



China in the WTO: Past, Present and Future

Permanent Mission of China to the WTO



中国加入世界贸易组织十周年

The Tenth Anniversary of China's Accession to the WTO

—— 2001.12-2011.12 ——

What the Leaders say



- * China's accession to the WTO is a milestone in China's reform and opening-up, bringing us into a new era to further open up. To join the WTO was a major strategic decision based on our comprehensive analysis of the situation at home and abroad in order to push forward China's reform and opening-up and socialist modernization drive.

---Chinese President HU Jintao

What the Leaders Say



- * China's 10th anniversary of its accession to the WTO is a momentous event in China's opening-up to the outside world. If we describe the Canton Fair as a window China opened to the world, then the accession to the WTO can be seen as a door China opened to the world. If we describe the Canton Fair as China extending a hand to the world, then its WTO membership is its full embrace of this world.
 - * ---Chinese Premier WEN Jiabao

China's Arduous Journey to the WTO

- * From China's request to resume its status as a contracting party to the GATT to its final accession to the WTO, it took China 15 years to go through the arduous and prolonged negotiations.
- * On July 10, 1986, China formally submitted to the GATT Secretariat its request of resumption of China's status as a contracting party to the GATT.
- * In November 1995, China formally requested to accede to the WTO.
- * On December 11, 2001, China officially became WTO's 143rd member.



中国加入世界贸易组织签字仪式

SIGNING CEREMONY ON CHINA'S ACCESSION TO THE WTO

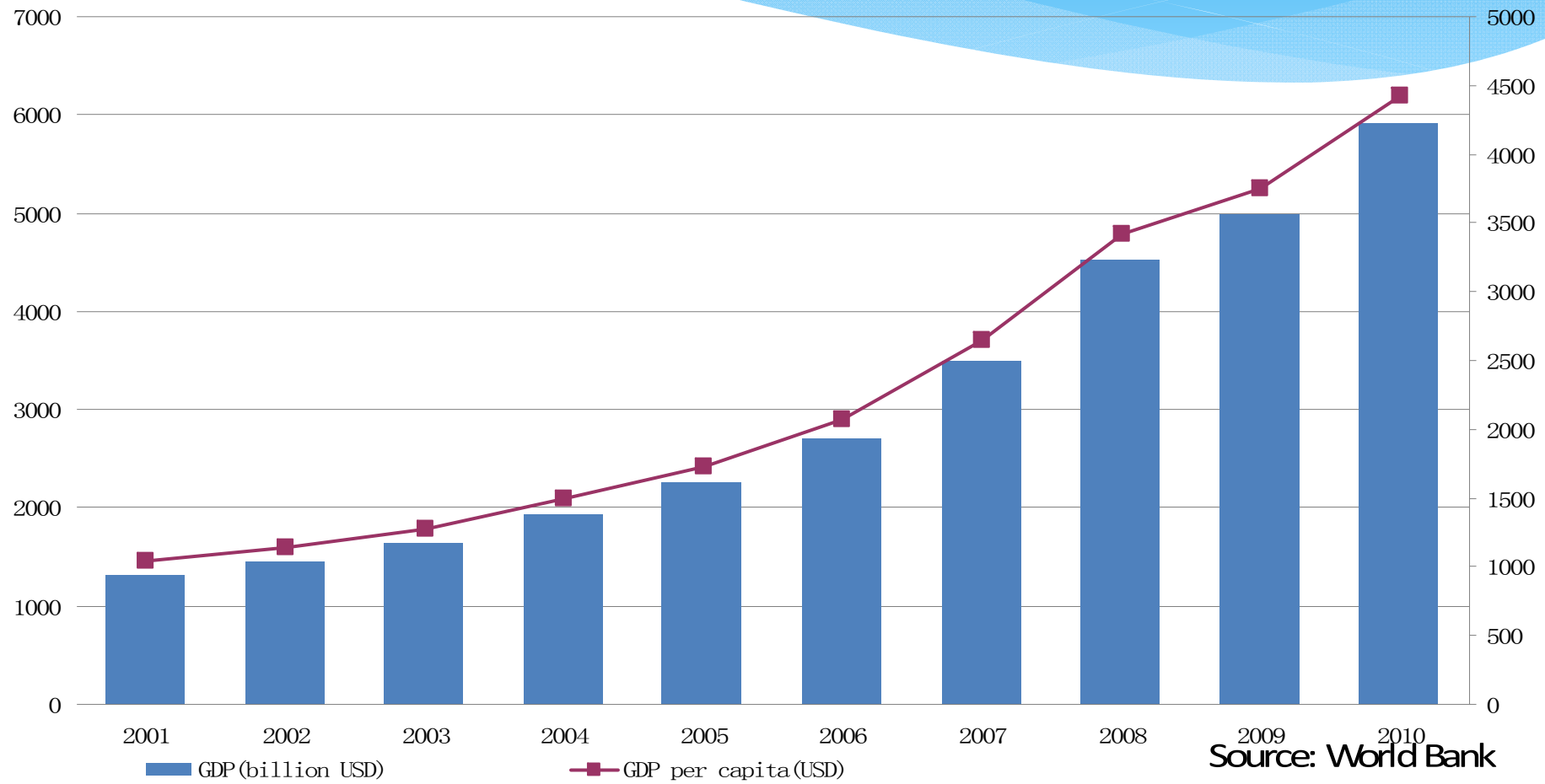
11 November 2001, Doha

China's Development after WTO Accession

- * China has scored remarkable achievements in economic and social terms
 - ✓ 2nd largest economy in GDP terms
 - ✓ 1st largest merchandise exporter
 - ✓ 2nd largest merchandise importer
 - ✓ 4th largest commercial services exporter
 - ✓ 3rd largest commercial services importer
 - ✓ 1st destination for Inward FDI among developing countries
 - ✓ 1st investor for outward FDI among developing countries

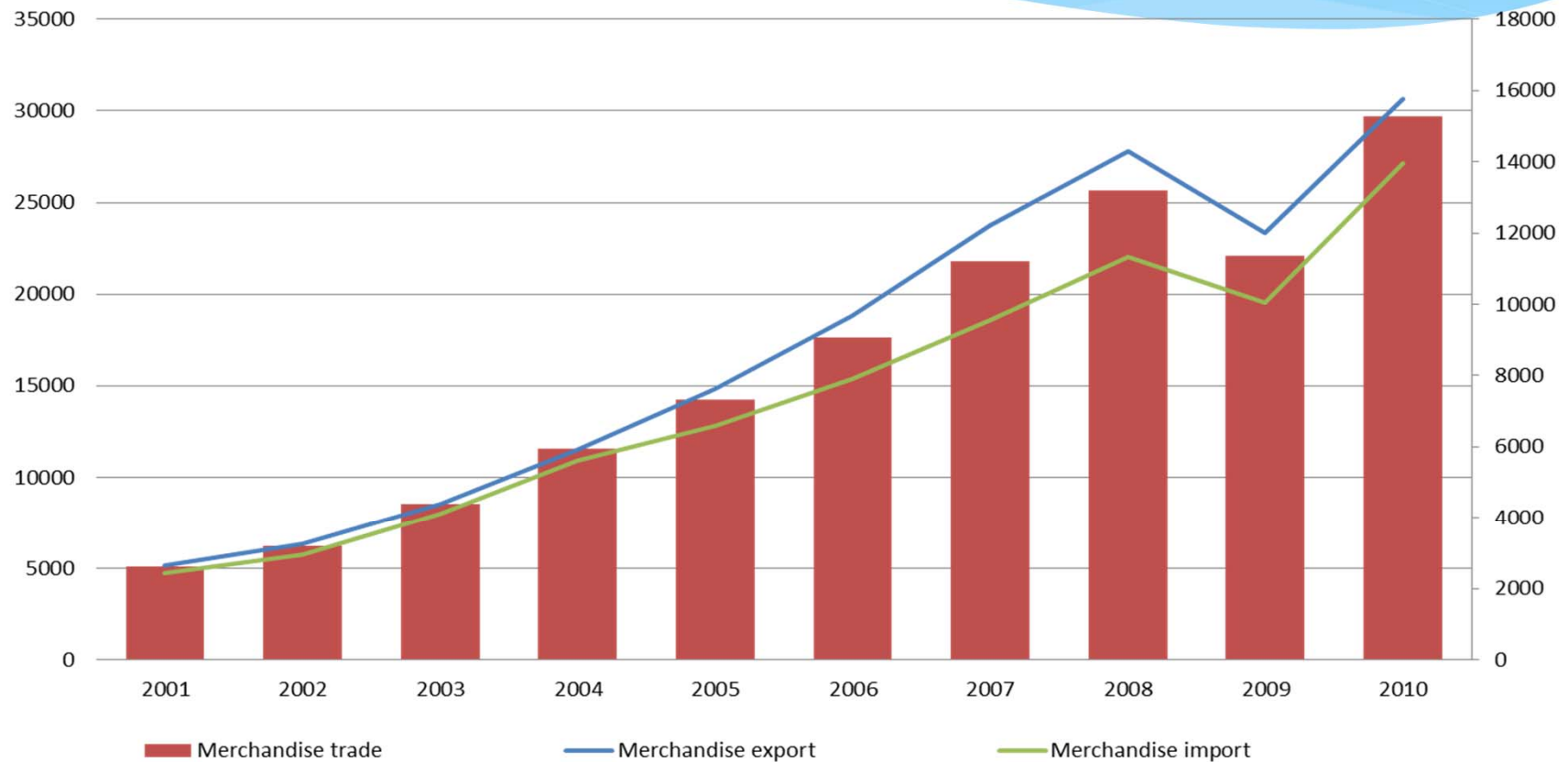
Performance (I)

China's GDP during 2001-2010



Performance (II)

China's Merchandise Trade during 2001-2010
(in billion USD)

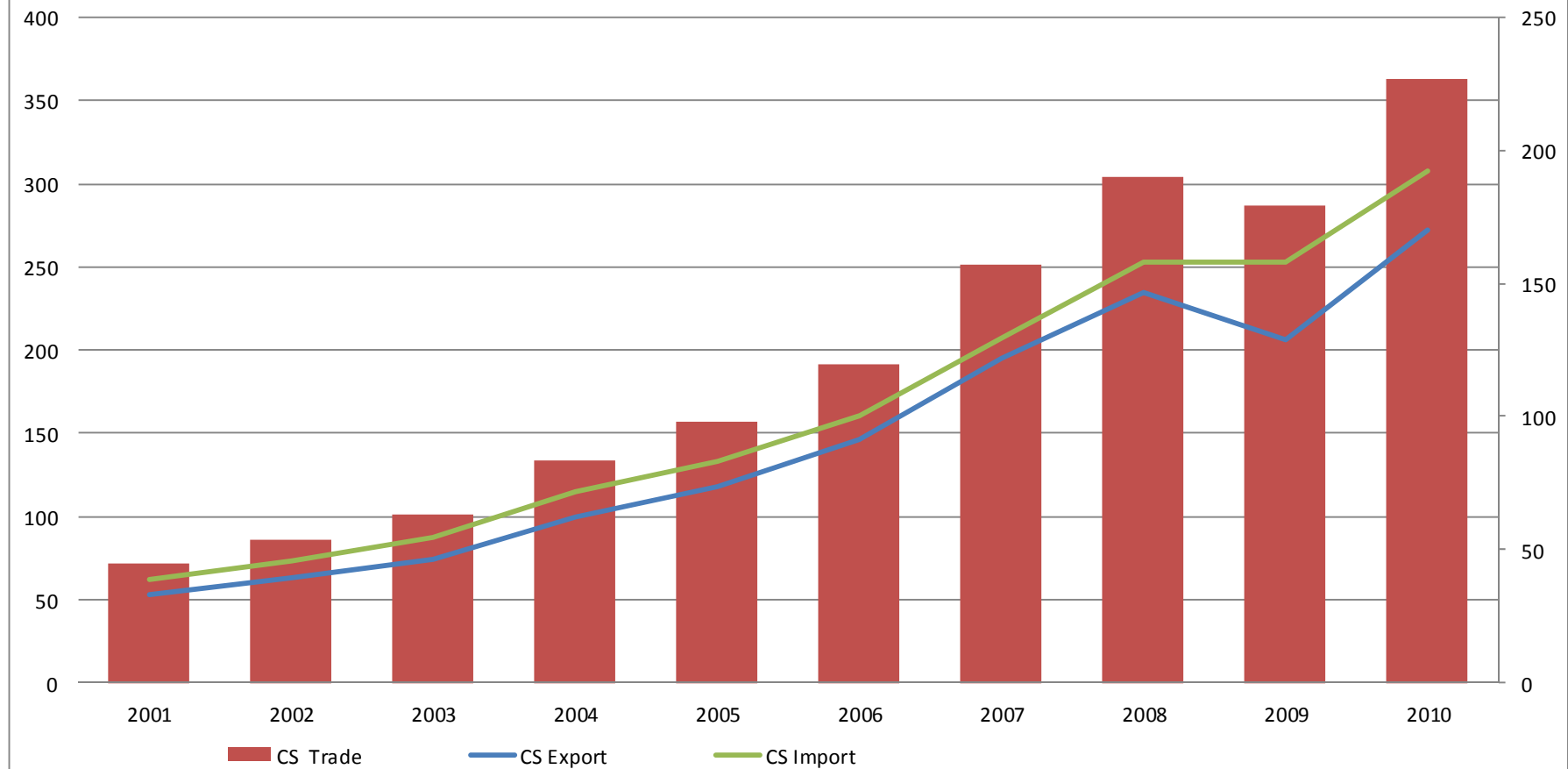


Source: WTO Secretariat

Performance (III)

China's Commercial Services Trade during 2001-2010

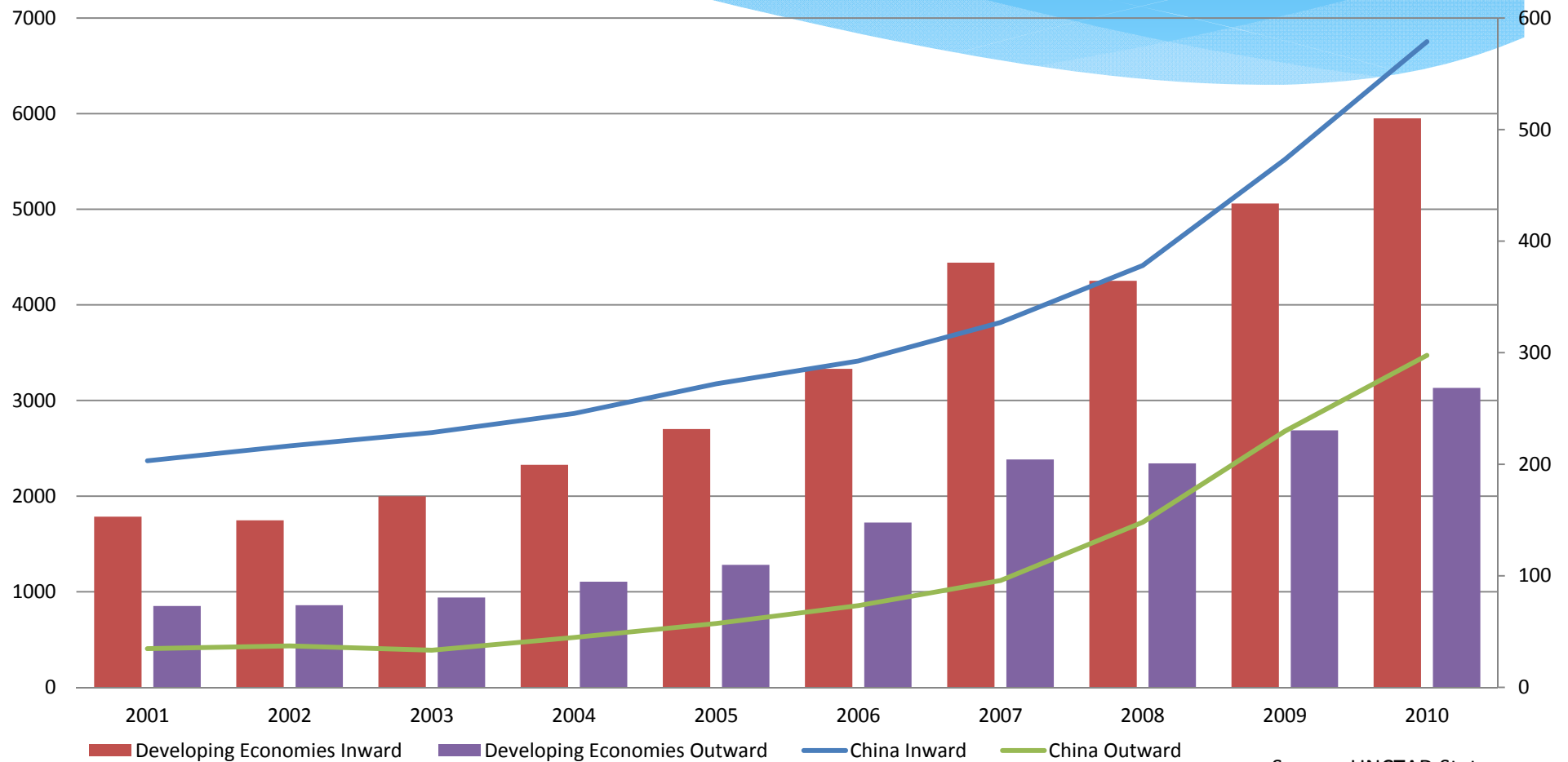
(in billion USD)



Performance (IV)

China's Inward and Outward FDI Stock during 2001-2010

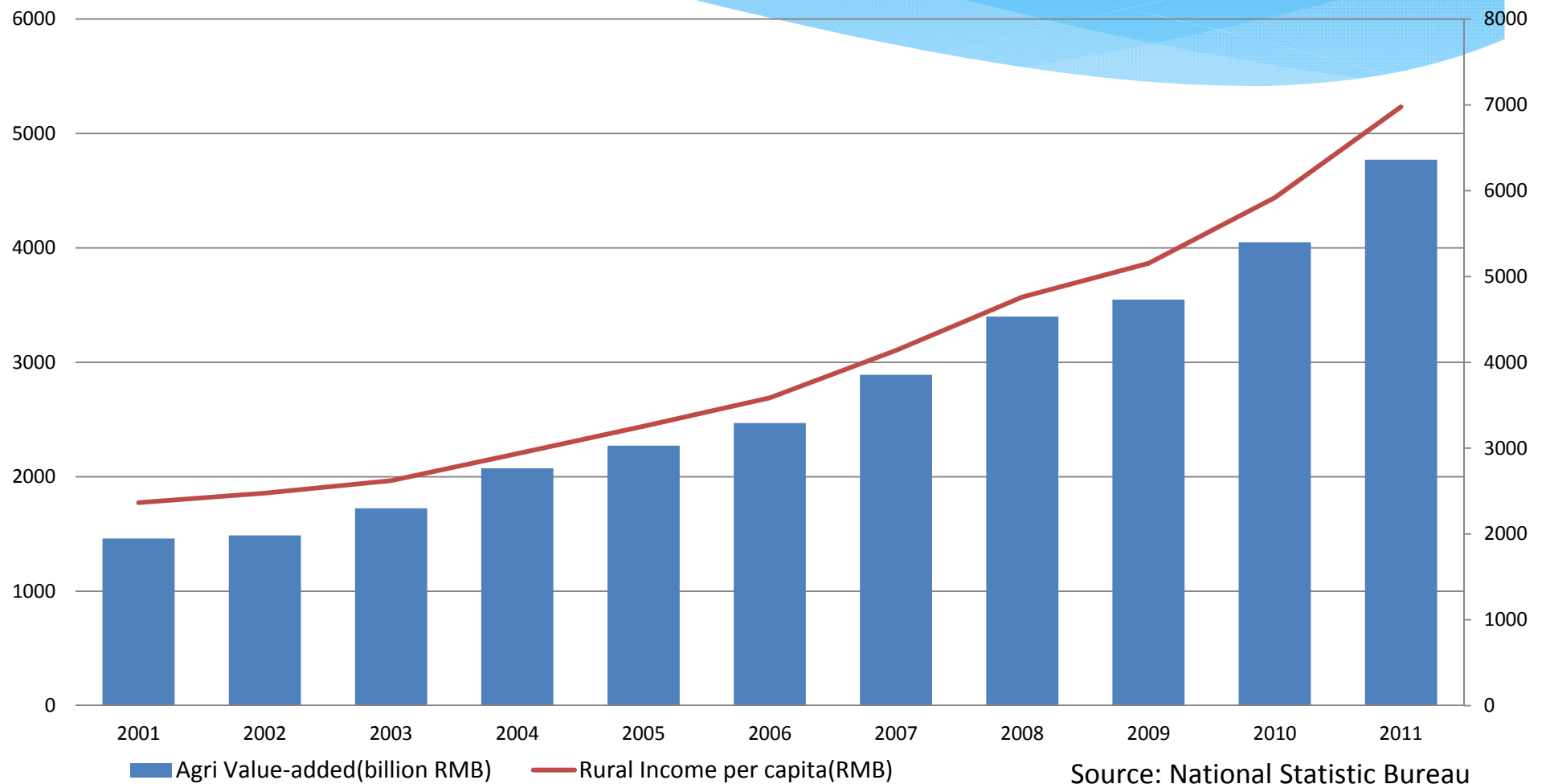
(in billion USD)



Source: UNCTAD Stats

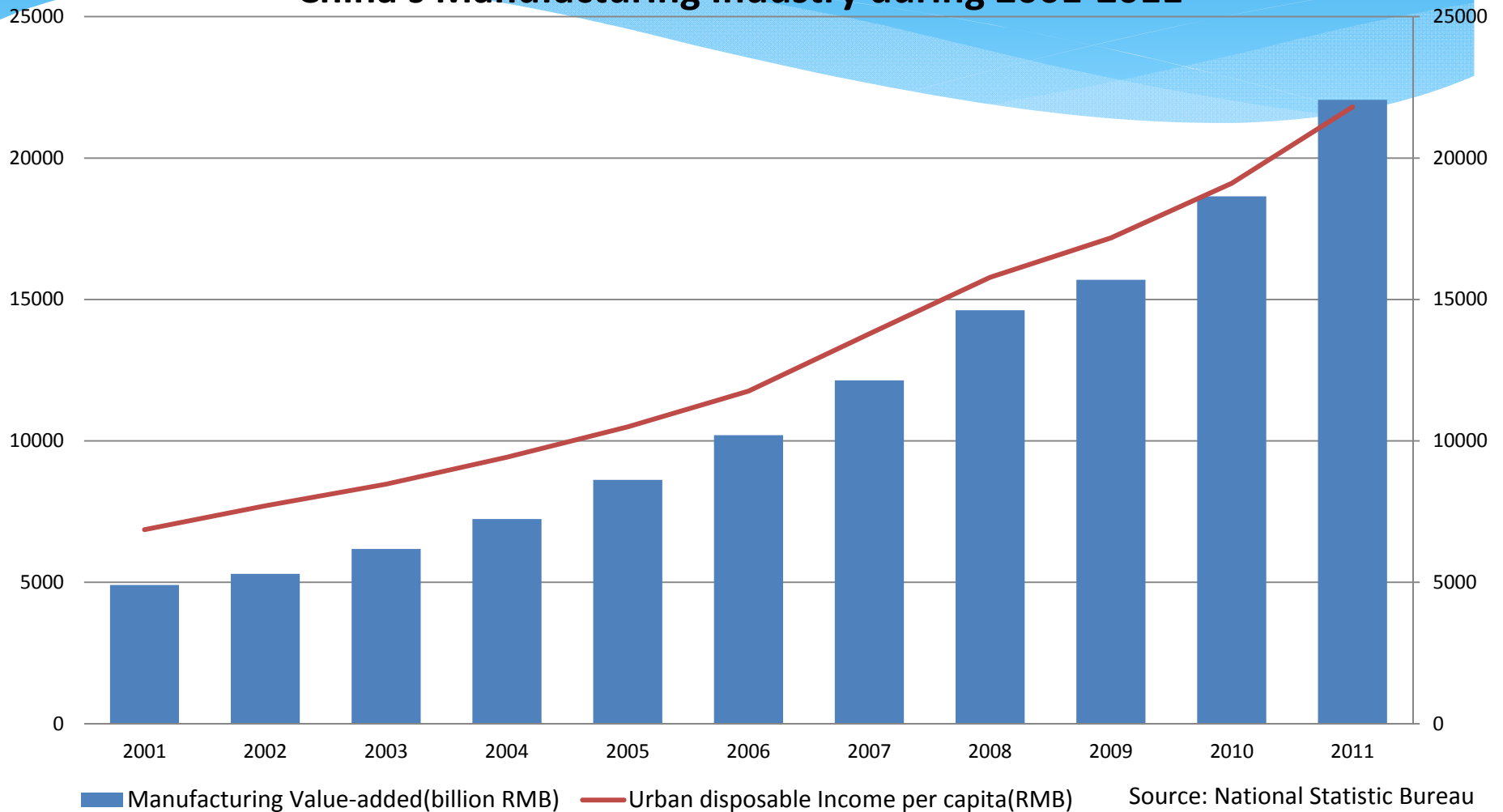
Performance (V)

China's Agriculture during 2001-2011



Performance (VI)

China's Manufacturing Industry during 2001-2011



Performance (VII)

- * China has established a unified and transparent policy system consistent with WTO rules
 - ✓ Amend and repeal more than 3000 pieces of laws, administrative regulations and departmental rules
 - ✓ Open the website of Central People's Government (www.gov.cn)
 - ✓ Established China WTO Notification and Inquiry Centre
 - ✓ Publish laws, regulations and other measures related to or affecting trade at *China Foreign Economic and Trade Gazette*
 - ✓ Legislation public hearing system since 2005




中华人民共和国商务部世界贸易组织 (中国政府世界贸易组织通报咨询局)
 Ministry of Commerce of the People's Republic of China
 Department of WTO Affairs (China WTO Notification and Inquiry Center)

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技术性贸易措施

- 科技项目重要通知
- WTO/TBT
- WTO/SPS
- 综合信息
- 出口商品技术服务体系
- 出口商品技术指南
- 出口商品技术中心

贸易政策审议

- 世贸组织对加拿大进行第九次贸易政策审议 2011-06-29
- 俞建华部长助理出席“世贸组织贸易政策审议工作会议” 2011-04-13

图片集锦 [更多>>](#)

Open Economy: Also an Indisputable Imperative for China's Future

Chen Xiaolin Minister of Commerce of the PRC

柴小林司长就中国入世十周年接受...

新闻与动态 [更多>>](#)

- WTO/TBT第57次例会在日内瓦召开 2012-04-18
- 世贸组织卫生与植物卫生措施委员会第53次例会在瑞士日内瓦召开 2012-04-10
- 世贸司荣获商务部广播播音二等奖 2012-03-31
- 柴小林司长为驻部纪检组监察局做专题讲座 2012-03-29

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- B计划下台 早期收获登场 2011-05-26

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Performance (VIII)

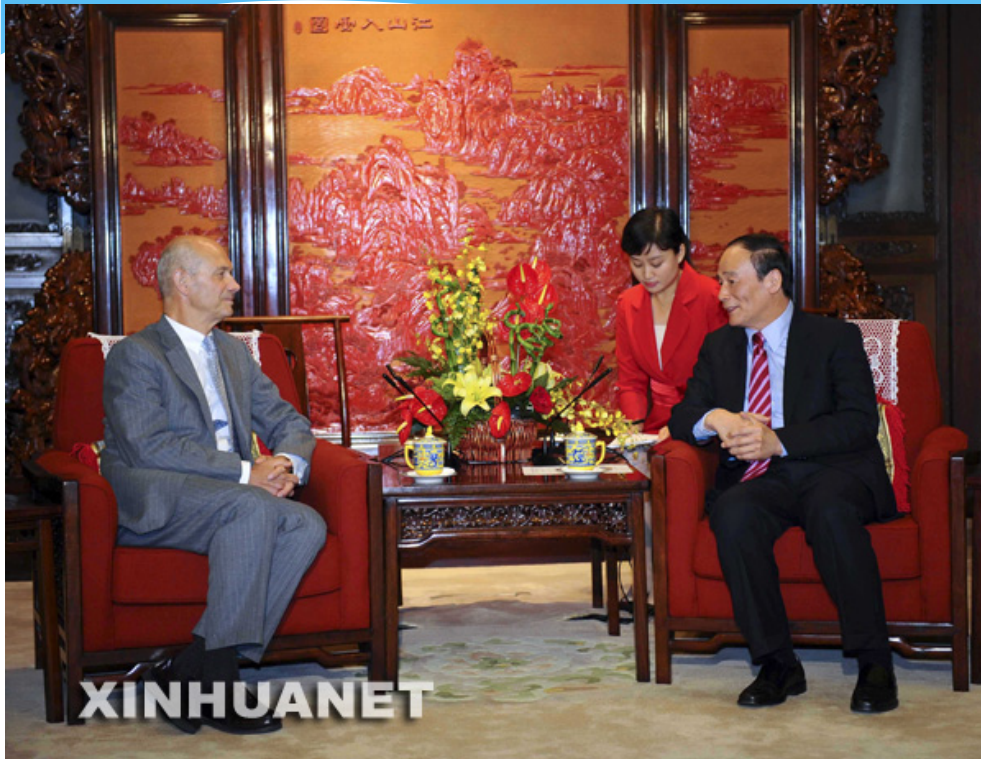
China's Patent Applications (Direct and PCT National Phase Entry)

| | Resident | Rank | Non-Resident | Rank | Abroad | Rank |
|-------------|----------------|----------|---------------|----------|---------------|-----------|
| 2001 | 30,038 | 5 | 33,412 | 4 | 1,201 | 21 |
| 2002 | 39,806 | 5 | 40,426 | 3 | 1,493 | 20 |
| 2003 | 56,769 | 4 | 48,548 | 3 | 1,862 | 20 |
| 2004 | 65,786 | 4 | 64,598 | 2 | 2,772 | 19 |
| 2005 | 93,485 | 4 | 79,842 | 2 | 3,794 | 17 |
| 2006 | 122,318 | 4 | 88,183 | 2 | 6,111 | 16 |
| 2007 | 153,060 | 3 | 92,101 | 2 | 6,960 | 15 |
| 2008 | 194,579 | 3 | 95,259 | 2 | 7,941 | 14 |
| 2009 | 229,096 | 2 | 85,508 | 2 | 10,626 | 12 |
| 2010 | 293,066 | 1 | 98,111 | 2 | 12,134 | 11 |

Source: WIPO.

Performance (IX)

- * China has been firmly devoted to the multilateral trading system and the successful conclusion of the Doha Round.
- * China has actively participated in all kinds of WTO activities, including regular Council and Committee ones and DDA negotiations.
- * China has also been doing its best to help other developing countries, multilaterally, plurilaterally and bilaterally, in areas such as DDA, capacity building.



the Chinese government has always supported trade liberalization and facilitation, opposed trade protectionism in any form, strongly supported the multilateral trade system and actively pushed forward the Doha round negotiations to achieve a success.

----Vice Premier WANG Qishan



On December 1, 2009, China's Commerce Minister Chen Deming delivered a speech at the Seventh WTO Ministerial Conference. He stated that China has always been a firm supporter of the multilateral trading system, a faithful follower of the free trade principles, and an active participant of the Doha Round talks.

Lessons (I)

- * Worries about sector security and sector development after China's WTO Accession
 - ✓ Agriculture
 - ✓ Automobile sector
 - ✓ Financial sector???
- * But, is WTO the coming wolf??



Lessons (II)

Agriculture

| | 2001 | 2011 | annual growth |
|---------------------------------|--------|--------|---------------|
| Value-added(billion RMB) | 1461.0 | 4771.0 | 13% |
| Agra Export(billion USD) | 16.1 | 60.8 | 14% |
| Agra Import(billion USD) | 11.8 | 94.9 | 23% |
| Grain Production(million tons) | 452.6 | 571.2 | 2% |
| Meat Production(million tons) | 634.0 | 795.7 | 2% |
| Cotton Production(million tons) | 5.3 | 6.6 | 2% |
| Rural Income(RMB) | 2366.0 | 6977.0 | 11% |

Source: China National Statistics Bureau.

Lessons (III)

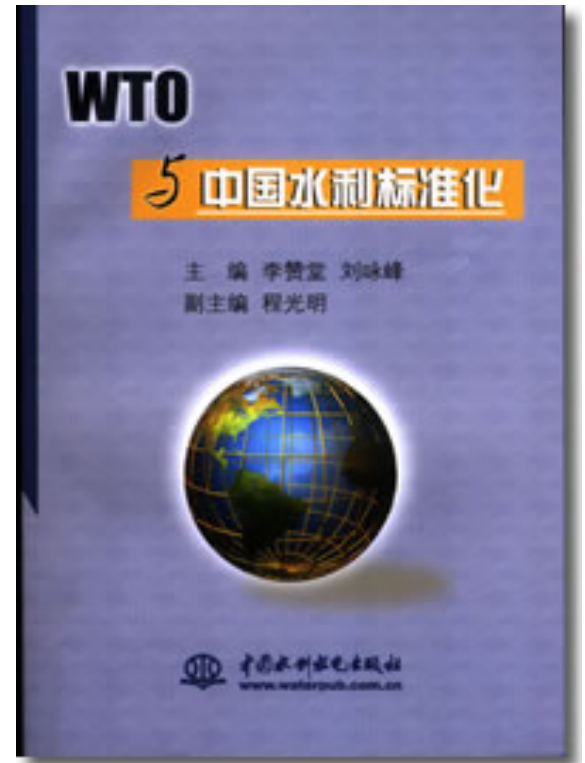
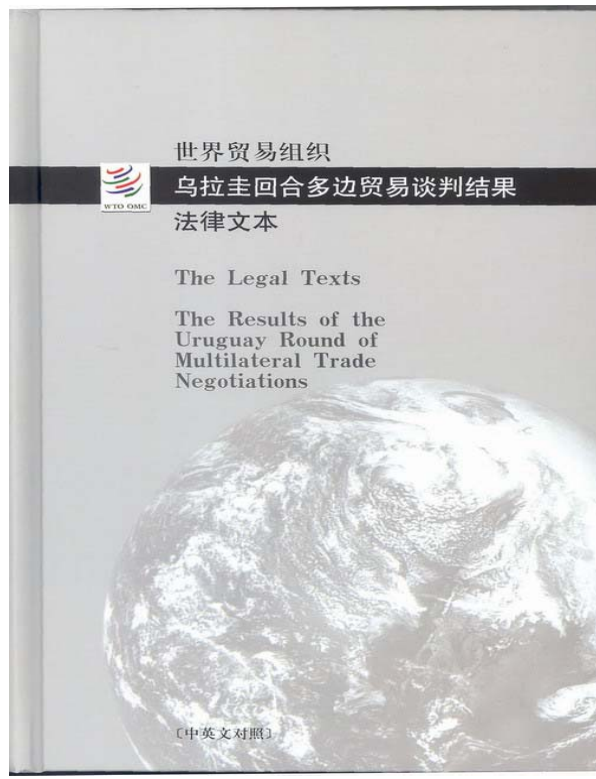
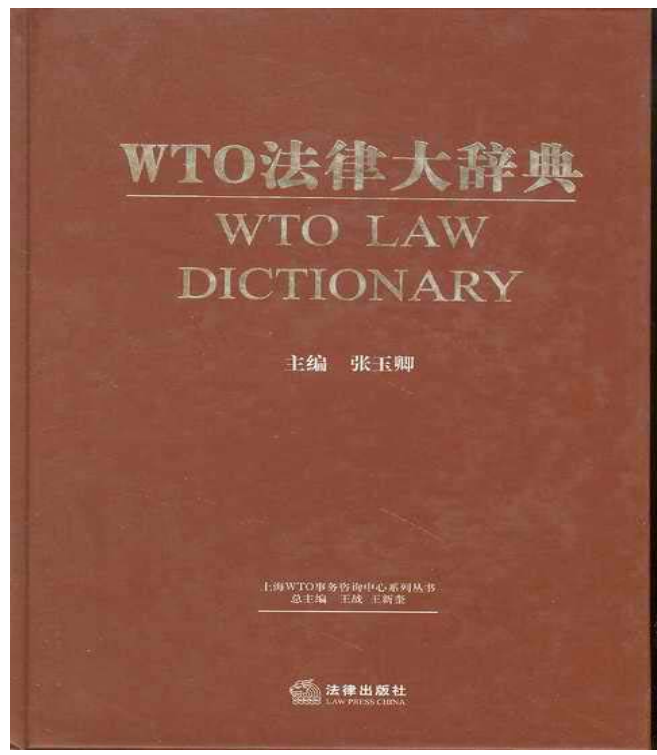
* Automobile

| | 2001 | 2011 | annual growth |
|--------------------------------|------|-------|---------------|
| Auto Production(thousand unit) | 2342 | 18419 | 23% |
| Passenger car | 695 | 14485 | 35% |
| Commercial Vehicle | 1647 | 3934 | 9% |
| Auto Sales(thousand unit) | 2363 | 18505 | 23% |
| Passenger car | 1435 | 14472 | 26% |
| Commercial Vehicle | 928 | 4033 | 16% |

Source: CAAM

What have we done?

- * Establishment of the State Council leading group on WTO Affairs
- * Numerous training on WTO-related issues to Chinese officials at central, provincial and local levels
- * Public propaganda of WTO basic information
- * Specialized course on WTO at university
- * WTO Research Centre in cities, including Beijing, Shanghai and Shenzhen



Challenges (I)

- * China has limited method in economic management
 - ✓ Lower tariff level
 - ✓ Increasing pressure from huge import
- * Rebalancing Chinese economy toward
 - ✓ Over-dependence on processing trade
 - ✓ Lower end of the Global Value Chain
- * China is still a developing country
 - ✓ Pressure from outside to make larger contributions
 - ✓ Pressure from inside to protect and develop

Challenges (II)

- * China's average tariff is quite low, even compared to the developed countries
- * No “water” between China's tariff bound rate and applied rate
- * China's average tariff will be further lowered with the conclusion of the Doha Round

Challenges (III)

Average Tariff Comparison of NAMA Products between China and the World

| | Simple Average Bound | Simple Average Applied | Weighted Average Applied |
|----------------------|----------------------|------------------------|--------------------------|
| Developed Countries | 12.30% | 5.50% | 3% |
| Developing Countries | 29.40% | 11.60% | 8% |
| LDCs | 45.20% | 12.60% | 13.50% |
| China | 9.20% | 8.70% | 4% |

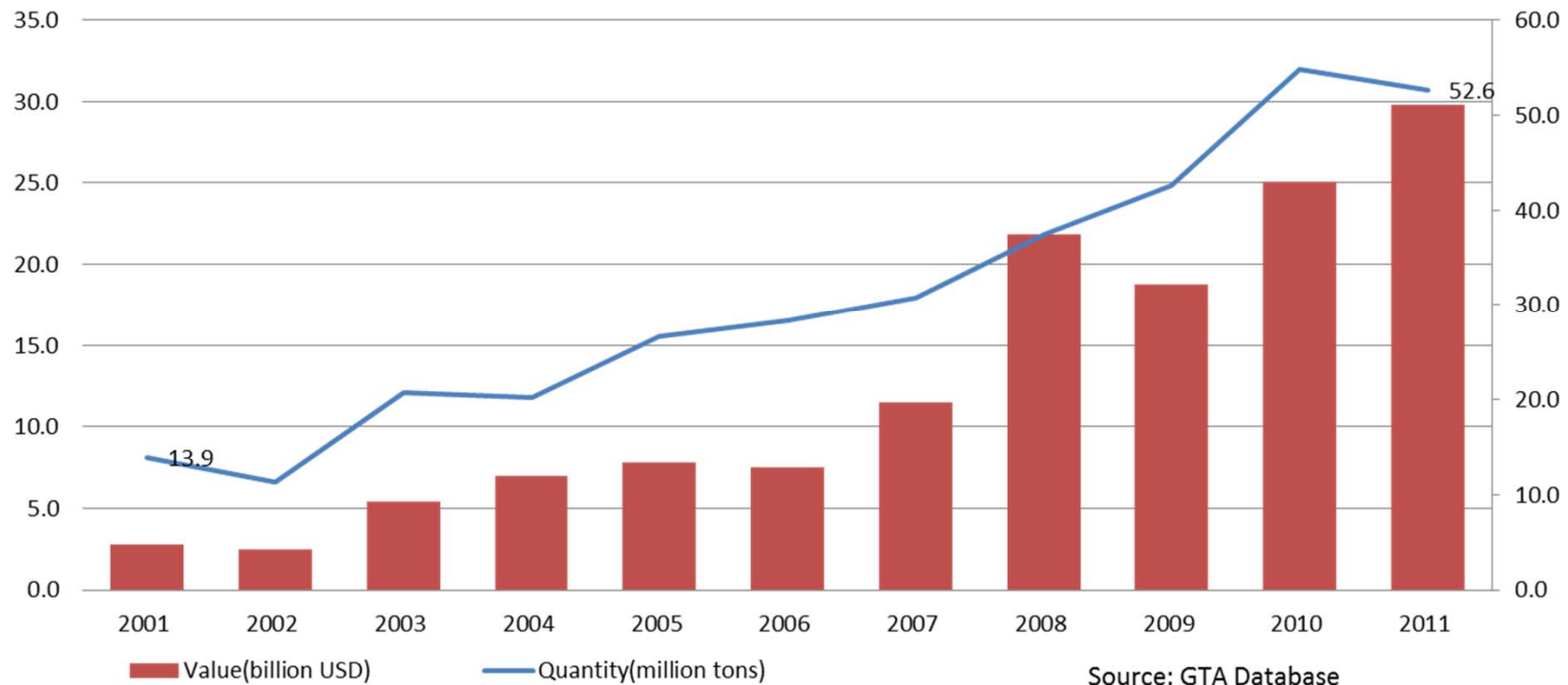
Source: UNCTAD.

Challenges (V)

- * China is over-dependent on processing trade
- * “Assembled in China” rather than “Made in/by China”
- * China has been the major Target of trade remedy measures

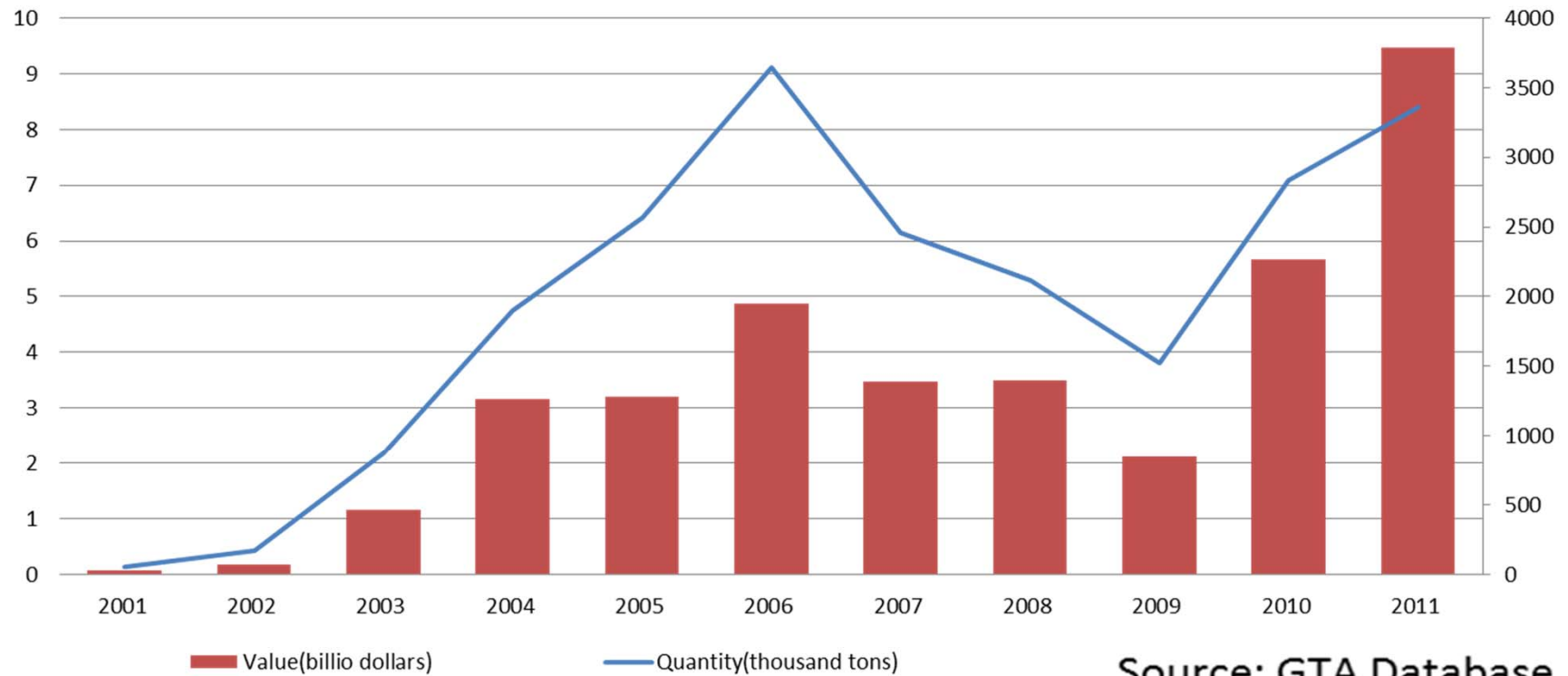
Challenges (V)

China's Soybean Imports during 2001-2011



Challenges (VI)

China's Cotton Imports during 2001-2011



Source: GTA Database

Challenges (VII)

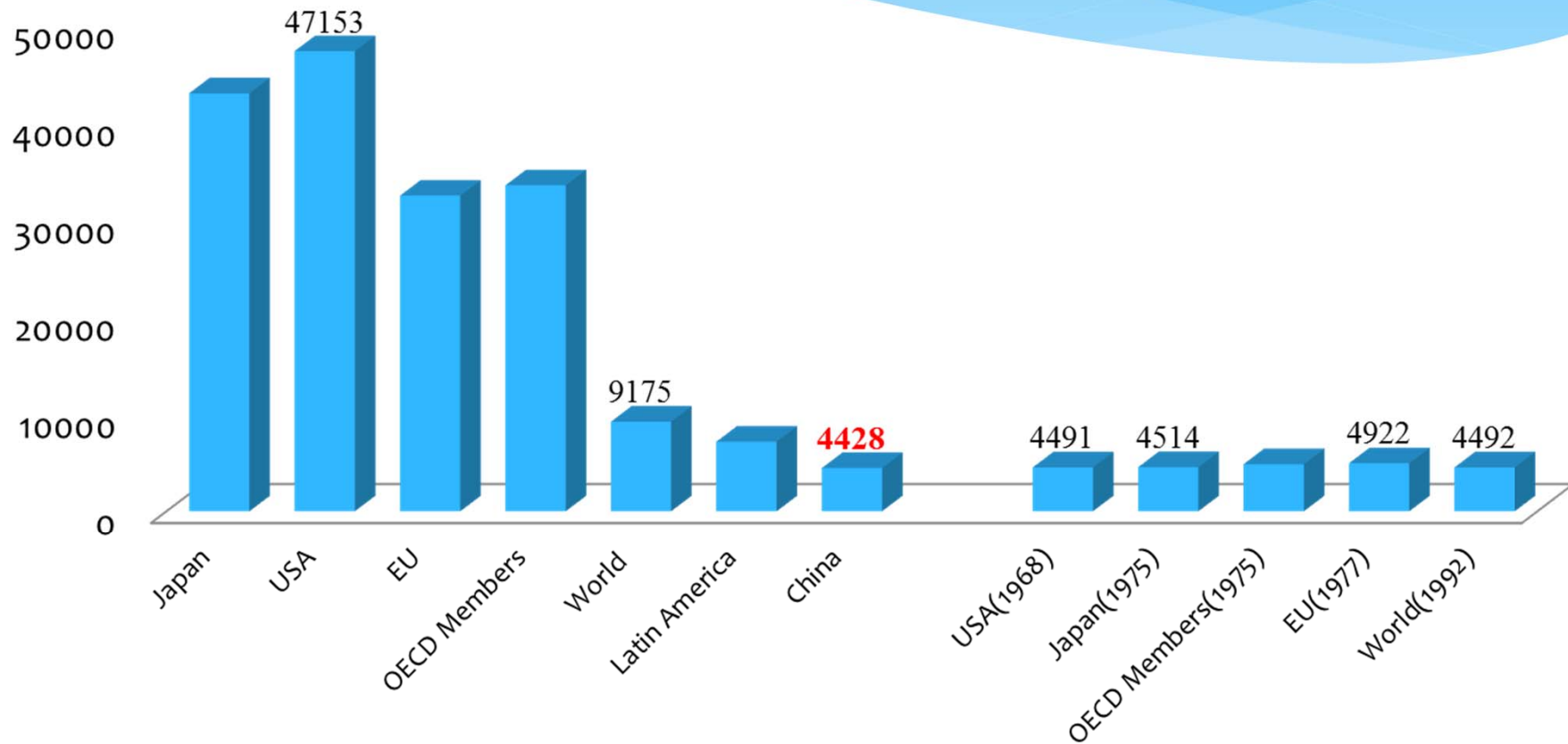


With China's rapid development in the past decade, here comes an important question:
Is China still a developing country?

Challenges (VIII)

GDP Per Capita Comparison between China and the World in 2010

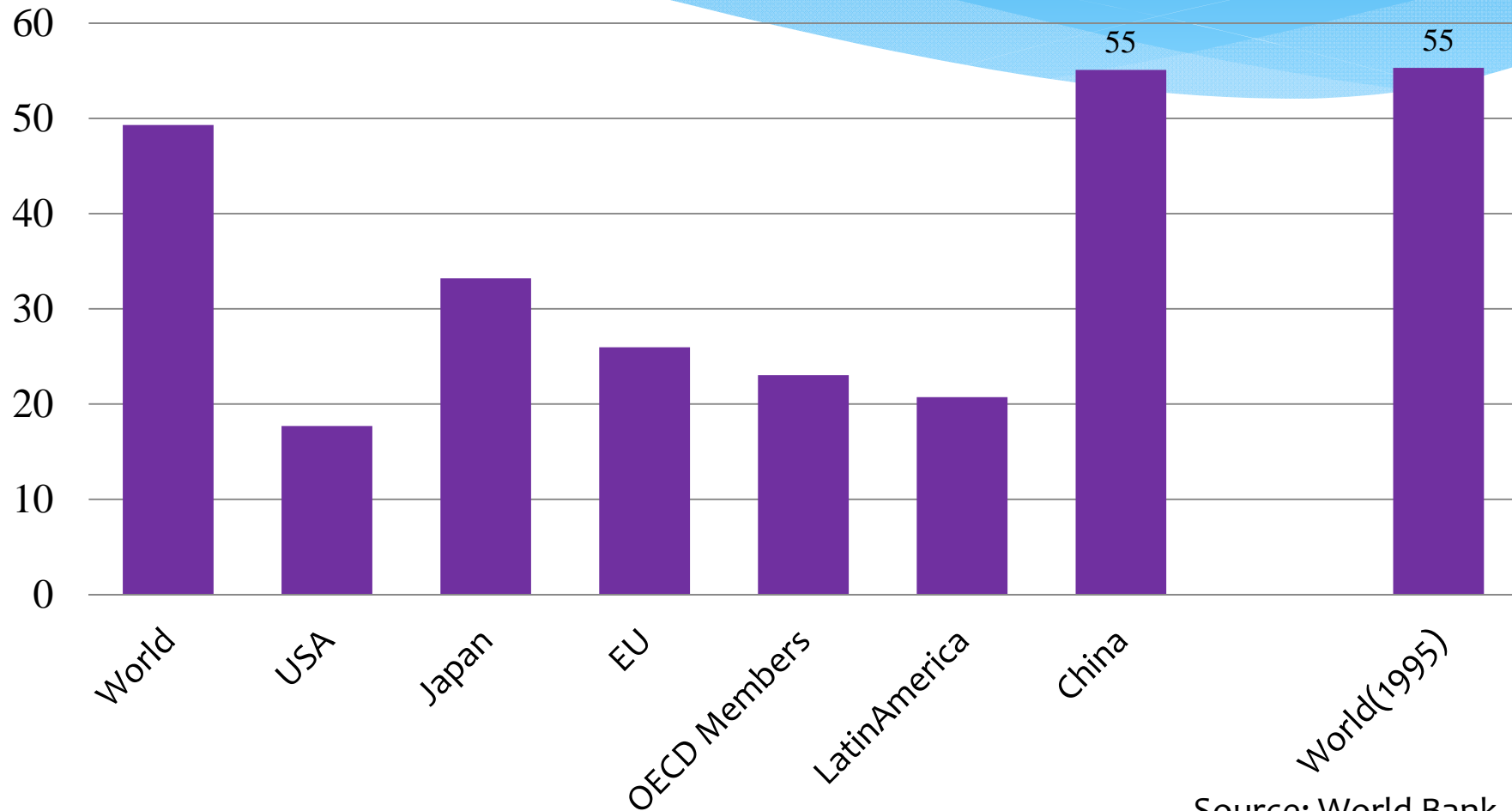
(USD)



Source: World Bank

Challenges (IX)

Rural Population Share between China and the World in 2010(%)



Source: World Bank

Challenges (X)

Tuesday, August 25, 2009 | 20 Ramadan 1431 | Incorporated in Brunei Darussalam | Volume 4 No. 41 | B\$50.00 | www.bt.com.bn

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| Zohr | 12:15 PM |
| Asr | 3:45 PM |
| Magrib | 6:45 PM |
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Burdens Heavy and Ways Long...

China remains a developing country

Wu Yongshun
DAMPAK SUDJITAWANA

RECENTLY, an increasing allegation that China's GDP in the 2nd quarter of 2009 surpassed Japan's and because the world's largest has sparked off a wave round of talks and comments all across the globe. Now Chinese people and I may like to pose a question: "I would like to share my opinions with everybody wherever China's development."

As far as I know, this piece of news about China's GDP surpassing Japan was first released by the summer media. I don't know the source people thinking about it. However, I believe the Chinese people should be delighted and proud because it is a big business of several decades endeavor, giving China's economic rise.

At the same time, I am also concerned as that China still

The world's objective and correct understanding of China is beneficial for China's development. As a responsible member of the international community, China is always brave in shouldering international responsibilities corresponding to its strength.

Chinese people's own experiences in recent years' development have gradually led them to a judgment that per capita GDP is much more important than GDP. When assessing a country's comprehensive national strength, we besides the economic index, have to take more into consideration, like the industrial structure, creativity and innovation capacity, balanced development between urban and rural areas, resource conservation, social welfare, and public facilities, etc.

China has a heavy development burden in terms of population and resources. Of now, 140 million Chinese people still live in rural areas. 140 million former peasants are migrating across cities, and the liquidity of home's population, everybody can see that how big the workload is before we can manage to get so many people out of poverty. Moreover, 11 million people are thirsty of jobs every year, and 80 million people are hungry for governmental and social care. It will be very hard for the people outside China to understand the weight of the burden.

China remains a developing country with a big number of poor population. This is the reality.

The Chinese people are very clear about the difficulties and problems during the process of development. Chinese Premier Wen Jiabao, recently when visiting the Shanghai Special Economic Zone, pointed out that the only way

even attention on shortening gaps between various regions, between urban and rural areas, and between the rich and the poor, we are paying more attention on adjusting the economic structure, protecting the environment, seeking a balanced and sustainable development. China hopes to be strong in real terms, which means making its people rich and strong.

Without doubt, China's overall strength has been greatly raised, while we are still far from strong in real terms. We are sober about this, and we also hope our foreign friends to realize it. Even if China's capacity to make China, a developing country, demands the tasks of a developed one and meet

the 1997 Asian financial crisis, China worked hard to handle with the international community, especially the Asian countries, to fight the crisis. China suffered many natural disasters, fire, flood, flood after floods, nevertheless, China still preserved about 400 billion with humanitarian relief goods worth US\$17.6 million.

There is an old saying in China goes like "Responsibilities Weigh More than Mountains (De Wen Jueg Yu Tai Shan)". The most important for China is to do well its own works so as to add no more trouble to the world which has already been heavily trouble-laden. China's rapid and sustainable development is also part of the global recovery efforts. China will continue to fulfil its international responsibilities according to its own national strength, and to provide assistance to our developing friends. China is also willing to work with all countries in the world to promote the establishment of a fairer and more

Challenges (XI)

- * So if China is forced to take on the duties of a developed country and forego the benefits of a developing country, the West could soon ask other developing countries that are ahead of China (at least in per capita terms) to do the same. ... China's fight to retain its developing country status is of interest not only to the Chinese people, but also to their counterparts in other developing countries.

----Martin Khor, Director of South Centre

Looking into the future

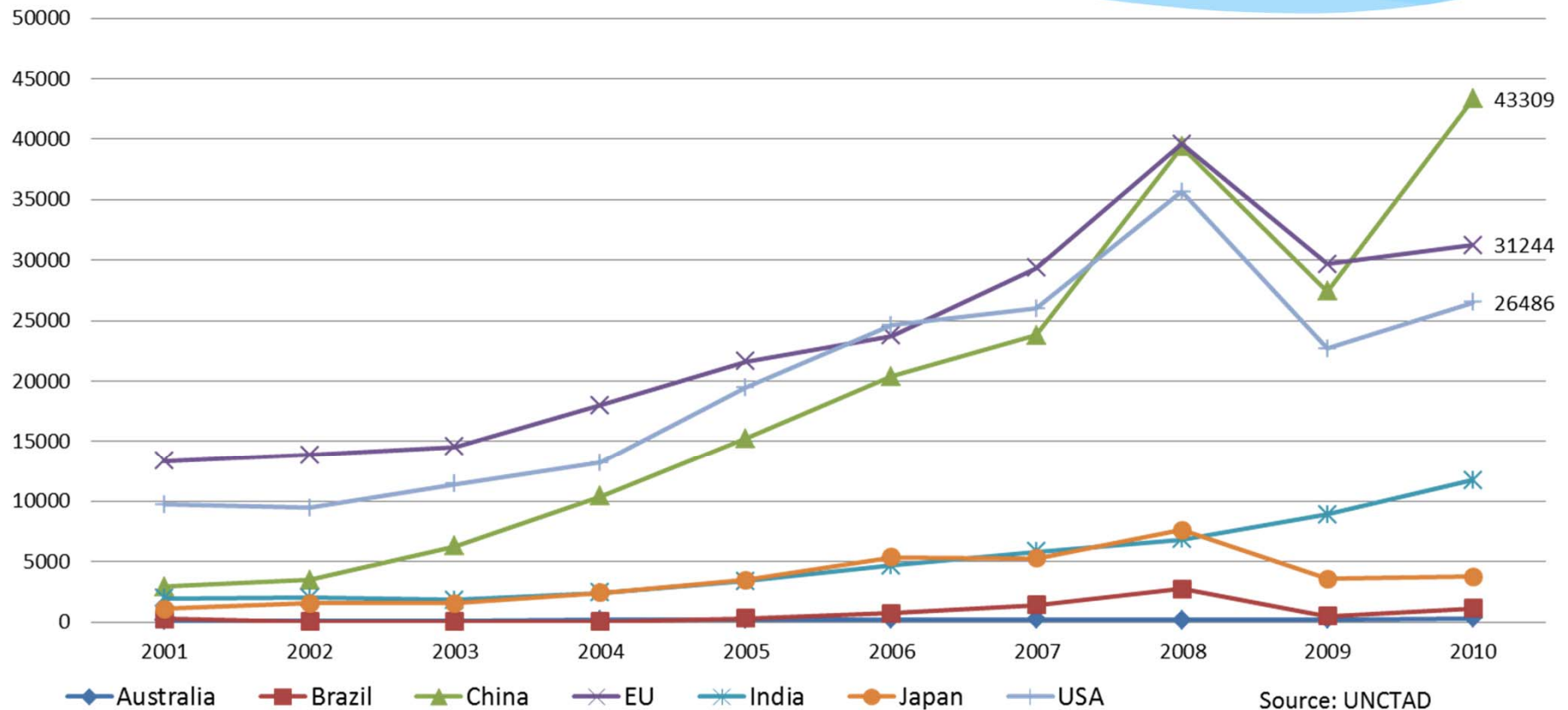
- * China's first Ten years after accession achieved win-win outcome with the rest of the world
- * China will continue its integration into the World in an all-round way

China's Contribution (I)

- * Trade
 - ✓ The largest destination for the export of LDCs since 2009
 - ✓ Only WTO member not requesting market access for LDC acceding countries
 - ✓ Largest trading partner for major economies
- * Aid for Trade
 - ✓ Contributor to the Aid for Trade initiative since 2008
 - ✓ the China Program for LDCs and their WTO Accession
- * Outward FDI
 - ✓ largest developing country in terms of outward FDI

China's Contribution (II)

G7's Imports from LDCs during 20001-2010 (in million USD)



China's Contribution (III)

- * **First Largest trading partner of:** Australia, Chile, Japan, South Korea, Hong Kong China, Malaysia, Russia, Brazil, South Africa, Saudi Arabia
- * **Second largest trading partner of:** Argentina, Canada, European Union, India, Indonesia, Mexico, New Zealand, Singapore, United States
- * **Third largest trading partner of:** Turkey, Germany, Italy

The Way Forward (I)

- * China will adopt a more proactive opening-up strategy by exploring new areas, improving internal system, enhancing the quality of the economy, forming a new pattern of development and promoting development, reform and innovation.

----President HU Jintao

The Way Forward (II)

- * “...China's opening to the outside world in the past 30 years and more tells us that only an open and inclusive country can be strong and prosperous...”
- * China will Keep its door open forever!

-----Premier WEN Jiabao