

- Work with China to remove chemical treatment requirements for alfalfa seeds from Saskatchewan.

IMPROVING ACCESS FOR TRADE IN GOODS

Implementation of China's WTO Commitments: Highlights

Since its entry into the WTO, China has been working energetically to implement its accession commitments. Tangible progress is being made on several fronts. China is reforming its systems for the management of international economic activities according to WTO rules. A solid domestic legal foundation for the fulfilment of its WTO commitments is being laid. The range of commodities subject to quota and other licensing restrictions is being narrowed, and tariffs are being reduced on over 5,000 tariff lines, ensuring that China will attain an overall average tariff level of 12% by 2005, in keeping with its commitments. There is a discernible trend away from macroeconomic control and adjustment through administrative measures and toward market signals and mechanisms, which will accelerate the establishment of a market economy in China. Profound changes are being made to the structure of China's economy, the relationship between government and industry, government structures and procedures, and legal and regulatory frameworks. However, these changes will take time.

Canada and other parties will continue to ensure that China adheres to WTO rules aimed at transparency and consultation with trading partners, as it implements new policies and procedures.

A Transitional Review Mechanism (TRM) was established as part of China's accession. This review will take place every year for the first eight years following China's accession and then again in the 10th year. The TRM gives WTO members an opportunity to review China's progress in implementing its commitments in a manner consistent with WTO rules. Canada participates actively in this process.

Bovine Spongiform Encephalopathy

Following Canada's May 20, 2003, announcement of a BSE case, China issued a ban on the import of Canadian live cattle, meat and meat products, tallow and feed of ruminant animal origin. Canada has kept all its trading partners, including China, fully informed of the results of its investigation and regulatory response, and it is requesting a resumption of trade on scientific grounds. In October 2004, China and Canada resumed trade in porcine gel and signed protocols on conditions for the resumption of trade in bovine semen and embryos. In January 2005, China approved Canadian collection centres allowing trade to resume. Canada will continue discussion with China on conditions for resuming trade in beef, beef products, live cattle and tallow. (For further information, see the BSE overview in Chapter 2.)

Avian Influenza

On January 18, 2005, China lifted all avian influenza restrictions on the import of poultry and poultry products from Canada. (For further information, see the avian influenza overview in Chapter 2.)

Meat Labelling

In August 2004, China notified the World Trade Organization that it would implement Decree 49, the Regulation of Inspection and Quarantine on Import Meat and Its Product, on November 1, 2004. Article VI (1) of the Regulation requires that the inner package shall be labelled with the product name and plant registration number.

Following consultations with exporters, Canada provided comments to Chinese authorities on the inside labelling requirements. Following representations by Canada and other exporting countries, Chinese authorities agreed that goods shipped to China on or after December 1, 2004, must have the product names printed in English and Chinese on inside bags.