

- Telephone equipment and parts: China imported about \$27 million of Canadian equipment and parts in 2001 at an average tariff of 13%. This tariff will fall to zero by 2004 as China's has now joined the WTO's Information Technology Agreement.
- Canola seed: Chinese imports from Canada were valued at over \$300 million in 2001. A quota covered these exports and the applicable tariff was 12%. China agreed to eliminate the quota under its WTO membership and lowered the tariff to 9%.
- Frozen shrimp and crabs: China charged an average tariff of 19% on imports from Canada of over \$75 million in 2001. This tariff will be reduced to an average of 9% by 2005.
- Polyethylene: China imported over \$120 million in 2001 from Canada, at a tariff of 16%. This tariff will fall to 6.5% by 2008.

Services

China's services sector has been one of the most heavily regulated and protected, and consequently it is underdeveloped (services as a proportion of GDP is among the lowest in the world) and has minimal foreign participation. The completion of negotiations heralds dramatic changes. All important sectors will be opened to foreign investment, with, in many cases, majority foreign ownership permitted within two to three years and, in some cases, wholly foreign-owned subsidiaries within two to five years. Geographic restrictions that currently exist in a number of key sectors (telecoms, banking, insurance and distribution) will be phased out over five to six years. In addition, regulatory procedures will be improved: licensing procedures and conditions will be published, relevant regulatory authorities will be separate from service suppliers they regulate, and foreign service suppliers will be able to partner with any Chinese entity of their choice.

Standards and Technical Regulations

Under the terms of accession, China made commitments on technical barriers to trade, or standards and technical regulations that affect imported goods. Product standards and standards-related procedures will be improved and brought into line with international practices. Existing standards and technical regulations will be subject to periodic review in order to harmonize them with international norms, where

appropriate. China has committed to ensure that standards, technical regulations and conformity-assessment procedures will be the same for imported and domestic products upon accession— they currently differ substantially in some cases. To provide additional assurances of non-discriminatory treatment, China's product inspection agencies will be restructured within 18 months of accession.

Procurement by Government

WTO membership will impose new disciplines on procurement by Chinese government entities. Procurement by Government ministries and agencies at all levels will be conducted in a transparent manner, and all foreign suppliers will be provided with equal opportunity to participate in that procurement.⁴ Procurement laws and regulations will be published. Procurement by state-owned and state-invested enterprises of goods and services for sale will not be considered to be "government" procurement, and will therefore be subject to normal WTO non-discrimination requirements. All state-owned and state-invested enterprises will make purchases and sales based solely on commercial considerations (e.g. price, quality, marketability and availability), and the enterprises of other WTO members will have an adequate opportunity to compete for sales to and purchases from these enterprises on non-discriminatory terms and conditions.

Intellectual Property Rights

The WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) is a comprehensive and detailed agreement which, among other things, extends the obligations of MFN and national treatment to all aspects related to the protection of the intellectual property rights of the nationals of WTO members. To bring its intellectual property system into conformity with WTO rules, China has committed to expand the scope of its laws on copyright, trademarks, and patents. Regulations on the protection of undisclosed information, such as trade secrets and test data, will also be improved. Laws and other measures will be modified to ensure national and MFN treatment of foreign rights-holders regarding all intellectual property rights. China has made a number of commitments to improve enforcement of

⁴ In other words, China will apply MFN treatment to procurement by government ministries and agencies, but not necessarily national treatment — foreign companies will not necessarily have access to procurement contracts, but if they do, all foreign companies will be treated equally.