China	Notice of the impending expiry of certain anti-dumping measures on 14 May 2014
	Crystalline silicon photovoltaic modules and key components (i.e. cells and wafers) originating in or consigned from  China	Commission Regulation amending Regulation (EU) No 513/2013 imposing a provisional ADD
	Crystalline silicon photovoltaic modules and key components (i.e. cells and wafers) originating in or consigned from China	Commission Decision accepting an undertaking offered in connection with the AD proceeding
	Stainless steel tube and pipe butt-welding fittings, whether or not finished, originating in China and Taiwan	Commission Decision of 20 August 2013 terminating the AD proceeding
	Trichloroisocyanuric acid originating in China	Commission Regulation initiating a 'new exporter' review of Council Implementing Regulation (EU) No 1389/2011 imposing a definitive ADD repealing the duty with regard to imports from one

		exporter in this country and making these imports subject to registration
<b>AUSTRALIA</b>	Wind towers exported from China and S.Korea	Initiation of an investigation into alleged dumping
	Power Transformers exported from China, Indonesia, Korea, Taiwan, Thailand, and Vietnam	Initiation of an investigation into alleged dumping
	Zinc coated (galvanised) steel and aluminium zinc coated steel (190/193) exported from China, S. Korea and Taiwan	Findings in relation to dumping and subsidization investigations
	Wind towers exported from China and S. Korea	Investigations into alleged dumping
<b>INDIA</b>	Hot Rolled flat products of stainless steel-304 grade from China	Imposition of final safeguard duty at the rate of 20% from 4 Jan. 2013 to 22 July 2013 (inclusive)
	Sodium Perchlorate from China	Imposition of ADD
	Zinc Oxide from China	Continuation of ADD after five-year review
<b>MALAYSIA</b>	Stranded wire originating or exported from China	Notice of affirmative preliminary determination of an ADD investigation

	Stranded wire, ropes, cables originating or exported from China	Notice of extension of time period for making preliminary determination
<b>BRAZIL</b>	Polyvinyl chloride resin obtained by the suspension process from China and S. Korea	Initiates review of anti-dumping duty imposed by the CAMEX Resolution 51, of 28 August 2008
	Pencil resins (leads) from China	Initiation of AD
	Nylon threads from China, Thailand and Chinese Taipei	Apply provisional anti-dumping duty for a period of up to four (4) months
	Wooden pencils with graphite mine and mine color – from China	Announces the closing of the validity of ADD
	New rubber tires for bicycles from China, India and Vietnam	Extends for six months, from September 3, 2013, the closing date of the investigation into the existence of dumping
<b>UNITED STATES</b>	Drill pipe from China	Final results of CVD administrative review; 2011
	Light-walled rectangular pipe and tube from Mexico, Turkey, China, and S. Korea;	Final results of expedited sunset reviews

	Diamond saw blades and parts thereof from China	Final results of ADD changed circumstances review
	Light-walled rectangular pipe and tube from China	Final results of the expedited first sunset review of the CVD order
	Certain oil country tubular goods from China	Final results of CVD administrative review; 2011
	Certain frozen warm water shrimp from China	Affirmation of CVD proceedings
	Aluminum extrusions from China	Initiation of changed circumstances reviews and consideration of revocation of the ADD and CVD orders in part
	Polyethylene terephthalate film, sheet, and strip from China	Notice of court decision not in harmony with final results of administrative review and notice of amended final results of administrative review pursuant to court decision
	Glycine from China	Preliminary rescission of AD duty new shipper review; 2012

	Multilayered wood flooring from China	Final results of AD duty new shipper review; 2011-2012
	Certain off-the-road tires from China	(Review) Institution of five-year reviews
	Raw flexible magnets from China and Taiwan	(Review) Institution of five-year reviews
	Persulfates from China	(Third Review) Scheduling of a full five-year review concerning the ADD order
<b>CANADA</b>	Certain bicycles, assembled or unassembled, with wheel diameters of 16 inches (40.64 cm) and greater, originating in or exported from Chinese Taipei and China	Notice of commencement of interim review to determine if the order should be rescinded on the basis that there is no longer any domestic production of bicycles
	<i>Dumping and subsidizing:</i> Carbon steel welded pipe originating in or exported from China	Order continuing AD and CVD following the expiry review; statement of reasons
	<i>Dumping:</i> Galvanized steel wire originating in or exported from China, Israel and Spain; <i>Subsidizing:</i> Same from China	Finding that the dumping and subsidizing have not caused injury or retardation and are not threatening to cause injury.

	<p><i>Dumping:</i> Certain galvanized steel wire originating in or exported from China, Israel and Spain. <i>Subsidizing</i> the same originating in or exported from China</p>	Statement of reasons concerning the making of final determinations
	<p>Certain silicon metal originating in or exported from China</p>	Statement of reasons concerning the making of final determinations