



WORLD TRADE
ORGANIZATION

Special
discount of

25%

Standing
orders available

Looking for new trading opportunities?
Find out about the latest trade developments in the WTO's
Trade Policy Reviews



An in-depth look at **China**

China 2014

What are Trade Policy Reviews?

Trade Policy Reviews analyse the trade policies and practices of every member of the World Trade Organization. As well as analysing by sector and by trade measure, the reports also look into the country's wider economic environment.

The reviews consist of three main parts: an independent report by the WTO Secretariat, a report by the government, and the concluding remarks by the Chair of the WTO's Trade Policy Review Body following discussion of the review.

A key trade facts section at the front of the review provides a handy visual overview of the country's major exports/imports, its main export destinations, the main countries of origin for its imports and other key economic data.

Each review contains:

Introduction

Key trade facts

Part A

Concluding remarks by the Chair of the Trade Policy Review Body

Part B

Report by the WTO Secretariat

Summary

Economic environment

Trade policy regime: framework and objectives

Trade policies and practices by measure

Trade policies by sector

References

Appendix tables

Part C

Report by member under review

Introduction

Economic and trade environment

International trade relations

Trade and related policies development

Future policies directions

Trade Policy Review of China

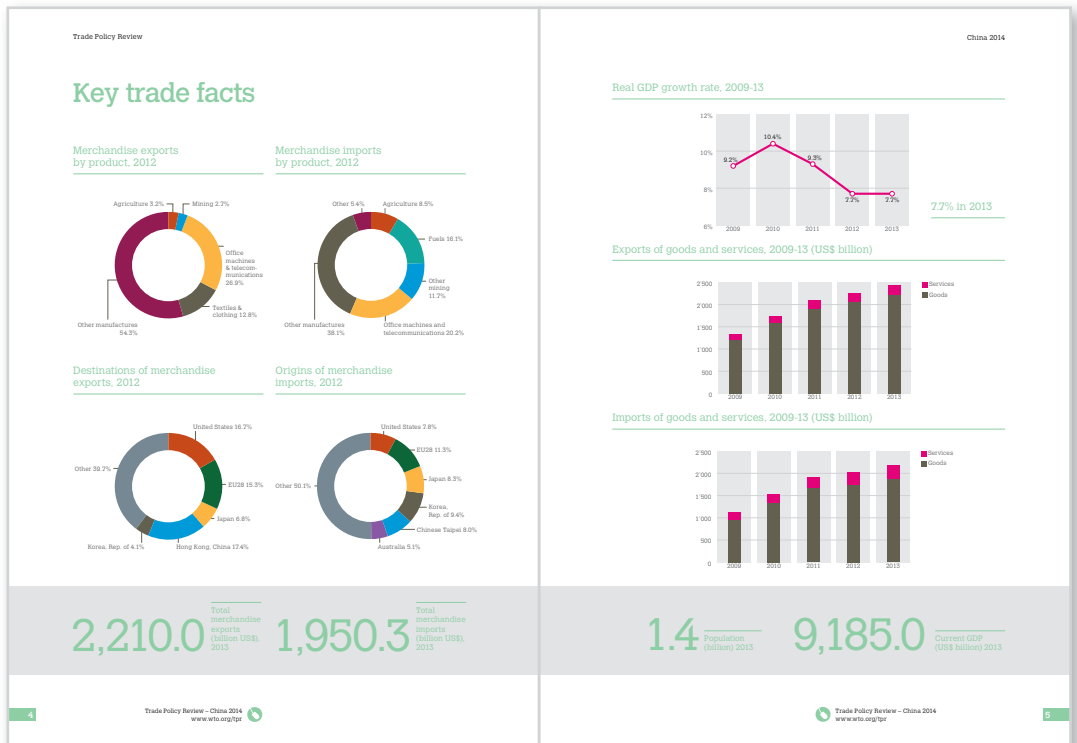
The latest Trade Policy Review of China took place in November 2014.

Some key facts and findings in the TPR:

- China has become the world's largest trader (excluding intra-EU trade). During the period under review, both exports and imports of goods expanded rapidly, with exports totalling US\$2.21 trillion and imports amounting to US\$1.95 trillion in 2013.
- In its quest to attract FDI, China took measures aimed at simplifying rules and easing restrictions on the use of capital for direct investments. For example, foreign invested enterprises (FIEs) are now allowed to extend loans to offshore shareholders, and to own some shares in State-controlled enterprises in certain sectors. There are no restrictions on lending by domestic banks to FIEs.
- In the area of trade in goods, China has continued its efforts to facilitate trade, which date back to 2006, by launching a series of reforms, including the introduction of paperless customs clearance procedures.
- During the period under review, China has continued to implement measures aimed at improving its Intellectual Property Rights (IPRs) protection regulatory environment, including amendments to legislation and regulations, as well as departmental rules.

#5

In 2013, China ranked as the world's 5th largest importer of goods, and the 13th largest importer of services.



- The authorities consider that economic growth will continue to hinge on strong domestic demand, given a stable external environment. They expect changes in income distribution to bring rapid income growth for rural and urban households and enhance consumption, which will play a more important role in driving economic growth.

6.8%

Imports of goods and services rose by 6.8% in 2013.

- China's overall main trade policy objective is to accelerate its opening up to the outside world. The Third Plenary Session of the 18th National Congress of the Communist Party of China (CPC) held in November 2013 approved a Decision on Major Issues Concerning Comprehensively Deepening Reforms. The Decision calls for the construction of a united and open market system with orderly competition that will play a decisive role in allocating resources; this is the main highlight of the new agenda.

9.4%

Average tariffs applied by China.

- As stated in its twelfth Five-Year Plan, China intends to accelerate the implementation of its Free Trade Area Strategy; strengthen economic linkages with major trading partners; and deepen cooperation with emerging markets and developing countries.
- As of 1 January 2014, unilateral preferential tariffs were offered to 40 least developed countries, including two that graduated from the United Nations list in February 2013 (Vanuatu and Equatorial Guinea).

- China's main manufacturing imports include office machines and telecommunications equipment and chemicals. Fuels and other mining products accounted for almost 30% of China's imports in 2013, while imports of agricultural products accounted for some 8% of the total.
- In 2012, China was the world's second largest recipient of FDI inflows (after the United States). FDI in China mostly takes the form of wholly foreign-owned enterprises, which represented 52.5% of foreign-invested enterprises as of 2012. FDI is concentrated in the eastern region, which accounted for 81.2% of realized FDI value in 2012. Also, FDI is still largely concentrated in the manufacturing sector, which represented 38.7% of the total in 2013, although FDI in real estate and services has been growing fast in recent years.

\$523.6 billion

In 2013, China's total imports of goods amounted to US\$523.6 billion.

- The average applied MFN rate in 2013 was 9.4%, almost unchanged since 2009 when the average stood at 9.5%. The tariff continues to be higher for agricultural products (WTO definition), at 14.8%, showing a slight decline from the averages calculated for 2011.
- The Catalogue for the Guidance of Foreign Investment Industries (Investment Catalogue) is the main reference for the classification of projects. It lists the industries that are encouraged, restricted or prohibited.
- Importers (and exporters) must register as foreign trade operators with the Ministry of Commerce of the People's Republic of China (MOFCOM) or its authorized bodies before filing customs declarations.

- In order to facilitate trade China has launched a series of reforms to make customs procedures more efficient both for imports and exports.
- The main sources of China's imports are the EU; the Republic of Korea; Japan; Chinese Taipei; the United States and Australia, as well as ASEAN countries. In 2013, services represented 14.4% of its imports.

Trade Policy Reviews

Published in 2015

Hong Kong, China
Djibouti
United States
Japan
Pakistan
Mauritius
Barbados
Australia
Brunei Darussalam

Forthcoming titles

Tunisia
Ukraine
India
Canada
Chile
New Zealand
European Union
Madagascar
Dominican Republic
Guyana
Angola
Cabo Verde
Moldova
Southern African Customs Union (SACU)
Jordan
Thailand
Haiti



To qualify
for a **25%***
discount, just quote
the code 'TPR15' when
placing your order with
Turpin or the WTO
Bookshop.

Each Trade Policy Review is priced at CHF 60.-.
Available at the WTO Bookshop and through other distribution channels.
Standing orders available.

**For further
information:**

WTO Bookshop
Centre William Rappard
154, rue de Lausanne
Geneva, Switzerland
Tel: +41 (22) 739 51 05
www.wto.org/bookshop

WTO Online Bookshop
<http://onlinebookshop.wto.org>
Tel: +41 (22) 739 53 08
Fax: +41 (22) 739 57 92
publications@wto.org

**Any of the above books
can also be ordered from:**

Turpin Distribution Services Ltd
Pegasus Drive
Stratton Business Park
Biggleswade
Bedfordshire
SG18 8TQ
United Kingdom
Tel: +44 (0) 1767 604975
Fax: +44 (0) 1767 601640
WTO@turpin-distribution.com
www.turpin-distribution.com
<http://ebiz.turpin-distribution.com>



**Follow WTO Publications
on social media:**



www.wto.org/tptr

*Valid until end of November 2015