
**Working Party on the
Accession of China**

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COMMUNICATION FROM CHINA

In preparation for the Working Party meeting on 13-28 September 2000, the Chinese delegation has submitted the following revised¹ document on Information on State Trading, dated 8 September 2000.²

**Groupe de travail de
l'accession de la Chine**

COMMUNICATION DE LA CHINE

En vue de la réunion du Groupe de travail qui aura lieu du 13 au 28 septembre 2000, la délégation chinoise a communiqué le document révisé¹ ci-après concernant les renseignements sur le commerce d'État, daté du 8 septembre 2000.²

**Grupo de Trabajo sobre la
Adhesión de China**

COMUNICACIÓN DE CHINA

Para preparar la reunión del Grupo de Trabajo que se celebrará del 13 al 28 de septiembre de 2000, la delegación china ha presentado el siguiente documento revisado¹, relativo a la información sobre comercio de Estado, de fecha 8 de septiembre de 2000.²

¹ Former version issued in document WT/ACC/CHN/28./L'ancienne version a été distribuée sous la cote WT/ACC/CHN/28./La versión anterior se publicó en el documento WT/ACC/CHN/28.

² In English only./En anglais seulement./En inglés solamente.

INFORMATION ON STATE-TRADING

8 September 2000

China maintains enterprises covered by the provisions of Article XVII. The products listed in the Annex 2a-1 and Annex 2a-2 in its Protocol are subject to state trading which is carried out by the following corporations.

I. CHINA NATIONAL CHEMICAL IMPORT AND EXPORT CORPORATION (SINOCHEM)*1. Reason and purpose*

In order to ensure a stable supply of chemical fertilizer essential for domestic agricultural production and prevent the commercial interests of the customers from being damaged by price fluctuation, the Ministry of Foreign Trade and Economic Cooperation (MOFTEC) authorized SINOCHEM to have the right to import chemical fertilizer. For the same reason, MOFTEC also authorized the company to have the right to import and export crude oil and processed oil.

With the further progress in reforming China's foreign trade regime, a considerable percentage of China's importation of fertilizer, crude oil and processed oil is conducted by non-state trading enterprises. At present, the foreign invested enterprises may import the products for their own use. The enterprises in the Special Economic Zones (SEZs) possessing right to trade may also import the products for their own use. The enterprises engaged in processing trade could also import raw materials used in their production. The Chinese government has also committed to expand the percentage of imports by non-state trading enterprises.

2. Description and function

As mentioned above, SINOCHEM is authorized to import chemical fertilizer and import and export crude oil and processed oil. As a specialized trading company with rich experience and good fame in foreign trade, SINOCHEM acts as a pure agent for domestic users or suppliers of the above-mentioned products. The company negotiates import or export contracts with foreign suppliers or buyers and charges an amount of commission for its services rendered as agreed upon between the company and its domestic clients. No import mark-up is charged by SINOCHEM. The export price is also decided by domestic suppliers. Either the import quantity or export quantity is determined by domestic users or suppliers. The company conducts its trading activities on the basis of on commercial considerations.

3. Statistical information

Unit: million tons

Import	1997	1998	1999
Crude oil	1.88	3.97	1.97
Process oil	0.13	0.18	0.038
Chemical fertilizer	1.66	3.21	0.15
Export	1997	1998	1999
Crude oil	4.33	3.49	2.29
Process oil	0.46	0.20	0.12

II. CHINA NATIONAL AGRICULTURAL MEANS OF PRODUCTION GROUP CORPORATION (CNAMPGC)

1. Reason and purpose

In order to ensure a stable supply of chemical fertilizer essential for domestic agricultural production and prevent the commercial interests of the customers from being damaged by price fluctuation, MOFTEC authorized CNAMPGC to have the right to import chemical fertilizer.

With the further progress in reforming China's foreign trade regime, a considerable percentage of China's importation of fertilizer is conducted by non-state trading enterprises. At present, the foreign invested enterprises may import the products for their own use. The enterprises the Special Economic Zones (SEZs) possessing right to trade may also import the products for their own use. The enterprises engaged in processing trade could also import raw materials used in their production. The Chinese government has also committed to expand the percentage of imports by non-state trading enterprises.

2. Description and function

As mentioned above, CNAMPGC is authorized to import chemical fertilizer. As a specialized trading company with rich experience and good fame in foreign trade CNAMPGC acts as a pure agent for domestic users of the products. The company negotiates import contracts with foreign suppliers and charges an amount of commission for its services rendered as agreed upon between the company and its domestic clients. No import mark-up is charged by CNAMPGC. The import quantity is determined by domestic users. The company conducts its trading activities on the basis of on commercial considerations.

3. Statistical information

Unit: million tons			
Import	1997	1998	1999
Chemical fertilizer	*	*	3.29

III. CHINA NATIONAL CEREALS, OILS AND FOODSTUFF IMPORT & EXPORT CORPORATION (COFCO)

1. Reason and purpose

In order to ensure a stable supply of grain (including wheat and corn), soybean, sugar and vegetable oil and prevent the commercial interests of the customers from being damaged by price fluctuation, MOFTEC authorized COFCO to have the import wheat, sugar and vegetable oil and export corn and soybeans.

With the further progress in reforming China's foreign trade regime, a considerable percentage of China's importation of the above-mentioned products is conducted by non-state trading enterprises. At present, the foreign invested enterprises may import the products for their own use. The enterprises the Special Economic Zones (SEZs) possessing right to trade may also import the products for their own use. The enterprises engaged in processing trade could also import raw materials used in their production. The Chinese government has also committed to expand the percentage of imports by non-state trading enterprises.

2. *Description and function*

As mentioned above, COFCO is authorized to import wheat, sugar and vegetable oil and export corn and soybeans. As a specialized trading company with rich experience and good fame in foreign trade, COFCO acts as a pure agent for domestic users or suppliers of the above-mentioned products. The company negotiates import or export contracts with foreign suppliers or buyers and charges an amount of commission for its services rendered as agreed upon between the company and its domestic clients. No import mark-up is charged by COFCO. Export price is also fixed by domestic suppliers. Either the import quantity or export quantity is fixed by domestic users or suppliers. The company conducts its trading activities on the basis of on commercial considerations..

3. *Statistical information*

Unit: million tons			
Import	1997	1998	1999
Wheat	0.59	0.89	0.25
Sugar	0.11	0.092	0.0998
Vegetable oil	0.19	0.28	0.299
Export	1997	1998	1999
Corn	3.63	2.58	2.37
Soybeans	0.10	0.08	0.10

IV. CHINA NATIONAL TEXTILES IMPORT & EXPORT CORPORATION (CHINATEX)

1. *Reason and purpose*

In order to ensure a stable supply of cotton and prevent the commercial interests of the customers from being damaged by price fluctuation, MOFTEC authorized CHINATEX to have the right to import and export cotton.

With the further progress in reforming China's foreign trade regime, a considerable percentage of China's importation of cotton is conducted by non-state trading enterprises. At present, the foreign invested enterprises may import the products for their own use. The enterprises the Special Economic Zones (SEZs) possessing right to trade may also import the products for their own use. The enterprises engaged in processing trade could also import raw materials used in their production. The Chinese government has also committed to expand the percentage of imports by non-state trading enterprises.

2. *Description and function*

As mentioned above, CHINATEX is authorized to import and export cotton. As a specialized trading company with rich experience and good fame in foreign trade CHINATEX acts as a pure agent for domestic users or suppliers of the above-mentioned products. The company negotiates import or export contracts with foreign suppliers or buyers and charges an amount of commission for its services as agreed upon between the company and its domestic clients. No import mark-up is charged by CHINATEX. Export price is also fixed by domestic suppliers. Either the import quantity or export quantity is fixed by domestic users or suppliers. The company chooses foreign suppliers or buyers on the basis of commercial considerations.

3. *Statistical information*

Import	1997	1998	1999
Cotton	947 tons	0	0
Export	1997	1998	1999
Cotton	413 tons	45,000 tons	238,000 tons
Raw cotton fabric	88,000 m ²	82,000 m ²	104,000 m ²

V. **CHINA NATIONAL TOBACCO IMPORT & EXPORT CORPORATION (CTC)**

1. *Reason and purpose*

In order to alleviate the adverse effect of tobacco and its products on the public health, the State Administration on Tobacco Monopoly authorized CTC to be the sole importer of tobacco and its products in accordance with the Law of the People's Republic of China on Tobacco Monopoly.

2. *Description and function*

CTC may import the above-mentioned products on behalf of domestic users. In such cases it negotiates import contracts with foreign suppliers and charges an amount of commission for its services rendered as agreed upon between the company and the domestic users. No import mark-up is charged by the company and the import quantity is fixed by domestic users. Foreign suppliers are chosen by the company on the basis of commercial considerations. The company also imports these products on its own, in which case the domestic selling price of the product concerned is determined by such factors as import price, customs duty and a reasonable profit while the import quantity is determined by factors including marketability of the product.

3. *Statistical information*

Import	1997	1998	1999
Tobacco	12000 tons	4000 tons	7000 tons

VI. **CHINA NATIONAL METALS AND MINERALS IMPORT & EXPORT CORPORATION (MINMETAL)**

1. *Reason and purpose*

In order to ensure sustainable exploitation of mineral resources and to preserve environment, MOFTEC authorized MINMETAL to have the right to export tungsten ores, ammonium paratungstate, tungsten products, antimony products and antimony oxides.

2. *Description and function*

As mentioned above, the company is authorized to export the above-mentioned products. As a specialized trading company with rich experience and good fame in foreign trade it acts as a pure agent for domestic suppliers of these products. The company negotiates export contracts with foreign buyers and charges an amount of commission for its services as agreed upon between the company and its domestic clients. Both export quantity and export prices are

fixed by domestic suppliers. The company chooses foreign buyers on the basis of commercial considerations.

3. *Statistical information*

Unit: tons			
Export	1997	1998	1999
tungsten ores	413	105	44
ammonium paratungstate	8000	7000	6000
tungsten products	5000	7000	8000
antimony products	18,000	12,000	25,000
antimony oxides.	16,000	15,000	20,000

VII. CHINA NATIONAL SILK IMPORT & EXPORT CORPORATION

1. *Reason and purpose*

Because silk and greig are traditional commodities peculiar to China and have a long-standing good reputation in the world, MOFTEC authorized China National Silk Import & Export Corporation to export silk and greig.

2. *Description and function*

As mentioned above, the company is authorized to export silk and greig. As a specialized trading company with rich experience and good fame in foreign trade it acts as a pure agent for domestic suppliers of the above-mentioned products. The company negotiates export contracts with foreign buyers and charges an amount of commission for its services as agreed upon between the company and its domestic clients. Both export price and export quantity are fixed by domestic suppliers. The company chooses foreign buyers on the basis of commercial considerations.

3. *Statistical information*

Export	1997	1998	1999
Greig	13,000 meters	45,000 meters	238,000 meters
Silk	22,000 tons	18,000 tons	24,000 tons

VIII. CHINA NATIONAL NON-FERROUS IMPORT & EXPORT CORPORATION

1. *Reason and purpose*

In order to ensure sustainable exploration of mineral resources and to preserve environment, MOFTEC authorized China National Non-ferrous Import & Export Corporation to export tungsten ores, ammonium paratungstate, tungsten products, antimony products and antimony oxides, along with Minmetal.

2. *Description and function*

As mentioned above, the company is authorized export the above-mentioned products. As a specialized trading company with rich experience and good fame in foreign trade it acts as a pure agent for domestic suppliers of the above-mentioned products. The company negotiates

export contracts with foreign buyers and charges an amount of commission for its services rendered as agreed upon between the company and its domestic clients. Both export price and export quantity are fixed by domestic users or suppliers. The company chooses foreign buyers on the basis of commercial considerations.

3. *Statistical information*

Unit: tons			
Export	1997	1998	1999
tungsten ores	388	86	36
ammonium paratungstate	7000	6000	5000
tungsten products	4000	6000	6000
antimony products	14,000	10,000	20,000
antimony oxides.	13,000	13,000	17,000

IX. CHINA NATIONAL UNITED OIL CORPORATION

1. *Reason and purpose*

In order to ensure a stable supply of crude oil and processed oil and prevent the commercial interests of the customers from being damaged by price fluctuation, the Ministry of Foreign Trade and Economic Cooperation (MOFTEC) authorized China National United Oil Corporation to have the right to import crude oil and processed oil.

With the further progress in reforming China's foreign trade regime, a considerable percentage of China's importation of crude oil and processed oil is conducted by non-state trading enterprises. At present, the foreign invested enterprises may import the products for their own use. The enterprises the Special Economic Zones (SEZs) possessing right to trade may also import the products for their own use. The enterprises engaged in processing trade could also import raw materials used in their production. The Chinese government has also committed to expand the percentage of imports by non-state trading enterprises.

2. *Description and function*

As mentioned above, the company is authorized to import and export crude oil and processed oil. As a specialized trading company with rich experience and good fame in foreign trade it acts as pure agent for domestic users or suppliers of the above-mentioned products. The company negotiates import or export contracts with foreign suppliers or buyers and charges an amount of commission for its services as agreed upon between the company and its domestic clients. No import mark-up is charged by the company. Export price is also fixed by domestic suppliers. Either the import quantity or export quantity is fixed by domestic users or suppliers. The company conducts its trading activities on the basis of on commercial considerations.

3. *Statistical information*

Unit: million tons

Import	1997	1998	1999
Crude oil	0.23	0.47	1.69
Process oil	0.24	0.19	0.10
Export	1997	1998	1999
Crude oil	9.75	7.84	5.13
Process oil	1.03	0.44	0.27

X. CHINA INTERNATIONAL UNITED PETROLEUM & CHEMICALS CORPORATION1. *Reason and purpose*

In order to ensure a stable supply of crude oil and processed oil and prevent the commercial interests of the customers from being damaged by price fluctuation, MOFTEC authorized China International United Petroleum & Chemicals Corporation to have the right to import and export crude oil and processed oil.

With the further progress in reforming China's foreign trade regime, a considerable percentage of China's importation of crude oil and processed oil is conducted by non-state trading enterprises. At present, the foreign invested enterprises may import the products for their own use. The enterprises the Special Economic Zones (SEZs) possessing right to trade may also import the products for their own use. The enterprises engaged in processing trade could also import raw materials used in their production. The Chinese government has also committed to expand the percentage of imports by non-state trading enterprises.

2. *Description and function*

As mentioned above, the company is authorized to import and export crude oil and processed oil. As a specialized trading company with rich experience and good fame in foreign trade it acts as a pure agent for domestic users or suppliers of the above-mentioned products. The company negotiates import or export contracts with foreign suppliers or buyers and charges an amount of commission for its services rendered as agreed upon between the company and its domestic clients. No import mark-up is charged by the company. Export price is also fixed by domestic suppliers. Either the import quantity or export quantity is fixed by domestic users or suppliers. The company conducts its trading activities on the basis of on commercial considerations.

3. *Statistical information*

Unit: million tons

Import	1997	1998	1999
Crude oil	14.61	10.51	18.77
Process oil	1.53	0.34	0.14
Export	1997	1998	1999
Crude oil	7.58	6.10	3.40
Process oil	0.8	0.34	0.21

XI. CHINA LIANGFENG CEREALS IMPORT AND EXPORT CORPORATION

1. *Reason and purpose*

In order to ensure a stable supply of vegetable oil, corn and soybeans and prevent the commercial interests of the customers from being damaged by price fluctuation, MOFTEC authorized China Liangfeng Cereals Import and Export Corporation to have the right to import vegetable oil and export corn and soybeans.

With the further progress in reforming China's foreign trade regime, a considerable percentage of China's importation of the above-mentioned products is conducted by non-state trading enterprises. At present, the foreign invested enterprises may import the products for their own use. The enterprises the Special Economic Zones (SEZs) possessing right to trade may also import the products for their own use. The enterprises engaged in processing trade could also import raw materials used in their production. The Chinese government has also committed to expand the percentage of imports by non-state trading enterprises.

2. *Description and function*

As mentioned above, the company is authorized to import vegetable oil and export corn and soybeans. As a specialized trading company with rich experience and good fame in foreign trade it acts as a pure agent for domestic users or suppliers of the above-mentioned products. The company negotiates import or export contracts with foreign suppliers or buyers and charges an amount of commission for its services rendered as agreed upon between the company and its domestic clients. No import mark-up is charged by the company. Export price is also fixed by domestic suppliers. Either the import quantity or export quantity is fixed by domestic users or suppliers. The company chooses foreign suppliers or buyers on the basis of commercial considerations.

3. *Statistical information*

Unit: million tons

Import	1997	1998	1999
Vegetable oil	0.14	0.31	0.73
Export	1997	1998	1999
Corn	2.97	2.11	1.94
Soybeans	0.8	0.7	0.8

XII. CHINA NATIONAL COAL INDUSTRY IMPORT & EXPORT CORPORATION

1. *Reasons and purpose*

In order to ensure sustainable exploitation of mineral resources and to preserve environment, MOFTEC authorized China National Coal Industry Import & Export Corporation to have the right to export coal.

2. *Description and function*

As mentioned above, the company is authorized export coal. As a specialized trading company with rich experience and good fame in foreign trade it acts as a pure agent for domestic suppliers of the above-mentioned product. The company negotiates export contracts with foreign buyers and charges an amount of commission for its services as agreed upon

between the company and its domestic clients. Both export price and export quantity are fixed by domestic suppliers. The company chooses foreign suppliers or buyers on the basis of commercial considerations.

3. *Statistical information*

Unit: million tons

Export	1997	1998	1999
Coal	264.3	280	374.1

XIII. CHINA NATIONAL NATIVE PRODUCTS AND ANIMAL BY-PRODUCT IMPORT & EXPORT CORPORATION

1. *Reason and purpose*

In order to ensure a stable supply of vegetable oil and tea and prevent the commercial interests of the customers from being damaged by price fluctuation, MOFTEC authorized China National Native Products and Animal By-product Import & Export Corporation to have the right to import vegetable oil and export tea.

Since tea is a traditional Chinese commodity with long-standing good reputation in the world, MOFTEC authorized China National Native Products and Animal By-product Import & Export Corporation to have the right to export tea

2. *Description and function*

As mentioned above, the company is authorized to import vegetable oil and export tea. As a specialized trading company with rich experience and good fame in foreign trade it acts as a pure agent for domestic users or suppliers of the above-mentioned products. The company negotiates import or export contracts with foreign suppliers or buyers and charges an amount of commission for its services as agreed upon between the company and its domestic clients. No import mark-up is charged by the company. Export price is also fixed by domestic suppliers. Either the import quantity or export quantity is fixed by domestic users or suppliers. The company chooses foreign suppliers or buyers on the basis of commercial considerations.

3. *Statistical information*

Unit: tons

Import	1997	1998	1999
Vegetable oil	15,000	48,000	196,000
Export	1997	1998	1999
Tea	12,000	15,000	17,000

XIV. CHINA RESOURCES CORPORATION

1. *Reason and purpose*

In order to ensure a stable supply of vegetable oil and prevent the commercial interests of the customers from being damaged by price fluctuation, MOFTEC authorized China Resources Corporation to have the right to import vegetable oil.

2. *Description and function*

As mentioned above, the company is authorized to import vegetable oil. As a specialized trading company with rich experience and good fame in foreign trade it acts as a pure agent for domestic users or suppliers of vegetable oil. The company negotiates import contracts with foreign suppliers and charges an amount of commission for its services as agreed upon between the company and its domestic clients. No import mark-up is charged by the company. The import quantity is fixed by domestic users. The company chooses foreign suppliers on the basis of commercial considerations.

3. *Statistical information*

Unit: tons

Import	1997	1998	1999
Vegetable oil	65,000	4,600	3,000

XV. CHINA NAM KWONG NATIONAL IMPORT & EXPORT CORPORATION

1. *Reason and purpose*

In order to ensure a stable supply of vegetable oil and prevent the commercial interests of the customers from being damaged by price fluctuation, MOFTEC authorized China Nam Kwong Import & Export Corporation to have the right to import vegetable oil.

2. *Description and function*

As mentioned above, the company is authorized to import vegetable oil. As a specialized trading company with rich experience and good fame in foreign trade it acts as a pure agent for domestic users of vegetable oil. The company negotiates import contracts with foreign suppliers and charges an amount of commission for its services as agreed upon between the company and its domestic clients. No import mark-up is charged by the company. The import quantity is fixed by domestic users. The company chooses foreign suppliers on the basis of commercial considerations.

3. *Statistical information*

Unit: tons

Import	1997	1998	1999
Vegetable oil	42,000	13,000	41,000

XVI. CHINA CEREALS, OIL & FOODSTUFF CORPORATION (GROUP)

1. *Reason and purpose*

In order to ensure a stable supply of vegetable oil and prevent the commercial interests of the customers from being damaged by price fluctuation, MOFTEC authorized China Cereals, Oil & Foodstuff Corporation to have the right to import vegetable oil.

2. *Description and function*

As mentioned above, the company is authorized to import vegetable oil. As a specialized trading company with rich experience and good fame in foreign trade it acts as a pure agent for domestic users of vegetable oil. The company negotiates import contracts with foreign suppliers and charges an amount of commission for its services as agreed upon between the company and its domestic clients. No import mark-up is charged by the company. The import quantity is fixed by domestic users. The company chooses foreign suppliers on the basis of commercial considerations.

3. *Statistical information*

Unit: tons

Import	1997	1998	1999
Vegetable oil	143,000	312,000	726,000

XVII. CHINA EXPORT COMMODITIES BASE CONSTRUCTION CORPORATION

1. *Reason and purpose*

In order to ensure a stable supply of sugar and prevent the commercial interests of the customers from being damaged by price fluctuation, MOFTEC authorized China Export Commodities Base Construction Corporation to have the right to import sugar.

2. *Description and function*

As mentioned above, the company is authorized to import sugar. As a specialized trading company with rich experience and good fame in foreign trade, the company acts as a pure agent for domestic users of sugar. The company negotiates import contracts with foreign suppliers and charges an amount of commission for its services rendered as agreed upon between the company and its domestic clients. No import mark-up is charged by the company. The import quantity is fixed by domestic users. The company conducts its trading activities on the basis of on commercial considerations..

3. *Statistical information*

Unit: million tons

Import	1997	1998	1999
Sugar	0	0	0

XVIII. CHINA OVERSEAS TRADE CORPORATION

1. *Reason and purpose*

In order to ensure a stable supply of sugar and prevent the commercial interests of the customers from being damaged by price fluctuation, MOFTEC authorized China Overseas Trade Corporation to have the right to import sugar.

2. *Description and function*

As mentioned above, the company is authorized to import sugar. As a specialized trading company with rich experience and good fame in foreign trade, the company as a pure agent for domestic users of sugar. The company negotiates import contracts with foreign suppliers and charges an amount of commission for its services rendered as agreed upon between the company and its domestic clients. No import mark-up is charged by the company. The import quantity is fixed by domestic users. The company conducts its trading activities on the basis of on commercial considerations..

3. *Statistical information*

Unit: million tons

Import	1997	1998	1999
Sugar	0	0	0

XIX. CHINA SUGAR & WINE CORPORATION (GROUP)

1. *Reason and purpose*

In order to ensure a stable supply of sugar and prevent the commercial interests of the customers from being damaged by price fluctuation, MOFTEC authorized China Sugar & Wine Corporation (Group) to have the right to import sugar.

2. *Description and function*

As mentioned above, the company is authorized to import sugar. As a specialized trading company with rich experience and good fame in foreign trade, the company as a pure agent for domestic users of sugar. The company negotiates import contracts with foreign suppliers and charges an amount of commission for its services rendered as agreed upon between the company and its domestic clients. No import mark-up is charged by the company. The import quantity is fixed by domestic users. The company conducts its trading activities on the basis of on commercial considerations..

3. *Statistical information*

Unit: million tons

Import	1997	1998	1999
Sugar	0	0	0

XX. CHINA COMMERCE FOREIGN TRADE CORPORATION

1. *Reason and purpose*

In order to ensure a stable supply of sugar and prevent the commercial interests of the customers from being damaged by price fluctuation, MOFTEC authorized China Commerce Foreign Trade Corporation to have the right to import sugar.

2. *Description and function*

As mentioned above, the company is authorized to import sugar. As a specialized trading company with rich experience and good fame in foreign trade, the company as a pure agent for domestic users of sugar. The company negotiates import contracts with foreign suppliers and charges an amount of commission for its services rendered as agreed upon between the company and its domestic clients. No import mark-up is charged by the company. The import quantity is fixed by domestic users. The company conducts its trading activities on the basis of on commercial considerations..

3. *Statistical information*

Unit: million tons

Import	1997	1998	1999
Sugar	0	0	0

XXI. ZHUHAI ZHENRONG COMPANY

1. *Reason and purpose*

In order to ensure a stable supply of crude oil and processed oil and prevent the commercial interests of the customers from being damaged by price fluctuation, the Ministry of Foreign Trade and Economic Cooperation (MOFTEC) authorized Zhuhai Zhenrong Company to have the right to import crude oil and processed oil.

2. *Description and function*

As mentioned above, the company is authorized to import crude oil and processed oil. As a specialized trading company with rich experience and good fame in foreign trade it acts as pure agent for domestic users of the above-mentioned products. The company negotiates import contracts with foreign suppliers and charges an amount of commission for its services as agreed upon between the company and its domestic clients. No import mark-up is charged by the company. The import quantity is fixed by domestic users. The company conducts its trading activities on the basis of on commercial considerations.

3. *Statistical information*

Unit: million tons

Import	1997	1998	1999
Crude oil	3,150,000	3,720,000	3,840,000
Process oil	0	0	0

XXII. BEIJING JIUDA TEXTILES GROUP CORPORATION, TIANJIN TEXTILES INDUSTRY SUPPLY AND MARKETING CORPORATION AND SHANGHAI TEXTILES RAW MATERIALS CORPORATION

1. *Reason and purpose*

Beijing, Tianjin and Shanghai are major production bases of China's textiles industry and the cotton textile enterprises are highly concentrated in these cities with a high consumption of cotton. In order to encourage the development of local cotton textile enterprises and to import

raw materials in a centralized and expeditious manner, MOFTEC authorized these three companies to have the right to import cotton.

2. *Description and function*

As mentioned above, these companies are authorized to import and export cotton. As specialized trading companies with rich experience and good fame in foreign trade, these companies act as pure agents for domestic users of cotton. These companies negotiate import contracts with foreign suppliers and charge an amount of commission for their services as agreed upon between these companies and their domestic clients. No import mark-up is charged by these companies. The import quantity is fixed by domestic users. These companies choose foreign suppliers on the basis of commercial considerations.

3. *Statistical information*

Beijing Jiuda Textiles Group Corporation

Import	1997	1998	1999
Cotton	4,500 tons	200	0

Tianjin Textiles Industry Supply and Marketing Corporation

Import	1997	1998	1999
Cotton	2,400 tons	0	0

Shanghai Textiles Raw Materials Corporation

Import	1997	1998	1999
Cotton	8,800 tons	0	0