decentralized nature of administration in China and the growing autonomy of local centres of power, whose administrative units often act independently of central commands and of written laws endorsed by the central authorities.

To join the WTO, the Chinese government will have to address issues of low transparency, lack of access to judicial review and the inconsistent application of laws and regulations. The WTO accession process will also facilitate greater awareness of and more consistent application of trade rules at the local and regional levels.

Under the current trade regime, certain more prevalent problems exist, including variable import tariffs; different standards; complicated or non-transparent investment rules; a lack of equivalent treatment between foreign and domestic firms (no national treatment); and a lack of equivalent treatment of imports from different countries. The application of import licences and import quotas for a number of sectors or commodities also constrains free and fair access to Chinese markets. As part of joining the WTO, China will have to phase out import quotas, apply the same standards to all goods and treat imports from all WTO Members in a consistent manner.

Canada is also concerned that Chinese standards, technical regulations and, in particular, requirements for statutory inspection are being used as impediments to market access and do not reflect the least trade-restrictive principle. Canada, in the context of discussions with China through the WTO accession process, is working to obtain a comprehensive notification of the standards-based measures being applied, and is working to identify and eliminate those that are merely qualitative in nature, disguised barriers to trade or unnecessary impediments to imports. Our objectives are to ensure that China applies international standards and to increase access through various market access tools. In some sectors, such as building materials and construction, a bilateral building codes and standards committee will help to facilitate development of more appropriate standards and codes.

Agricultural products face a number of SPS market access barriers, in addition to often very significant tariff barriers. Efforts undertaken in close cooperation with the CFIA are designed to encourage and facilitate China's adoption of a more transparent and science-based approval system. In parallel with the WTO accession negotiations, a ROU was reached between the CFIA and China's State Administration on entry-exit inspection and quarantine on a number of long-standing Canadian concerns affecting Canadian exports of beef, pork and seed potatoes. Under the ROU, China agreed to a clear timetable for addressing these concerns on the basis of sound science. Canada continues to press for regulatory approval for other Canadian products, including tobacco and seed corn.

SPECIFIC MARKET ACCESS CONCERNS

Telecommunications Equipment and Services

Sales of Canadian telecommunications equipment are doing well in China. However, there are some concerns about the process of tendering and procurement in this sector, as the Ministry of Information Industry (MII) has at times publicly requested that purchasers of telecommunications products favour locally produced equipment. There are also indications that exporters may face standards-based regulatory barriers that are not applied to domestically manufactured products.

The increasing commercialization of this sector is encouraging, and declining market dominance by former monopoly or para-monopoly carriers will create new opportunities for foreign equipment suppliers. The recent announcement of the establishment of a third national carrier in an effort to increase competition is a move toward deregulation and liberalization of the sector.

The telecommunications services sector in China has remained a high priority in Canada's bilateral negotiations with China on WTO accession, and Canada will closely monitor the implementation of China's GATS commitments in this sector, as well as the treatment of Canadian companies that are already present in the Chinese market.

The Chinese government recently announced that foreign investors are banned from joint ventures in Internet services and with Internet content providers. In the face of reaction from foreign companies already invested in this area, China has committed to examine the possibility that foreign companies could be allowed to invest in this sector.