I. China's Basic Stand on Non-Proliferation

China has always taken a responsible attitude toward international affairs, stood for the complete prohibition and thorough destruction of all kinds of WMD, including nuclear, biological and chemical weapons, and resolutely opposed the proliferation of such weapons and their means of delivery. China does not support, encourage or assist any country to develop WMD and their means of delivery.

China holds that the fundamental purpose of non-proliferation is to safeguard and promote international and regional peace and security, and all measures to this end should be conducive to attaining this goal. The proliferation of WMD and their means of delivery has its complicated causes; it has everything to do with the international and regional security environment. To pursue the universal improvement of international relations, to promote the democratization of such relations and to accelerate fair and rational settlement of the security issues of regions concerned will help international non-proliferation efforts to proceed in a smooth manner. China resolutely supports international non-proliferation efforts, and at the same time cares very much for peace and stability in the region and the world at large. China stands for the attainment of the non-proliferation goal through peaceful means, i.e. on the one hand, the international non-proliferation mechanism must be continually improved and export controls of individual countries must be updated and strengthened, and on the other hand, proliferation issues must be settled through dialogue and international cooperation.

China maintains that a universal participation of the international community is essential for progress in non-proliferation. To gain an understanding and support of the overwhelming majority of the international community, it is highly important to ensure a fair, rational and non-discriminatory non-proliferation regime. Either the improvement of the existing regime or the establishment of a new one should be based on the universal participation of all countries and on their decisions made through a democratic process. Unilateralism and double standards must be abandoned, and great importance should be attached and full play given to the role of the United Nations.

China believes that given the dual-use nature of many of the materials, equipment and technologies involved in nuclear, biological, chemical and aerospace fields, it is important that all countries, in the course of implementing their non-proliferation policies, strike a proper balance between non-proliferation and international cooperation for peaceful use of the relevant high technologies. In this connection, China maintains that, while it is necessary to guarantee the rights of all countries, especially the developing nations, to utilize and share dual-use scientific and technological achievements and products for peaceful purposes subject to full compliance with the non-proliferation goal, it is also necessary to prevent any country from engaging in proliferation under the pretext of peaceful utilization.

II. Actively Participating in International Non-Proliferation Efforts
Over the years, China has participated extensively in the construction of the multilateral non-proliferation mechanism and actively promoted its constant improvement and development. China has signed all international treaties related to non-proliferation and joined most of the relevant international organizations.

In the nuclear field, China joined the International Atomic Energy Agency (IAEA) in 1984, and voluntarily placed its civilian nuclear facilities under IAEA safeguards. It acceded to the Treaty on Non-Proliferation of Nuclear Weapons (NPT) in 1992. It took an active part in the negotiations of the Comprehensive Nuclear-Test-Ban Treaty (CTBT) at the Conference on Disarmament in Geneva and made important contributions to the conclusion of the treaty. China was also among the first countries to sign CTBT in 1996. China became a member of the Zangger Committee in 1997. China signed the Protocol Additional to the Agreement Between China and IAEA for the Application of Safeguards in China in 1998, and in early 2002 formally completed the domestic legal procedures necessary for the entry into force of the Additional Protocol, thus becoming the first nuclear-weapon state to complete the relevant procedures. China actively participated in the work of the IAEA, the Preparatory Commission for the CTBTO and other related international organizations. It supported the IAEA’s contribution to the prevention of potential nuclear terrorist activities, and took an active and constructive part in the revision of the Convention on the Physical Protection of Nuclear Materials.

China has energetically backed up countries concerned in their efforts to establish nuclear-weapon-free zones. It has signed and ratified the protocols to the Treaty for the Prohibition of Nuclear Weapons in Latin America and the Caribbean (Treaty of Tlatelolco), the South Pacific Nuclear-Free Zone Treaty (Treaty of Rarotonga), and the African Nuclear-Weapon-Free Zone Treaty (Treaty of Pelindaba). China has expressly committed itself to signing the protocol to the Southeast Asia Nuclear-Weapon-Free Zone Treaty (Treaty of Bangkok) and supported the initiative for the establishment of a Central Asian nuclear-weapon-free zone.

In the biological field, China has always strictly observed its obligations under the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction (BWC) since its accession in 1984. As from 1988, it has, on an annual basis, submitted to the United Nations the declaration data of the confidence-building measures for the BWC in accordance with the decision of its Review Conference. China has also enthusiastically contributed to the international efforts aimed at enhancing the BWC effectiveness, and actively participated in the negotiations on the protocol to the BWC and in international affairs related to the BWC.

In the chemical field, China has made a positive contribution to the negotiation and conclusion of the Convention on the Prohibition of the Development, Production, Stockpiling and Use of Chemical Weapons and on Their Destruction (CWC). It signed the Convention in 1993 and deposited its instrument of ratification in 1997. Since the CWC came into force, China has stood firmly by the Organization for the Prohibition of Chemical Weapons (OPCW) in carrying out its work, and earnestly fulfilled its obligations under the CWC. China has set up the National Authority for the performance of its obligations envisaged in the CWC, and submitted initial and annual declarations of all kinds on schedule and in their entirety. By the end of October 2003, China had received 68 on-site verifications by the OPCW.

In the missile field, China supports the international community in its efforts to prevent the proliferation of missiles and related technologies and materials, and adopts a positive and open attitude toward all international proposals for strengthening the missile non-proliferation mechanism. China has constructively participated in the work of the UN Group of Governmental Experts on Missiles, as well as the international discussions on the draft of the International Code of Conduct Against Ballistic Missile Proliferation and the proposal of a Global Control System.

**III. Non-Proliferation Export Control System**

Effective control of materials, equipment and technologies that could be used in the development and production of WMD and their means of delivery is an important aspect in a country’s
implementation of its international non-proliferation obligation, and an important guarantee for the success of the international non-proliferation efforts. As a country with some sci-tech and industrial capabilities, China is well aware of its non-proliferation responsibility in this field. For a long time, the Chinese government has adopted rigorous measures both for the domestic control of sensitive items and technologies and for their export control, and has kept making improvements in light of the changing situation.

For a fairly long time in the past, China practiced a planned economy, whereby the state relied mainly on administrative measures for import and export control. This proved to be effective for implementing the non-proliferation policy under the then prevailing historical conditions. But with the deepening of China's reform and opening-up, and especially following the country's entry into the World Trade Organization (WTO), the environment of China's domestic economy and foreign trade has undergone a tremendous change. So far, China has initially established a socialist market economy, and its non-proliferation export control pattern has shifted from an administrative control to a law-based control.

In recent years, the Chinese government has constantly strengthened the work of building a legal system to bolster non-proliferation on the principle of rule of law to ensure the effective enforcement of its non-proliferation policy. China has attached great importance to studies on the current international standards of non-proliferation export control. Integrating the multinational export control mechanism and the valuable experience of other countries with its own national conditions, China has widely adopted the current international standards and practices, vigorously strengthened and improved the system for ensuring non-proliferation export control, and formulated and enacted a number of laws and regulations, which form a complete system for the export control of nuclear, biological, chemical, missile and othersensitive items and technologies, and all military products, and provide a full legal basis and mechanism guarantee for the better attainment of the non-proliferation goal. This export control regime has embraced the following practices:

Export Registration System: All exporters of sensitive items or technologies must be registered with the competent departments of the Central Government. Without the registration, no entity or individual is permitted to engage in such exports. Only designated entities are authorized to handle nuclear exports and the export of controlled chemicals and military products. No other entity or individual is permitted to go in for trade activities in this respect.

Licensing System: It is stipulated that the export of sensitive items and technologies shall be subject to examination and approval by the competent departments of the Central Government on a case-by-case basis. No license, no exports. The holder of an export license must engage in export activities strictly as prescribed by the license within its period of validity. If any export item or contents are changed, the original license must be returned and an application made for a new export license. When exporting the above-mentioned items and technologies, an exporter shall produce the export license to the Customs, go through the Customs formalities as stipulated by the Customs Law of the People's Republic of China and the relevant control regulations and control measures, and be subject to supervision and control by the Customs.

End-User and End-Use Certification: An exporter of sensitive items and technologies is required to provide a certificate specifying the end-user and the end-use, produced by the end-user that imports them. Different kinds of certificates must be produced, depending on the circumstances and particularly the sensitivity of the exported items or technologies. In some cases, the certificates must be produced by the end-user and authenticated by the official organ of the end-user's country and the Chinese embassy or consulate in that country, while in others, they must be produced by the relevant government department of the importing country. The end-user must clarify the end-user and end-use of the imported materials or technologies in the above-mentioned certificates, and definitely guarantee that without permission from the Chinese government, it shall not use the relevant item provided by China for purposes other than the certified end-use, or transfer it to a third party other than the certified end-user.

List Control Method: China has drawn up detailed control lists of sensitive materials, equipment and technologies. In the nuclear, biological and chemical fields, the relevant lists cover virtually all...
the materials and technologies included in the control lists of the Zangger Committee, the Nuclear Suppliers' Group, the Chemical Weapons Convention (CWC), and the Australian Group. In the missile field, the scope of the Chinese list is generally the same as the Technical Annex of the Missile Technology Control Regime (MTCR). In the arms export field, the Chinese government also drew on the experience of the relevant multilateral mechanism and the relevant practice of other countries when it first formulated and issued the arms export control list in 2002. The Chinese government will make timely adjustments to the above lists in light of actual conditions.

**Principle of Non-Proliferation-Oriented Examination and Approval:** Before making a decision on whether to issue an export license, the competent department will give overall consideration to the possible effect of the relevant exports on national security and the interests of general public, as well as its effect on international and regional peace and stability. The specific factors for reference in the examination and approval process include China's incumbent international obligations and international commitments, whether the export of the sensitive items or technologies will directly or indirectly jeopardize China's national security or public interests, or constitute a potential threat, and whether it conforms to the international non-proliferation situation and China's foreign policy. An assessment of the degree of proliferation risk of exporting a sensitive item or technology shall be made by an independent panel of technical experts organized by the examination and approval department.

The assessment will serve as an important reference in the examination and approval process. The examination and approval department shall also make an overall examination of the situation of the country or the region where the end-user is located. It shall give special consideration to whether there is any risk of proliferation in the country where the end-user is located or any risk of proliferation to a third country or region, including: whether the importing country will present a potential threat to China's national security; whether it has a program for the development of WMD and their means of delivery; whether it has close trade ties with a country or region having a program for the development of WMD and their means of delivery; whether it is subject to sanctions under a UN Security Council resolution; and whether it supports terrorism or has any links with terrorist organizations. Moreover, the examination and approval department shall also pay attention to the ability of the importing country in exercising export control and whether its domestic political situation and surrounding environment are stable. The focus of examination of the end-user and end-use is to judge the ability of the importing country to use the imported items or technologies, and to assess whether the importer and the end-user are authentic and reliable, and whether the end-use is justified.

"Catch-all" Principle: If an exporter knows or should know that there is a risk of proliferation of an item or technology to be exported, the exporter is required to apply for an export license even if the item or technology does not figure in the export control list. When considering an export application or deciding on whether to issue an export license, the export examination and approval departments shall make an overall assessment of the end-use and end-user of the item or technology to be exported and the risk of proliferation of WMD. Once such a risk is identified, the competent departments have the right to immediately refuse the requested export license, and terminate the export activity. Moreover, the competent departments may also exercise, on an ad hoc basis, export control on specific items not contained on the relevant control list.

**Penalties:** Exporters who export controlled items or technologies without approval, arbitrarily export items beyond the approved scope, or forge, alter, buy or sell export licenses shall be investigated for criminal liability in accordance with provisions in the Criminal Law of the People's Republic of China (PRC) on smuggling, illegal business operation, disclosure of state secrets or other crimes. For cases that do not constitute crimes, the competent government department shall impose administrative sanctions, including warning, confiscation of illicit proceeds, fines, suspension or even revocation of foreign trade licenses.

**IV. Concrete Measures for Non-Proliferation Export Control**

In the nuclear field, China has persisted in exercising stringent control over nuclear exports and nuclear materials. In nuclear materials control, since its accession to the IAEA, China has
established a "State System for the Accountancy and Control of Nuclear Materials," and a "Nuclear Materials Security System" that measures up to the requirements of the Convention on the Physical Protection of Nuclear Materials. In 1987, the Chinese government issued the Regulations on the Control of Nuclear Materials. Under the regulations it instituted a licensing system for nuclear materials. It designated the department for supervision and control over nuclear materials and defined its duties, the measures for nuclear materials control, the application for, and examination and issuance of, nuclear materials licenses, the management of nuclear materials accounts, the accountancy of nuclear materials, the physical protection of nuclear materials, and relevant rewards and punishments.

China's nuclear export is handled exclusively by the companies designated by the State Council. China adheres to the following three principles: guarantee for peaceful use only, acceptance of the safeguards of the IAEA, and no retransfer to a third country without the prior consent of the Chinese government. The Chinese government issued the Regulations of the PRC on the Control of Nuclear Export in 1997. Apart from the above-mentioned three principles, the regulations also expound on China's policy of not advocating, not encouraging and not engaging in the proliferation of nuclear weapons, not helping other countries develop nuclear weapons, not providing any assistance to any nuclear facility not placed under IAEA safeguards, not providing nuclear exports to it, and not conducting personnel and technological exchange or cooperation with it. The regulations also provide for a rigorous examination system for nuclear export, severe violation punishments and a comprehensive and detailed control list.

In 1998, the Chinese government promulgated the Regulations of the PRC on the Control of Nuclear Dual-Use Items and Related Technologies Export. Therein it reaffirms its determination of strictly performing its international nuclear non-proliferation obligations and exercising strict control over the export of nuclear dual-use items and related technologies, and it instituted a licensing system for related exports. It established a registration system for exporters and the procedures for the examination and approval of exports, and defined punishments for violations of the regulations. The Amendments to the Criminal Law of the PRC adopted in December 2001 designate as criminal offenses such acts as illegally manufacturing, trafficking and transporting radioactive substances, and stipulate corresponding punishments for such offenses.