



China Alert

BUSINESS NEWS SUMMARY

December 15, 2003

USCCC NEWS



USCCC members gathered in front of the White House

The U.S.-China Chamber of Commerce last week received an invitation to join President and Mrs. George W. Bush at the White House for the Arrival Ceremony honoring His Excellency Wen Jiabao, Premier of the State Council of the People's Republic of China. A number of USCCC members flew in from across the United States and Canada met in Washington D.C. on Tuesday, December 9th. President Bush and Premier Wen had on their agenda a host of contentious issues, from bilateral trade, counter-terrorism and the question of Taiwan, to peace and stability on the Korean peninsula. President Bush spoke candidly on matters affecting U.S.-China relations, saying that the “growing strength and maturity of our relationship allows us to discuss our differences, whether over economic issues, Taiwan, Tibet, or human rights and religious freedom, in a spirit of mutual understanding and respect.” President

Bush praised the rapid growth of the Chinese economy as “one of the great achievements of our time,” but said that “if prosperity's power is to reach in every corner of China, the Chinese government must fully integrate into the rules and norms of the international trading and finance system.”



President George W. Bush and Premier Wen Jiabao

RECENT U.S. INTERNATIONAL TRADE COMMISSION INVESTIGATIONS HEARINGS

- A. Certain Ductile Iron Waterworks Fittings from China (Investigation No. TA-421-4, Remedy)

On December 4, 2003, the ITC held a meeting and vote in this investigation. It made an affirmative determination, finding that certain ductile iron waterworks fittings from China are being dumped in the United States and causing market disruption. All six Commissioners voted in the affirmative. The ITC will consider the issue of remedy on December 15, 2003. The ITC will forward its report, including its remedy proposal, to the President by December 24, 2003. The President will make the final decision concerning whether to provide import relief to the industry and the type and duration of any such relief. The products subject to this investigation are cast pipe or tube fittings of ductile iron (containing 2.5 percent carbon and over 0.02 percent magnesium or magnesium and cerium, by weight) with mechanical, push-on (rubber compression) or flanged joints attached. Ductile iron waterworks fittings are used to join pipes, valves, and hydrants in straight lines or to change, divert, divide, or direct the flow of water or sewage in municipal utility and industrial piping systems. Included within this definition are fittings of all nominal diameters and of both full-bodied and compact designs.

For more information, please visit the U.S. International Trade Commission's website:
<http://www.usitc.gov/>

UPCOMING TRADE FAIRS/EXHIBITIONS (JANUARY & FEBRUARY 2004) IN CHINA

- 6-9 January: Hong Kong Toys & Games Fair, Hong Kong, <http://www.tdctrade.com>
- 6-9 January: Hong Kong International Stationery Fair, Hong Kong, <http://www.tdctrade.com>
- 9-11 January: China Interactive Entertainment Expo – CiEX 2004, Shanghai, <http://www.ciexpo.com>
- 13-16 January: World Boutique, Hong Kong, <http://www.tdctrade.com>
- 13-16 January: Hong Kong Fashion Week for Fall/Winter, Hong Kong <http://www.tdctrade.com>
- 10-13 February: HOFEX 2004 -Hospitality Equipment, Supplies & Technology, Food & Drink, Hong Kong, <http://www.hofex.com>
- 16-18 February: China International Exhibition on Stadia & Arena and Sports & Leisure Infrastructure Supplies and Services, Beijing, <http://www.stadiachina.com>
- 17-20 February: The 4th International Exhibition of Timber and Wood Products for Furniture and Building Industries, Shanghai, <http://www.woodbuildchinamontnet.net>
- 17-20 February: The 6th International Forestry and Woodworking Machinery and Supplies Exhibition (Incorporating FurniTek China/WoodBuild China), Shanghai, <http://www.woodmacchina.net>
- 17-20 February: The 6th International Exhibition of Machinery and Accessories for Furniture Production, Upholstery and Furnishings, Shanghai, <http://www.furnitekchina.net>
- 17-20 February: APEX 2004, 1st International presentation on print production, pre-press, creative design, digital technology and finishing. Hong Kong, <http://www.apexasia.com>
- 25-28 February: The 9th International Electric Power Supply Equipment & Power Network Technology Expo 2004, Guangzhou, <http://www.power-exhibition.com>

* The USCCC offers comprehensive arrangement services to assist those who wish to attend any of these trade fairs/exhibitions. From time to time, the USCCC will organize Trade Delegations to visit potential business partners and factories in conjunction to attending the trade shows. For further information, please feel free to contact us by email at info@usccc.org or by telephone on (312) 368-9911.

TRADE NEWS

- On December 9, 2003, Deputy Assistant U.S. Trade Representative Charles Freeman noted that U.S.-China bilateral trade is projected to exceed \$170 billion in 2003, making China the United States' fourth largest trading partner, surpassing Mexico as its second-largest source of imports during calendar year 2003, and will "almost certainly" rank as the sixth-largest market for U.S. exports.
- The China Furniture Association has said that Chinese furniture makers and exporters have formed a special committee to handle the anti-dumping case brought against them in the U.S. They have raised US\$1.6 million to fight the case, saying that the case will hurt many U.S. furniture importers, wholesalers and retailers. Two U.S. furniture retailers, American Furniture Warehouse Co Inc, which has nine stores, and Value City Furniture, which has 80 stores, have announced that they have stopped buying bedroom furniture from companies whose executives signed a petition charging China with dumping furniture in the United States. Last year, China exported US\$2.8 billion worth of furniture to the United States, with exports of wooden bedroom furniture accounting for half of that trade.

NEW REGULATIONS

- Starting January 1, 2004, China will implement a new import policy to replace existing import quotas for state-traded oil products as part of its WTO commitment. The Ministry of Commerce will lift the import quota for primary refined oil products, including gasoline, gas oil, kerosene, naphtha and fuel oil. Although the import quota will be lifted, internal controls requiring importers to register their volume remain to prevent market disorder. With the exception of fuel oil, which makes up the bulk of imports, Chinese companies must import oil products via four state-designated oil firms—Chinaoil, Unipecc, Sinochem Corp and Zhuhai Zhenrong Corp. Earlier this year, the Chinese government issued import quotas for a total of 6.1 million tons of oil products in 2004 to non-State firms, of which 5.6 million tons are for fuel oil and the remainder mostly for gas oil.
- On December 9, 2003, the U.S. and China signed a renewed Implementing Accord for Cultural Exchange. The Cultural Accord recommitments both governments to foster, encourage, and facilitate cultural, educational, and artistic exchanges, as they have done since the first such agreement in 1979.
- On December 8, 2003, the United States and China signed the most far-reaching, five-year bilateral U.S.-China maritime agreement in the history of maritime trade between the two nations. The agreement gives U.S. registered shipping companies the legal flexibility to perform an extensive range of new business activities in China, including logistic operations, and providing services for their own vessels and alliance partnerships. In effect, it opens new markets in China, enhancing efficiencies in overseas shipping by allowing direct market access.

For further information, or if you have any questions or comments, please feel free to contact us at:

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**** The information provided herein has been obtained from sources deemed to be reliable and is purely for informational purposes.***