

## WTO successfully concludes negotiations on entry of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu

The World Trade Organization today (18 September) successfully concluded negotiations on the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu's (Chinese Taipei) terms of membership of the WTO, paving the way for the text of the agreement to be adopted formally at the WTO's 4th Ministerial Conference in Doha, Qatar in November.

“With Chinese Taipei's membership, the WTO is taking yet another step toward achieving universal membership. Today, I welcome Chinese Taipei to the rules-based trading system,” said Mike Moore, WTO Director-General, at the conclusion of the meeting of the Working Party.

Under the Chairmanship of Mr. Martin R. Morland (United Kingdom), the Working Party concluded 12 years of negotiations with Chinese Taipei and agreed to forward the legal texts for formal acceptance by the 142 Member Governments of the WTO.

Among some of the commitments undertaken by Chinese Taipei for trade in goods are the following:

- The simple averages of nominal duty rates for industrial and agricultural products in Chinese Taipei are 6.03% and 20.02% respectively. These rates will be reduced to 5.78 % and 14.01% on the day of Chinese Taipei's accession to the WTO. Rates for some products will be further reduced after 2002.
- By the time the scheduled tariff concessions covering 3,470 industrial

and 1,021 agricultural items are completely implemented, these averages will be 4.15% and 12.86% respectively. Forecasts predict that a market for imports equivalent to roughly US\$1 billion could be created once Chinese Taipei's concessions are fully implemented.

### Simple Average Tariff Rates

	Current	Rate at Accession 2002	Final Rate
<b>Agricultural items</b> 1,021 lines	20.02%	14.01%	12.86% (total cut - 35.6%)
<b>Industrial items</b> 3,470 lines	6.03%	5.78%	4.15% (total cut - 31.2%)

Among some of the commitments undertaken by Chinese Taipei for trade in services are the following:

- **Telecommunications:** Investment in telecommunications services will be limited to 20 percent per person but can reach 60 percent if the investment is part of a joint-venture with a Chinese Taipei person. Other than the investment requirements, there are no restrictions on supplying value-added telecommunication services.
- **Banking:** Chinese Taipei allows the establishment of commercial banks, branches of foreign banks, offshore banking branches of banks, foreign exchange brokerage firms and credit card institutions. While there are no real restrictions on foreign ownership, there are some prudential regulatory measures in place for some financial service activities.
- **Insurance:** Foreign suppliers with offices in Chinese Taipei may provide life, accident and health insurance. Parent mutual insurance companies establishing branches in Chinese Taipei must have a net worth of NT\$2 billion (estimated \$58 million).

- **Other services:** Chinese Taipei has a very open services regime in place for distribution services, tourism and travel services and recreational, cultural and sporting services.