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Committee on Customs Valuation

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**PRESHIPMENT INSPECTION
NOTIFICATIONS UNDER ARTICLE 5 OF THE
AGREEMENT ON PRESHIPMENT INSPECTION**

Questions from the United States to China regarding document G/PSI/N/1/Rev.4/Add.1

The following submission, dated 22 June 2020, is being circulated at the request of the delegation of the United States.

The United States thanks China for its notification in document G/PSI/N/1/Rev.4/Add.1. We also thank China for submitting to the Secretariat the following links to four measures:

1. Law of the People's Republic of China on import and export commodity inspection (amended in 2018) 中华人民共和国进出口商品检验法 (2018年修正) - <http://www.customs.gov.cn/customs/302249/302266/302267/2369445/index.html>;
2. Regulations of the People's Republic of China on the implementation of the law on import and export commodity inspection (revised in 2019) 中华人民共和国进出口商品检验法实施条例 (2019年修订) - <http://www.customs.gov.cn/customs/302249/302266/302267/2369666/index.html>;
3. Measures for the Inspection, Supervision and Administration of Imported Old Mechanical and Electrical Products 进口旧机电产品检验监督管理办法 - <http://www.customs.gov.cn/customs/302249/302266/302267/2371611/index.html>; and
4. Measures for the supervision and administration of inspection and quarantine of imported solid waste which can be used as raw materials 进口可用作原料的固体废物检验检疫监督管理办法 - <http://www.customs.gov.cn/customs/302249/302266/302267/2371598/index.html>.

As a follow-up to this notification, the United States would like to ask China to respond to the following questions:

Question 1

1. Will China please submit to the Secretariat all laws and regulations relating to preshipment inspection under Article 5 of the Agreement on Preshipment Inspection immediately? Article 5 requires Members to notify these measures "immediately after their publication."
2. In particular, will China please submit all laws, regulations, and other measures that implement Article 2 of the Agreement relating to Non-discrimination, Government Requirements, Site of Inspection, Standards, Transparency, Protection of Confidential Business Information, Conflicts of Interest, Delays, Price Verification, Appeals Procedures, and Derogations with respect to pre-shipment inspection activities.

Question 2

We understand General Administration of Customs Announcement No. 48 of 2018 refers to "Pre-shipment Inspection Procedures of the PRC." Will China please submit all of its pre-shipment inspection procedures and any General Administration of Customs Announcements pertaining to pre-shipment inspection to the Secretariat?

Question 3

Article 22 of the second measure, Regulations of the People's Republic of China on the implementation of the law on import and export commodity inspection (revised in 2019), provides that in order to import "solid waste that can be used as raw materials" and "old mechanical and electrical products" importers must submit a pre-shipment inspection certificate and make the import available for inspection by the entry-exit inspection and quarantine agency. Why are both procedures necessary? What does the pre-shipment inspection fail to identify that the agency inspection can uncover?

Question 4

Article 36 of the second measure provides for the designation of foreign inspection agencies that meet the prescribed qualifications. What is the process for designating such foreign inspection agencies? Is it the same process for pre-shipment inspection companies as it is for other conformity assessment bodies? Where is the list of designated foreign pre-shipment inspection companies published?

- Measures notified by China related to the import of scrap materials

1. The United States would also like to reiterate its continuing concern with the measures China notified related to the import of scrap materials. As repeatedly expressed in other WTO meetings, the United States has significant concerns about China's measures that ban or severely limit the import of scrap materials. Since 2017, China has issued successive measures that outright ban or effectively ban the import of a number of scrap materials with little or no prior notice or comment period. Furthermore, the 2019 revisions of its draft Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Wastes, continue to define "solid waste" to include all scrap materials, and expressly ban these imports despite concerns raised by the United States and other stakeholders. To be clear, scrap materials (1) have been separated from the waste stream for recycling as a raw material and (2) are saleable items traded within a distinct global marketplace (i.e., they have an underlying economic value). These qualities make the inclusion of scrap materials as "waste" inaccurate.

2. We are concerned both with the overly broad scope of China's import control measures related to scrap materials and with what appear to be different requirements for foreign and domestic commodities. We reiterate our request that China immediately halt implementation of its ban and revise the relevant measures in a manner consistent with existing international standards for trade in scrap materials, which provide a global framework for transparent and environmentally sound trade in recycled commodities.
