

Bilateral Agreement on China's Entry into the WTO Between China and the United States

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Between Nov. 10 and 15 of 1999, the Chinese Government Delegation and the US Government Delegation held talks on China's accession to the WTO in Beijing. On Nov. 15, the two sides signed the bilateral agreement on China's entry into the WTO, which formally brought their talks to an end.

The WTO was developed from GATT. The Chinese Government was involved in the founding of GATT and officially became a Contracting Party to GATT on 21 May 1948. After the founding of the People's Republic of China, owing to various reasons, the Taiwan authorities had long occupied the lawful seat of China in the United Nations. In March 1950, Taiwan withdrew from GATT and in March 1965, it obtained the status of an observer at GATT. On 25 October 1971, the UN General Assembly adopted Resolution No. 2758, which restored to China all its lawful seats in the United Nations. On Nov. 16, GATT decided to deprive Taiwan of its observer status in accordance with Resolution No. 2758 that the UN General Assembly passed at its 27th Session. In Nov. 1982, the Chinese Government got the observer status and sent a delegation to attend the 36th Session of the Contracting Parties of GATT as such for the first time.

On 10 July 1986, Ambassador Qian Jiadong, Permanent Representative of the People's Republic of China to the UN Office at Geneva, formally submitted an application for the resumption of China's membership in GATT as a Contracting Party. China had since started the bilateral talks with the Contracting Parties of GATT. In May 1989, such bilateral talks between China and the United States made progress at its fifth round and the talks were expected to conclude by the end of that year. However, political disturbances took place at the end of spring and the beginning of summer in 1989 and Western countries headed by the United States imposed sanctions against China. The Chinese Government and people, under the leadership of the Chinese Communist Party, worked hard to maintain the rapid economic development despite the sanctions by the West. Western countries gradually realized that sanctions could not knock China down and finally lifted the sanctions.

Subsequently, the bilateral talks on the restoration of China's membership in GATT resumed. In October 1992, the two countries reached a memorandum of understanding on the market access, under which the United States undertook to "firmly support China in its effort to obtain its status as a Contracting Party to GATT". In March 1995, China and the United States reached an 8-point agreement in Beijing. According to the agreement, the US side agreed to conduct talks with China on China's entry into the WTO in a flexible and pragmatic spirit and to realistically solve the question of China's entry as a developing country on the basis of the Uruguay Round.

In 1995, GATT was transformed into the WTO. After that, China sent a note to Mr. Renato Ruggiero, Director-General of the WTO in November 1995, informing him that the working group

for the restoration of China's membership in GATT was renamed the working group for its entry into the WTO. In the second half of 1997, China reached bilateral agreements with New Zealand, the Republic of Korea, Hungary, Czech, Slovakia and Pakistan on this issue respectively and it had concluded talks with Chile, Columbia, Argentina and India on the bilateral market access for China's entry into the WTO.

Between 26 October and 2 November 1997, President Jiang Zemin visited the United States at the invitation of President Clinton. In the Joint Statement that he and Clinton issued together, the two countries believed that China's all-round participation in the multilateral trade system served the interests of both sides. To this end, the two sides agreed to intensify efforts for the bilateral talks. On 17 June 1998, President Jiang made clear the following points to an American journalist during his interview:

The World Trade Organization would be incomplete without China.

Undoubtedly China could only join the Organization as a developing country.

China's entry should be based on the principle of balanced rights and obligations.

From 6 April to 13, 1999, Premier Zhu Rongji visited the United States. On April 10, China and the United States signed an agricultural cooperation agreement and issued a Joint Statement on China's entry into the WTO, under which the US side undertook to firmly support China's accession within the year 1999.

On May 8, 1999, the US bombed the Chinese Embassy in the Federal Republic of Yugoslavia, which undermined the

atmosphere for the talks. The Chinese side suspended the bilateral talks on this issue. The US side proposed to resume the talks several times afterwards. Under these circumstances, the Chinese side reviewed the situation and decided to resume the talks in due time. On 11 September, President Jiang and President Clinton met with each other during the Seventh APEC Informal Leadership Meeting and the two sides resumed the bilateral talks.

On Nov. 15, 1999, China and the United States finally reached a bilateral agreement on China's entry into the WTO after prolonged and strenuous talks. This marked an end to their bilateral negotiations on this issue. It is a "win-win" agreement. It has helped accelerate the process of China's entry, promote an all-round development of China-US trade and economic ties, stabilize and expand the overall China-US relations, and inject new vitality to the development and prosperity of the world economy.