APPENDIX I


7 June 2005

With the advent of a new century, international situation is undergoing profound and complex changes. Peace and development remain the themes of the times, but uncertain and unstable elements are on the rise. We are faced with rare opportunities as well as grave challenges to realize enduring peace and common development of human society.

Against the backdrop of in-depth development of globalization and increasingly closer interdependence of states, global threats and challenges have become more diverse and interconnected. All threats, new or old, "soft" or "hard", direct or indirect, should be treated with equal seriousness and emphasis without partiality. All countries should make concerted efforts to deepen understanding through contacts, enhance trust through dialogues, and promote cooperation through communications, so as to cope with threats and challenges, especially to eliminate their root causes, by collective action.

The United Nations plays an indispensable role in international affairs. As the most universal, representative, authoritative inter-governmental international organization, the UN is the best venue to practice multilateralism, and an effective platform for collective actions to cope with various threats and challenges. It should continue to be a messenger for the maintenance of peace, and a forerunner for the promotion of development. A reformed UN with a bigger role to play will serve the common interests of humanity.

China welcomes the report of the High-Level Panel on Threats, Challenges and Change, UN Millennium Project Report and the comprehensive report of the UN Secretary-General, all of which put forward some useful and feasible approaches and proposals for the rejuvenation and reform of the UN. China is ready to work with all other parties to push for positive results of UN reforms and success of the summit in September.

China maintains that UN reforms should observe the following principles:

- Reforms should be in the interest of multilateralism, and enhance UN's authority and efficiency, as well as its capacity to deal with new threats and challenges.
- Reforms should safeguard the purposes and principles enshrined in the UN Charter, especially those of sovereign equality, non-interference in internal affairs, peaceful resolution of conflicts and strengthening international cooperation, etc.
- Reforms should be all-dimensional and multi-sectoral, and aim to succeed in both aspects of security and development. Especially, reforms should aim at reversing the trend of "UN giving priority to security over development" by increasing inputs in the field of development and facilitating the realization of the Millennium Development Goals (MDGs).
- Reforms shall accommodate the propositions and concerns of all UN members, especially those of the developing countries. Reforms should be based on democratic and thorough consultations and the most broadly-based consensus.
- Reforms should proceed gradually from tackling more manageable problems to thornier ones and be carried out in a way that will maintain and promote solidarity among members. For those proposals on which consensus has been reached, decision may be made promptly for their implementation; for important issues where division still exists, prudence, continued consultations and consensus-building are called for. It is undesirable to set a time limit or force a decision.

1. Development Issues
Development is the common pursuit of people from all countries and bedrock for a collective security mechanism and the progress of human civilization. Poverty, diseases, environmental degradation are also grave challenges to the international community. Serious attention must be given to the needs of developing countries, with a view to achieving coordinated, balanced and universal development around the world.
1. Poverty
- To eliminate poverty, an urgent priority is to facilitate the implementation of the MDGs. This should become the focus of UN reforms and the September summit.
- We should steer globalization toward balanced development, and strengthen developing countries' position for equal participation and decision-making in international affairs.
- China supports developing countries' efforts to promptly formulate and implement comprehensive national strategies in light of their own national conditions for the realization of MDGs. The international community should provide necessary assistance to support these efforts.
- International development assistance should be provided in a way that takes into full consideration the national conditions of developing countries, and increases the recipient countries' autonomy and participation in this process for better results.
- China is in favor of the Secretary-General's recommendations of a timetable for increasing Official Development Assistance (ODA) to 0.7% of national GDP, and believes that it is necessary to draw detailed implementation plans and set up a monitoring and assessing mechanism.
- China supports international efforts to explore innovative resources as a useful supplement to ODA, which should continue to play a major role.
- We shall reform and improve the international financial system to make it consistent with the principle of equality and mutual benefit, and monitor, and guide rational flows of international capital to fend off financial crises.
- We should establish and improve an open and fair multilateral trading system, based on full consideration of the interests of developing and new members, and eliminate agricultural subsidies and substantially reduce tariff and non-tariff trade barriers as soon as possible in accordance with the mandate provided by the Doha Declaration.
- The Chinese side supports efforts to promote an agreement on the modality of negotiations at the 6th WTO Ministerial Conference in Hong Kong in accordance with the July 2004 approximation and the mandate provided by the Doha Declaration, with a view to achieving an early completion of the Doha round and making it a genuine "development round".
- The developed countries should reduce and forgive, in real earnest, debts owed to them by developing countries, so that more capital will be available for development.
- We should encourage and strengthen public-private partnerships and mobilize more resources to promote economic growth and eliminate poverty.
- China supports to strengthen South-South cooperation, including sharing experience, expanding areas of cooperation and mutual assistance for mutual benefit, in order to enhance capacity building for development.

2. Disease
- All countries should promptly implement the UN resolutions 58/3 and 59/27 related to "enhancing capacity-building in global public health", put public health development in the context of their own development plans and activities, establish scientific and standardized public health systems, and improve the monitoring, prevention, control, treatment and reporting networks for contagious diseases. The developed world should help the developing countries in this regard.
- Relevant agencies operating within the UN system should consider incorporating public health into their activities, programs and plans, give greater support to all countries in strengthening public health capacity and promote international cooperation.
- We should strengthen the guiding and coordinating role of the World Health Organization and other relevant international organizations in disease prevention and treatment. China is in favor of more resources being channeled for the WHO Global Outbreak Alert and Response Network.
- We should make further efforts to prevent and treat HIV / AIDS. The immediate priority is to speed up the implementation of the Declaration of Commitment on HIV / AIDS within the existing cooperation framework. The developed countries shall honor their commitments through the provision of more financial and technical support to the developing countries in the prevention and treatment of HIV / AIDS.
- Currently there is no universally recognized standards to define whether contagious diseases pose a threat to international peace and security. Given that the Security Council's main function is to deal with issues that pose grave threats to international peace and security, it is unadvisable for it to repeat the work of other agencies.
3. Environmental Issues
- China stands for a scientific concept of development encompassing, inter alia, incorporating sustainable development and environmental protection into national development strategy and coordinating relations between economic, social development and environmental protection.
- Countries ought to engage in international cooperation for sustainable development according to the principle of Common but Differentiated Responsibilities, focusing on helping developing countries cope with environmental challenges effectively, especially such urgent issues as water scarcity, urban air pollution, ecological degradation and desertification. Developed countries ought to honour their commitments through technological transfer and provision of financial support aimed at capacity-building of developing countries.
- Sustainable development is the most effective response to global climate change. The international community should give serious consideration to the immediate needs and challenges of countries when formulating policies on energy, climate change and other related issues.
- The UN Framework Convention on Climate Change provides an fundamental and effective framework for international cooperation in response to climate change. Obligations for 2008-2012 provided for in the Kyoto Protocol, including reduction in emission of greenhouse gases, transfer of know-how to developing countries, financial support and assistance in areas such as capacity-building should be fulfilled in real earnest.
- Developed countries should take the lead in adopting measures to reduce emission after 2012 in continued compliance with the principle of Common but Differentiated Responsibilities. Meanwhile, the international community may explore a more pragmatic and flexible mechanism, promote international technical cooperation and enhance international capacity to cope with climate change.
- China is in favor of stepping up coordination and cooperation among existing environmental protection institutions and integrating resources for higher efficiency and better coordinated policies. China is open to related recommendations aimed at achieving the afore-mentioned goals.

4. Natural Disaster
China supports the establishment of worldwide early warning systems for all natural disasters at an early date, supports the strengthening of coordination and cooperation for emergency humanitarian assistance and disaster reduction at the national, regional and international levels.

II. Security Issues
We endorse the Secretary-General's proposal concerning collective action against security threats and challenges. It is consistent with China's proposal for a new security concept that features "mutual trust, mutual benefit, equality and coordination". To establish an effective, efficient and fair collective security mechanism, the key lies in adhering to multilateralism, promoting democracy and rule of law in international affairs, sticking to the purposes and principles of the UN Charter, strengthening the authority and capability of the UN and safeguarding the centrality of the Security Council to the collective security system.

1. War and Conflict
- Inter-state conflict should be addressed through peaceful negotiation and consultation on an equal footing in accordance with the UN Charter and international law.
- Internal conflicts are complex. Whether they threaten world peace and security needs to be judged on a case-by-case basis. The resolution of internal conflicts should mainly rely on the efforts of the people of the State. External support should be given with caution and responsibility in compliance with the UN Charter and international law and should combine political and diplomatic measures with a prudent and responsible attitude to encourage and facilitate the resolution of problems through consultation and negotiation between the conflicting parties.

2. Counter-terrorism
- China stands for and supports the fight against terrorism in all forms and manifestations. International counter-terrorism efforts should give full play to the UN’s leading and coordinating role, address both the root causes and symptoms and avoid politicization and double standards.
- China supports a global comprehensive strategy against terrorism to be formulated as soon as possible and endorses the five pillars proposed by the Secretary-General as the foundation of such strategy.
- China supports further improvement of the existing counter-terrorism conventions and legal framework. Countries ought to consider early signing and ratifying the existing international counter-terrorism conventions and reach agreement as soon as possible on the draft Comprehensive Convention on International Terrorism in a cooperative and constructive spirit.
- China hopes for a consensus on the definition of terrorism. The definition may draw on, as appropriate, the existing international conventions and related provisions of Security Council resolutions.
- Member States and civil society must comply with the UN Charter and relevant norms of international law when participating counter-terrorism cooperation.
- Acts of violation against human rights that arise in counter-terrorism activities should be addressed by fully utilizing the existing mechanisms of the Commission on Human Rights, conventional institutions and supervision mechanism of international humanitarian law. At present, there is no need to set up a new mechanism.
- China supports the strengthening of functions of the Counter-Terrorism Commission of the Security Council and the expansion of the mandate of its Executive Directorate, especially the reinforcement of developing countries' capacity against terrorism and the establishment of a capacity building trust fund for this purpose.
- China believes it necessary to appoint a UN coordinator for counter-terrorism affairs.

3. Disarmament and Non-proliferation
- China has always stood for the comprehensive prohibition and thorough destruction of weapons of mass destruction (WMD) and opposed any forms of proliferation of WMD and their delivery systems. China has been actively promoting the international nuclear disarmament process.
- All nuclear weapon states should conclude a treaty on non-first use of nuclear weapons. They should also commit themselves unconditionally to not using or threatening to use nuclear weapons against non-nuclear weapon countries or regions and conclude a binding international legal instrument in this regard.
- The international community should take effective measures in real earnest to maintain and strengthen the universality and authority of the Treaty on the Non-Proliferation of Nuclear Weapons (NPT). All signatories should adopt a constructive attitude and a balanced view towards the three major goals of the Treaty.
- China supports the Comprehensive Nuclear Test Ban Treaty and hopes that the Treaty will come into effect at an early date. China will maintain its moratorium on nuclear tests and work for the early ratification of the Treaty.
- China supports the early launch of negotiation on the Fissile Material Cut-off Treaty on the basis of a balanced program of work to be agreed at the Disarmament Conference in Geneva.
- China supports the important role played by the International Atomic Energy Agency (IAEA) in preventing nuclear weapon proliferation and promoting peaceful use of nuclear energy in accordance with the purposes of its Statute. Under the current circumstances, it is necessary to discuss, through international cooperation and consultation, how to further strengthen the nuclear non-proliferation regime, which includes such an important issue as how to take appropriate measures to further strengthen the effectiveness of IAEA safeguards. China stresses the importance of IAEA Additional Protocol and hopes to see the strengthening of its universality.
- China supports and actively participates in multilateral efforts aimed at strengthening the effectiveness of the Biological and Toxin Weapons Convention (BTWC) and takes a positive attitude towards the immediate resumption of negotiation on a verification protocol of the Convention. China supports the conclusion of a new biological security protocol by the State Parties to the Convention through negotiations so as to classify dangerous biological agents and establish binding international standards for the export of agents of this kind.
- China is in favor of strengthening the universality of the BTWC and the Chemical Weapons Convention (CWC).
- The States Parties to the BTWC should observe the consultation, cooperation and investigation mechanism of the Convention, which is a main means to deal with the alleged use of biological weapons. The Secretary-General mechanism has its own historical background and scope of application. If most States Parties agree, it may be completely reviewed through multilateral negotiations.
- China encourages all States Parties to submit information on confidence-building measures as required by the Review Conference of the BTWC.
- Countries that have chemical weapons should accelerate their efforts to destroy their complete storage of chemical weapons, old chemical weapons and chemical weapons abandoned in other countries. The verification mechanism of the Organization for the Prohibition of Chemical Weapons (OPCW) generally functions well. The States Parties can address concerns for breach through mechanisms of clarification, consultation and cooperation. If material breach happens, the Conference of the States
Parties or the Executive Council may call the attention of the UN General Assembly and the Security Council to that question.

- China opposes the proliferation of weapons of mass destruction and their delivery systems, supports the strengthening of the current international non-proliferation regime and calls for the resolution of proliferation issues within the framework of international law by political and diplomatic means. Any non-proliferation measures should contribute to international and regional peace, security and stability. Like many other nations, China is not in favor of the interceptive measures taken by the Proliferation Security Initiative beyond the international law.

- The prevention of weaponization of outer space and any forms of arms race in outer space conduces to global strategic stability and promotes the process of arms control and disarmament. The international community should attach great importance to this and take vigorous and effective measures to forestall this danger. The Conference on Disarmament in Geneva should promptly set up an ad hoc committee for the negotiations and conclusion of relevant international legal instruments or work toward the objective of plugging the loopholes in the current legal regime of outer space and effectively preventing the weaponization of outer space and any forms of arms race in outer space.

- The Convention on Certain Conventional Weapons plays an important role in addressing the humanitarian concerns arising from war. China has always actively participated in all work related to the Convention. China hopes that the Protocol on the Explosive Remnants of War will come into effect at an early date and be implemented in real earnest. China will continue to support and participate in the work of Group of governmental Experts of the Convention; hoping progress will be made in related work.

- China supports the international community's efforts in combating the illicit trade in small arms and light weapons and supports the negotiation for the conclusion of an international instrument on "marking and tracing of the illicit small arms and light weapons". The illicit trade in small arms involves many factors such as disarmament, security, development and humanitarianism and should be addressed through a comprehensive and appropriate approach. In this regard, states shall take on the primary responsibilities and strengthen coordination and cooperation, and the UN should continue to play a leading role.

4. Organized Crime

- China supports the enhancement of international and regional cooperation to crack down on transnational organized crimes. Developed countries should fulfill greater obligations of providing resources.

- China hopes to see effective implementation of international conventions on combating transnational organized crimes and corruption.

- The UN Office on Drugs and Crime should strive to help countries comply with the conventions.

- Provided that the existing international conventions concluded at the UN are effectively implemented, China does not object to the negotiation and conclusion of necessary new international conventions within the UN framework.

5. Prevention and Mediation

- China supports the establishment of the "prevention culture" by the UN and larger input into conflict prevention and mediation, especially the improvement of mechanisms and measures such as early warning and fact-finding mission.

- The Member States should give full play to the leading role of the Security Council and support the Secretary-General's authorized good offices and mediation.

6. Sanctions

- China has always maintained that sanctions should be applied with prudence on the precondition that all peaceful means have been exhausted. Once the Security Council decides to impose sanctions, all countries are obliged to comply strictly.

- China is in favor of improving the sanctions mechanism of the UN, setting a strict criterion, making it well focused, setting explicit time limits and minimizing the possibility of humanitarian crisis arising from sanctions and its impact on the third country. The committees on sanction should regularly evaluate the humanitarian impact of sanctions.

- The international community should help developing countries build capacity for sanctions implementation.
7. Use of force
- Peaceful settlement of international disputes and non-use of force in international relations is an important principle of the UN Charter and a basic norm of international law. China consistently stands for settlement of international disputes by peaceful means and opposes the threat or use of force in international relations.
- We are of the view that Article 51 of the Charter should neither be amended nor reinterpreted. The Charter lays down explicit provisions on the use of force, i.e. use of force shall not be resorted to without the authorization of the Security Council with the exception of self-defense under armed attack. Whether an urgent threat exists should be determined and handled with prudence by the Security Council in accordance with Chapter 7 of the Charter and in light of the specific situation.
- Given the varying causes and nature of crises, it is both unrealistic and hugely controversial to formulate a "one-fits-all" rule or criterion on the use of force. Whether to use force or not should be decided by the Security Council in light of the reality of conflicts on a case-by-case basis.
- The Security Council is the only body that can decide the use of force. Regional arrangements or organizations must obtain Security Council authorization prior to any enforcement action.

8. Peacekeeping
- UN peacekeeping operations should comply with the UN Charter and all the basic principles that are proven effective, including neutrality, consent of parties concerned and non-use of force except for self-defense, etc.
- China supports the enhancement of the UN's peacekeeping capacity and welcomes the Secretary-General's proposal on the establishment of strategic reserves and civilian police standby capacity. China hopes that the Secretariat will specify and clarify the many aspects of the proposal as required by the Special Committee on Peacekeeping of the General Assembly. To establish a new mechanism entails cautious and thorough consideration so as to ensure its feasibility and effectiveness. Resources should be consolidated and limits of capacity respected and potential of the existing mechanisms fully tapped.
- The limited UN resources on peacekeeping should be rationally and effectively utilized. The UN may provide support, where necessary, to peacekeeping operations conducted by regional organizations in Africa.
- China supports stronger cooperation between the UN and regional organizations for better coordination and full utilization of each other's advantages. Peacekeeping operations undertaken by regional organizations should comply with the purposes and principles of the UN Charter.

9. Peacebuilding
- China supports the establishment of the Peacebuilding Commission. The responsibilities of the Commission should focus on assisting the planning of the transition from conflict to post-conflict reconstruction and coordinating international efforts. China endorses the Secretary-General's view that the Commission is largely an advisory body without early warning or monitoring function.
- The Commission will be responsible mainly to the Security Council, which is in the interest of its efficiency and effectiveness. China also supports the Economic and Social Council's full participation in the Commission's work.
- The Secretariat should follow the principles of efficiency and effectiveness in setting up the Peacebuilding Support Office.

III. Rule of Law, Human Rights and Democracy

1. Responsibility to Protect
- Each state shoulders the primary responsibility to protect its own population. However, internal unrest in a country is often caused by complex factors. Prudence is called for in judging a government's ability and will to protect its citizens. No reckless intervention should be allowed.
- When a massive humanitarian crisis occurs, it is the legitimate concern of the international community to ease and defuse the crisis. Any response to such a crisis should strictly conform to the UN Charter and the opinions of the country and the regional organization concerned should be respected. It falls on the Security Council to make the decision in the frame of UN in light of specific circumstances which should lead to a peaceful solution as far as possible. Wherever it involves enforcement actions, there should be more prudence in the consideration of each case.
2. International Criminal Court
- China supports the establishment of an International Criminal Court characterized by its independence, impartiality, effectiveness and universality, capable of punishing the gravest international crimes.
- In view of some deficiencies in the Rome Statute of the International Criminal Court which may hinder the just and effective functioning of the Court, China has not yet acceded to the Statute. But we still hope that the Court will win the confidence of non-Contracting Parties and wide acceptance of the international community through its work.
- The Security Council should act with prudence as to whether to refer a certain situation to the International Criminal Court.

3. The International Court of Justice
- China is in favor of strengthening the role of the International Court of Justice, improving its working methods and enhancing its efficiency. The right of each country to choose freely peaceful means to settle disputes should be respected.

4. Human rights
- China is in favor of and supports the reform of UN human rights bodies. The essence of the reform is depoliticizing human rights issues, rejecting double standards, reducing and avoiding confrontation and promoting cooperation, so as to gear more resources to human rights technical cooperation projects and countries' human rights capacity building.
- Equal importance should be given to the economic, social and cultural rights on the one hand and the civil and political rights on the other. Emphasis on one category of human rights to the neglect of the other should be redressed.
- The UN Commission on Human Rights has played an important role in the area of international human rights. Its role and contribution should not be denied.
- The UN human rights bodies must abide by the principle of equitable geographical distribution in their composition to ensure broad representation. To have a small "Human Rights Council" to replace the Commission may not possibly overturn the serious "credit deficit" in the human rights area. It is necessary to conduct serious discussions on ways to improve the work of UN human rights agencies.
- China agrees to the global program to equip United Nations inter-agency country teams to work with Member States to bolster their national human rights promotion. The "country teams" should respect the sovereignty and laws of Member States, give full consideration to the actual needs of Member States in the human rights area and take the capacity building of Member States as the objective. An annual report on the work of the "country teams" should be submitted for the deliberations of Member States.
- China supports the High Commissioner for Human Rights in playing a more active role in the UN system within his/her term of reference. The Security Council and the proposed Peacebuilding Commission can invite, if needed, the High Commissioner to participate in relevant deliberations.
- The Office of the High Commissioner for Human Rights should be granted adequate resources to strengthen its capability to perform its functions. Meanwhile, its funds should be used more efficiently. The composition of the Office of High Commissioner for Human Rights should better reflect the principle of geographical equality so as to win broader support of Member States.
- China is in favor of reforming the current reporting and reviewing system so as to avoid redundancy of various treaty bodies' work and lighten the burden on Contracting Parties. A working code should be formulated for treaty bodies to strengthen communication and dialogue with Contracting Parties.

5. The proposed "Democracy Fund"
- The Secretary-General should first give explanations of the source, rules of use, and assessment procedure of the proposed "Democracy Fund" for the benefit of further discussions.
- China disagrees with the classification of countries into "democratic" and "non-democratic" nations.

IV. Strengthening the UN

1. The UN General Assembly (UNGA)
- The General Assembly is an important body of democratic decision-making. China is in favour of enhancing its efficiency and its decision-making capability through reforms.
China favours the adoption of a comprehensive package of reforms to revitalize the General Assembly. We are open to proposals from any quarter.

China favours streamlining and optimizing the UNGA agenda. Each year, UNGA may hold discussions on some major substantive issues of interest to various parties, the developing countries in particular. The unnecessary items can be removed from the agenda on a year-by-year basis and in a balanced way.

China values the constructive role played by the civil society in international affairs, and is ready to continue discussions on setting up an interactive mechanism between UNGA and the civil society. Participation of the civil society in the work of UN should not alter the Organization's intergovernmental nature, nor should it hamper its working order and efficiency.

2. The Economic and Social Council (ECOSOC)
- China welcomes and supports the reforms of the UN in economic and social fields, and is of the view that the reforms should comply with the orientations, principles, objectives and emphasis defined by the relevant UNGA resolutions, and should be government-led.
- The work in economic and social fields should aim at implementing the Millennium Development Goals and decisions made at other major UN summits and conferences and focus on financial assistance, technology transfer, capacity building, market access, and poverty alleviation with a view to maintaining the continuity and coordination of the policies of international economic cooperation and development, and implementing the UN economic and development agendas in a comprehensive, coordinated and balanced manner.
- China is in favour of turning ECOSOC into a high-level development forum for reviewing trends in international development cooperation and playing a coordinating role.
- China supports the leading normative and strategy-setting role of ECOSOC in mapping out a global development agenda.
- China favours holding an annual ministerial meeting to assess the progress made towards agreed development goals, particularly the Millennium Development Goals, and to discuss other development issues of interest to developing countries.
- China endorses closer coordination between ECOSOC and Bretton Woods system, WTO, UNCTAD and other UN development agencies.
- China supports the important role by ECOSOC in assessing famines, epidemics and major natural disasters and promoting collective responses to them.

3. The Security Council
- The reform of the Security Council is multifaceted covering such important issues as enlarging the Council's membership, increasing efficiency and improving working methods. The reform of the Security Council should apply the following principles.
- The reform should be conducive to enhancing the authority and efficiency of the Council and strengthening its capacity to deal with global threats and challenges.
- Increasing the representation of developing countries should be given priority. Developing countries, who account for more than two thirds of the UN membership, are seriously under-represented on the Security Council. This situation must be reversed.
- More countries, the small and medium-sized ones in particular, should be given more opportunities to enter the Council on a rotating basis to participate in its decision making process.
- The principle of geographic balance should be adhered to, with representation of different cultures and civilizations taken into consideration.
- All the regional groups should, first of all, reach agreement on reform proposals concerning their respective regions. The principle of regional rotation advocated by some countries also merits attention and consideration.
- Adhering to the principle of achieving consensus through consultation is in accordance with the spirit of the UN Charter. Its purpose is to accommodate the interests of all parties, especially the small and medium-sized countries. Only decisions thus made can win the broadest trust and support. China opposes the approach to set a time limit for the Council reform or force a vote on a consensus-lacking proposal.

4. Reform of the Secretariat
- China supports the efforts of the Secretary-General to make the Secretariat smaller but more efficient through reform of the management.
- China endorses a more simple and practical planning and budgetary system and a timely examination of the programs and events approved by UNGA so as to determine their relevance and ensure adequate resources for them.
- The recruitment of the staff of Secretariat should conform to the provisions of the UN Charter and take account of the principle of equitable geographical distribution and gender equality.
- China considers it necessary to further increase the transparency, credibility, efficiency and accountability of the Secretariat.

5. The Military Staff Committee
- China has serious reservations on abolishing the Military Staff Committee and is of the view that reform does not mean abolition. We may, through consultation, entrust the Military Staff Committee with new mandates in peacekeeping operations and security areas.

The Text Draft of China's Accession to WTO

17 September 2001

The World Trade Organization today (17 September) successfully concluded negotiations on China's terms of membership of the WTO, paving the way for the text of the agreement to be adopted formally at the WTO Ministerial Conference in Doha, Qatar, in November.

International economic cooperation has brought about this defining moment in the history of the multilateral trading system," said Mike Moore, WTO Director-General, at the conclusion of the meeting of the Working Party on China's Accession. "With China's membership, the WTO will take a major step towards becoming a truly world organization. The near-universal acceptance of its rules-based system will serve a pivotal role in underpinning global economic cooperation.

Under the chairmanship of Ambassador Pierre-Louis Girard of Switzerland, the Working Party concluded almost 15 years of negotiations with China and agreed to forward some 900 pages of legal text for formal acceptance by the 142 Member Governments of the WTO. Thirty days after China notifies its acceptance of the agreement, China legally becomes a member of the WTO.

As a result of the negotiations, China has agreed to undertake a series of important commitments to open and liberalize its regime in order to better integrate in the world economy and offer a more predictable environment for trade and foreign investment in accordance with WTO rules.

Among some of the commitments undertaken by China are the following:

- China will provide non-discriminatory treatment to all WTO Members. All foreign individuals and enterprises, including those not invested or registered in China, will be accorded treatment no less favourable than that accorded to enterprises in China with respect to the right to trade.
- China will eliminate dual pricing practices as well as differences in treatment accorded to goods produced for sale in China in comparison to those produced for export.
- Price controls will not be used for purposes of affording protection to domestic industries or services providers.
- The WTO Agreement will be implemented by China in an effective and uniform manner by revising its existing domestic laws and enacting new legislation fully in compliance with the WTO Agreement.
- Within three years of accession all enterprises will have the right to import and export all goods and trade them throughout the customs territory with limited exceptions.
- China will not maintain or introduce any export subsidies on agricultural products.

While China will reserve the right of exclusive state trading for products such as cereals, tobacco, fuels and minerals and maintain some restrictions on transportation and distribution of goods inside the country, many of the restrictions that foreign companies have at present in China will be eliminated or considerably eased after a 3-year phase-out period. In other areas, like the protection of intellectual property rights, China will implement the TRIPS (Trade-related Aspects of Intellectual Property Rights) Agreement in full from the date of accession.

During a 12-year period starting from the date of accession there will be a special Transitional Safeguard Mechanism in cases where imports of products of Chinese origin cause or threaten to cause market disruption to the domestic producers of other WTO members.

On the other hand, prohibitions, quantitative restrictions or other measures maintained against imports from China in a manner inconsistent with the WTO Agreement would be phased out or otherwise dealt with in accordance with mutually agreed terms and timetables specified in an annex to the Protocol of Accession.
1. Goods
The conclusion of the negotiations for market access on goods represents a commitment undertaken by China to gradually eliminate trade barriers and expand market access to goods from foreign countries. China has bound all tariffs for imported goods. After implementing all the commitments made, China's average bound tariff level will decrease to 15% for agricultural products. The range is from 0 to 65%, with the higher rates applied to cereals. For industrial goods the average bound tariff level will go down to 8.9% with a range from 0 to 47%, with the highest rates applied to photographic film and automobiles and related products. Some tariffs will be eliminated and others reduced mostly by 2004 but in no case later than 2010.

Textiles
Upon accession China will become a party to the Agreement on Textiles and Clothing and will be subject to its rights and obligations. As for all WTO members, quotas on textiles will end at 31 December 2004, but there will be a safeguard mechanism in place until the end of 2008 permitting WTO Member Governments to take action to curb imports in case of market disruptions caused by Chinese exports of textile products.

Agriculture
China agreed to limit its subsidies for agricultural production to 8.5% of the value of farm output (per Article 6.4 of the Agriculture Agreement). China also agreed to apply the same limit to subsidies covered by Article 6.2 of the Agriculture Agreement.

2. Services

Telecoms
Upon China's accession, foreign service suppliers will be permitted to establish joint venture enterprises, without quantitative restrictions, and provide services in several cities. Foreign investment in the joint venture shall be no more than 25%. Within one year of accession, the areas will be expanded to include services in other cities and foreign investment shall be no more than 35%. Within three years of accession, foreign investment shall be no more than 49%. Within five years of accession, there will be no geographic restrictions.

Banking
Upon accession, foreign financial institutions will be permitted to provide services in China without client restrictions for foreign currency business. For local currency business, within two years of accession, foreign financial institutions will be permitted to provide services to Chinese enterprises. Within five years of accession, foreign financial institutions will be permitted to provide services to all Chinese clients.

Insurance
Foreign non-life insurers will be permitted to establish as a branch or as a joint venture with 51% foreign ownership. Within two years of China's accession, foreign non-life insurers will be permitted to establish as a wholly-owned subsidiary. Upon accession, foreign life insurers will be permitted 50% foreign ownership in a joint venture with the partner of their choice. For large scale commercial risks, reinsurance and international marine, aviation and transport insurance and reinsurance, upon accession, joint ventures with foreign equity of no more than 50% will be permitted; within three years of China's accession, foreign equity share shall be increased to 51%; within five years of China's accession, wholly foreign-owned subsidiaries will be permitted.

Source: WTO [Online: Web] URL: http://www.wto.org/English/news_e/pres01_e/pr243_e.htm
APPENDIX III

List of Arms Control, Disarmament and Non-Proliferation Treaties That China Has Joined

In the Nuclear Field

- Additional Protocol II to the Treaty for the Prohibition of Nuclear Weapons in Latin America and the Caribbean (signed in August 1973, the instrument of ratification deposited in June 1974)
- Additional Protocols II and III to the South Pacific Nuclear-Free Zone Treaty (signed in February 1987, the instrument of ratification deposited in October 1988)
- Agreement Between the People's Republic of China and the International Atomic Energy Agency for the Application of Safeguards in China (signed in September 1988, effective since September 1989)
- Convention on the Physical Protection of Nuclear Material (acceded in February 1989)
- Treaty on the Non-Proliferation of Nuclear Weapons (acceded in March 1992)
- Convention on Nuclear Safety (signed in 1994, ratified in April 1996)
- Protocols I and II to the African Nuclear-Weapon-Free Zone Treaty (signed in April 1996, the instrument of ratification deposited in October 1997)
- Comprehensive Nuclear Test Ban Treaty (signed in September 1996)
- Protocol Additional to the Agreement Between the People's Republic of China and the IAEA for the Application of Safeguards in China (signed in December 1998, entered into force in March 2002)

In the Chemical Field

- Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction (signed in January 1993, the instrument of ratification deposited in April 1997)

In the Biological Field

- Protocol for the Prohibition of the Use in War of Asphyxiating, Poisonous or Other Gases, and of Bacteriological Methods of Warfare
- Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction (acceded in November 1984)

In the Conventional Field

- Protocol on Blinding Laser Weapons Annexed to the Convention on Prohibitions or Restrictions on the Use of Certain Conventional Weapons Which May Be Deemed to Be
Excessively Injurious or to Have Indiscriminate Effects (Protocol IV) (the instrument of ratification deposited in November 1998)

- Protocol Against the Illicit Manufacturing of and Trafficking in Firearms, Their Parts and Components and Ammunition, Supplementing the United Nations Convention Against Transnational Organized Crimes (signed in December 2002)

In Other Fields

- The Antarctic Treaty (acceded in June 1983)
- Treaty on Principles Governing the Activities of States in the Exploration and Use of Outer Space, Including the Moon and Other Celestial Bodies (instrument of accession deposited in December 1983)
- Convention on Registration of Objects Launched into Outer Space (acceded in December 1988)
- Convention on the Prohibition of Military or Any Other Hostile Use of Environmental Modification Techniques (acceded in June 2005)

APPENDIX IV

Laws and Regulations of China on Non-Proliferation Export Control

In the Nuclear Field

- Regulations of the PRC on the Control of Nuclear Export (promulgated in September 1997, revised in June 2001)
- Regulations of the PRC on the Control of Nuclear Dual-Use Items and Related Technologies Export (promulgated in June 1998)
- Measures on the Administration of Approval for Transfer and Transit of Nuclear Items (For Trial Implementation) (promulgated in January 2000)

In the Biological Field

- Regulations of the PRC on the Export Control of Dual-Use Biological Agents and Related Equipment and Technologies (promulgated in October 2002)

In the Chemical Field

- Regulations of the PRC on the Administration of Controlled Chemicals (promulgated in December 1995)
- Controlled Chemicals List (promulgated in May 1996, supplemented in June 1998)
- Detailed Rules for the Implementation of the Regulations of the PRC on the Administration of Controlled Chemicals (promulgated in March 1997)
- List of New Chemicals Controlled in Category 3 (promulgated in June 1998)
- Measures on the Export Control of Certain Chemicals and Related Equipment and Technologies (promulgated in October 2002)

In the Missile Field

- Regulations of the PRC on the Export Control of Missiles and Missile-Related Items and Technologies (promulgated in August 2002)

In the Arms Export Field

- Regulations of the PRC on the Administration of Arms Export (promulgated in October 1997, amended in October 2002; the Military Products Export Control List promulgated in November 2002)

Sensitive Items

- Measures on the Administration of Export Registration for Sensitive Items and Technologies (promulgated in November 2002)
- Provisional Measures on the Administration of Export Licenses on Sensitive Items and Technologies (promulgated in December 2003)
- Export Licensing Catalogue of Sensitive Items and Technologies (promulgated in December 2003)

Other Related Laws and Regulations

- Foreign Trade Law of the PRC (promulgated in May 1994, amended in April 2004)
- Administrative Punishments Law of the PRC (promulgated in March 1996)
• Amendments to the Criminal Law of the PRC (promulgated in December 2001)
• Regulations of the PRC on the Import and Export Control of Technologies (promulgated in December 2001)
• Regulations of the PRC on the Import and Export Control of Goods (promulgated in December 2001)

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