

in providing security and predictability to the multi-lateral trading system.

China formally became a member of the WTO on December 11, 2001. For more information on the terms of China's accession to the WTO, please visit the Canada and China Page of the Department of Foreign Affairs and International Trade's Web site at [www.dfait-maeci.gc.ca/tma-nacl/WTO-CC-e.asp](http://www.dfait-maeci.gc.ca/tma-nacl/WTO-CC-e.asp).

## IMPROVED MARKET ACCESS FOR GOODS AND SERVICES

### Industrial and Agricultural Products

China agreed to make immediate tariff cuts in industrial and agricultural products upon accession. Further tariff reductions will be phased in over the next nine years, with most being completed by 2005. By 2005, industrial

tariffs will have fallen from a simple average of 16.3% in 1999, when a Canada-China bilateral agreement on accession was signed, to 9.2%. Agricultural and agri-food tariffs will have fallen from 21.4% in 1999 to 15.1% by 2005. These averages hide steep cuts in the tariffs charged on some exports from Canada: Table 1 summarizes concessions on a selection of such goods.

Some examples of tariff reductions which will significantly improve market access for goods exported by Canada include:

- Motor vehicle parts and accessories: China imported about \$418 million from Canada in 2001 at an average tariff of 22%. This average tariff will fall to 11.5% by 2006. Tariffs on finished vehicles will be slashed over the next 4 years. For example, current rates on finished cars will drop from 70-80% currently to 25%.

Table 1: Notable Tariff Cuts Under China's WTO Accession

PRODUCT DESCRIPTION	Cdn Exports, 2000, \$m	2001 Applied Tariff	Final Bound Tariff	Final Binding Date
Motor vehicle parts and accessories	\$543.8	21.1 <sup>1</sup>	11.51	2006
Canola	\$405.2	40 <sup>2</sup> 12 <sup>3</sup>	9	Upon accession
Canola oil	\$38.1	100 <sup>2</sup> 20 <sup>3</sup>	9	2006
Electrical equipment for line telephony and parts	\$267.3	13 <sup>1</sup>	0	2004
Polymers of ethylene	\$161.8	16 <sup>1</sup>	6.51	2008
Artificial filament tow	\$128.8	10 <sup>1</sup>	41	2004
Uncoated kraft paper and paperboard	\$57.4	14 <sup>1</sup>	3.51	2004
Injection moulding machinery for plastics	\$19.4	15	0	2003
Industrial dust collectors	\$9.9	18	5	2004
North American ginseng	\$39.6	36	7.5	2006
Beer, made from malt	\$0.2	RMB 7/L <sup>4</sup>	0	2004
Malt	\$0.2	26	10	Upon accession
Crustaceans (including shrimp, crabs)	\$100.8	19.8 <sup>1</sup>	9.31	2005
Poultry cuts and offal, frozen	\$23.7	RMB 1.0 -2.7/kg <sup>5</sup>	10	2004
Beef, frozen, cuts with bone in and boneless	\$0.2	39	12	2004

Notes: This table shows a number of Canadian exports to China in 2000 and the corresponding trade liberalizing commitments that China has made under the terms of its accession to the World Trade Organization (WTO). The export values in this table are those reported as imports from Canada by the Customs General Administration of the People's Republic of China. The 2001 applied rate reported here is the China's MFN rate, which would be applied to imports from Canada. A "bound" tariff is a maximum rate; applied rates may be lower. The "initial bound rate" refers to the rate upon the date of accession. For many goods, China has committed to make equal cuts in tariff rates for a certain period following the date of accession; the "final bound tariff" will therefore apply on the date specified. A number of the HS headings described encompass a large number of individual product types, which may face different tariffs than the averages listed here.

1. Average tariff. 2. In-quota tariff. 3. Out-of-quota tariff. 4. Approximately 58% ad valorem by 2000 import quantity and value; average 2000 exchange rate was \$1 = RMB 5.57. 5. Approximately 40% ad valorem by 2000 import quantity and value.