

July 12, 2007
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Testimony before the U.S.-China Economic and Security Commission
China's Proliferation and the Impact of Trade Policy on
Defense Industries in the United States and China

Hearing Co-Chairs, Commissioners, thank you very much for the opportunity to testify before the Commission on the important issues of China's international, multilateral and bilateral nonproliferation commitments and obligations, the evolution of Chinese nonproliferation and arms control policy in recent years, and their impacts on Sino-U.S. relations.

Since the early 1990s, and especially over the last five years, China's arms control and nonproliferation policy has become increasingly compliant with the international and multilateral conventions and regimes as Beijing recognizes the risks posed by the proliferation of weapons of mass destruction and their delivery systems and actively participates in the international efforts to stem and reverse their spread to both state and non-state actors. China's growing involvement in these international and multilateral processes is a reflection of its changing perspectives on the importance of arms control and nonproliferation in contributing to international, regional and national security, and as a result of continuing consultation and interaction between Washington and Beijing. When set against its traditional strategic culture, which places a high premium on sovereignty and independence, China's changing attitudes and approaches toward arms control and nonproliferation over the past decade and a half seem a welcome departure from its traditional behavior and practices.¹

This prepared statement takes stock of Chinese participation in multilateral arms control and nonproliferation and discusses the factors that have influenced Beijing's perspectives and policy. In particular, I examine the evolution of Chinese approaches to multilateral arms control and nonproliferation and explain how and why Beijing's interests, preferences, and policies have changed over time as a result of its participation in and interactions with multilateral institutions and processes in the areas of arms control and nonproliferation. I argue that China's approaches to multilateral arms control and nonproliferation institutions and processes have registered significant progress over the years. However, there remain a number of unresolved issues and controversies associated with alleged transfers of sensitive materials and technologies by Chinese entities that raise questions in Washington about Beijing's willingness and abilities to enforce its

¹ Evan S. Medeiros, *Reluctant Restraint: The Evolution of China's Nonproliferation Policies and Practices, 1980-2004* (Stanford: Stanford University Press, 2007), forthcoming; Bates Gill, *Rising Star: China's New Security Diplomacy* (Washington, D.C.: The Brookings Institution Press, 2007), chap. 3; Wendy Frieman, *China, Arms Control, and Nonproliferation* (London and New York: Routledge, 2004).

nonproliferation commitments. Recent amendments to Chinese export control regulations reflect the government's decisions to address existing deficiencies and loopholes.

CHINA'S NONPROLIFERATION COMMITMENTS

Chinese arms control and nonproliferation policy underwent the most significant changes in the 1990s. These include Beijing's accession to major international arms control and nonproliferation treaties and the introduction of domestic regulations governing exports of nuclear, chemical and dual-use materials and technologies. These developments were prompted by Beijing's growing recognition of proliferation threats; an acute concern over its international image; its assessment of how progress in nonproliferation could promote better Sino-U.S. bilateral relations; and by U.S. nonproliferation initiatives aimed at influencing Chinese behavior.²

An important indicator of China's acceptance of international nonproliferation norms can be found in its participation in major international treaties and conventions (see Appendix I). Since the early 1990s China has joined the NPT (1992), signed (1993) and ratified (1997) the CWC, and signed the CTBT (1996). China is also party to the Biological and Toxin Weapons Convention (BTCW) although it has yet to ratify the treaty. China is a party to the 1967 Outer Space Treaty. Finally, it has signed on to a number of nuclear weapons free zones. In a significant way, China's accession to these arms control and nonproliferation treaties and conventions suggests a level of acceptance of the norms and rules, but also commits Beijing to certain obligations.³

Beijing thus becomes more active and participatory in multilateral arms control and nonproliferation forums, ranging from the Conference on Disarmament (CD) to the United Nations First Committee, to the International Atomic Energy Agency (IAEA). At the non-governmental level, Chinese academics and analysts are involved in a multitude of international and regional conferences, exchange programs, and joint research projects, most of which are multilateral in participants and processes of discussions and deliberations. From these encounters, the Chinese accumulate additional expertise and experiences in multilateral diplomacy and develop better appreciation of both the benefits and obligations—and even costs and constraints—that are involved.

What is most significant, is China's changing attitude toward the various multilateral export control regimes such as the Nuclear Suppliers Group (NSG), the Australian Group (AG), the Missile Technology Control Regime (MTCR), and the Wassenaar Arrangement (WA). For much of the 1980s and 1990s, Beijing was very critical of what it regarded as the cartel-like arrangements, with their discriminatory, non-transparent, and arbitrary provisions. In recent years, though, Beijing begins to publicly acknowledge their contribution to the international efforts in combating WMD proliferation. In May 2004, China joined the Nuclear Suppliers

² Bates Gill and Evan S. Medeiros. 2000. "Foreign and Domestic Influences on China's Arms control and Nonproliferation Policies." *The China Quarterly* 161 (March 2000), pp. 66-94.

³ Ann Kent, *Beyond Compliance: China, International Organizations, and Global Security* (Stanford: Stanford University Press, 2007).

Group. Indeed, while China today still remains outside a number of these regimes, it has maintained regular consultations with the MTCR, the AG, and the WA. In its 2005 White Paper on arms control and nonproliferation, the Chinese government stated that “China values the important role of the multinational export control mechanisms in the field of non-proliferation. China has conducted active dialogues and exchanges with these mechanisms, learning from and drawing on their useful experience and practices for its own reference.”⁴

China has submitted application to join the MTCR (September 2004), although U.S. concerns over its ballistic missile controls so far have prevented its membership. China has not joined the International (Hague) Code of Conduct against Ballistic Missile Proliferation (HCOC), now subscribed to by more than 125 states, but shares its nonproliferation objectives. Likewise, while Beijing has shown some reservations about the Proliferation Security Initiative (PSI), it is not opposed to its nonproliferation principles.⁵

China’s bilateral nonproliferation commitments include various joint statements with the United States, including the 1991, 1994, 1998 and 2000 bilateral agreements, joint statements, and understanding on missile nonproliferation; Joint Declaration on Nonproliferation and Arms Control with the European Union (December 2004); and regular bilateral consultations with a number of countries and regional organizations. The China-EU joint declaration in particular commits the two sides to the principles of WMD prevention “through political and diplomatic measures and international cooperation within the framework of international law.” In May 2007, China held its first arms control and nonproliferation consultation with the North Atlantic Treaty Organization (NATO).⁶

Clearly one significant development in China’s evolution toward international nonproliferation norms over the last decade has been the introduction of domestic export control regulations (see Appendix II). Beginning with the May 1994 Foreign Trade Law, the Chinese government has issued a series of regulations, decrees, and circulars. Taken together, they constitute a nascent export control system. In addition, there has been institutional development indicating clearly that arms control and nonproliferation is increasingly assuming a higher profile in the making of China’s national security policy. In 1985, an Ambassador for Disarmament Affairs was created. In April 1997, a new Department of Arms Control and Disarmament was established within the Ministry of Foreign Affairs (MFA). There has been increasing coordination among MFA, MOFCOM (Ministry of Commerce), COSTIND/CAEA (Commission on Science and Technology, and Industry for National Defense/China Atomic Energy Agency), and the PLA’s General

⁴ Information Office of the State Council, the People’s Republic of China, *China’s Endeavors for Arms Control, Disarmament, and Nonproliferation*, September 2005, <http://www.china.org.cn/english/features/book/140320.htm>

⁵ Niels Aadal Rasmussen, *Chinese Missile Technology Control—Regime or No Regime?* DIIS Brief (Copenhagen, Danish Institute for International Studies, February 2007); Victor Zaborosky, “Does China Belong in the Missile Technology Control Regime?” *Arms Control Today* (October 2004), pp. 20-26.

⁶ Chinese Ministry of Foreign Affairs website, <http://www.fmprc.gov.cn/chn/wjb/zzjg/jks/jksxwlb/t317217.htm>

Armament Department officials in implementing export control regulations.⁷ Non-governmental research and outreach organizations have also emerged as China's participation in global, multilateral, and regional arms control grows and the demands for expertise increase.⁸

The September-11 terrorist attacks on the United States and the subsequent revelation of the A. Q. Khan nuclear smuggling networks call for greater international attention and cooperation to prevent and combat nuclear terrorism and WMD proliferation. China supports the UN Security Council Resolution 1540. In accordance with the requirement of UNSCR1540, the Chinese government is putting into place and strengthening relevant measures and regulations on protection, stockpiling and safety of nuclear, radioactive devices, and bacteria cultures to prevent them from falling into the hands of terrorist groups. In addition, Beijing is paying increased attention to training, outreach, border controls, and other implementation activities, and has made it a top priority to publicize the relevant export control regulations in both the national media and on official websites.

Finally, China is also playing an active role in seeking to defuse and find solution to the North Korean nuclear issue. Beijing has been instrumental and indeed taking the lead in initiating first the trilateral meeting between China, North Korea, and the United States in early 2003, and later the Six-Party Talks that also include Japan, South Korea, and Russia. This suggests not only of China's acceptance (albeit selective given the importance of a peaceful and stable Korean Peninsula to Chinese security interests) but also practice of multilateral diplomacy at its finest. To a significant extent, Beijing's more proactive mediation in the North Korean nuclear crisis also reflects its recognition of the serious threat that WMD proliferation could pose to its security interests. The potential East Asian nuclear chain reactions as a result of Pyongyang's covert nuclear programs and the Khan network of international nuclear smuggling drive home the importance of strengthened international coordination in meeting the proliferation challenge.⁹

ISSUES AND DISPUTES

Despite the significant progress China has made over the last decade and half toward greater compliance with international treaties, multilateral and bilateral agreements and understandings, there remain a number of unresolved issues, and Beijing and Washington

⁷ Jonathan E. Davis, *Export Controls in the People's Republic of China* (Athens, GA: Center for International Trade and Security, the University of Georgia, 2005); Evan S. Medeiros, *Chasing the Dragon: Assessing China's System of Export Controls for WMD-Related Goods and Technologies* (Santa Monica, CA: RAND, 2005).

⁸ The China Arms Control and Disarmament Association (CACDA), established in 2001, has become a lead organization (although with strong government endorsement and partial funding) that coordinates China's emerging NGO arms control research programs.

⁹ Susan L. Shirk, "China Gets Tough with North Korea," *Yale Global*, October 26, 2006; Bates Gill, "China's New Security Multilateralism and Its Implications for the Asia-Pacific Region," in *SIPRI Yearbook 2004: Armaments, Disarmament and International Security* (Oxford: Oxford University Press for SIPRI, 2004), pp. 207-231.

continue to dispute over the interpretation and enforcement of existing rules and regulations. The Bush administration has identified and imposed sanctions on numerous Chinese entities for alleged transfers of sensitive materials, technologies, and know-how. Chinese positions on certain key nonproliferation issues appear to be at variance with those held by Washington, often in terms of tactics and approaches but also driven by differences in interests.¹⁰

U.S. officials, while praising the progress in Chinese nonproliferation endeavors and improvement in legislation, and acknowledging Beijing's unique contribution to such issues as the North Korean nuclear development, have nonetheless expressed concern over the gap between declared Chinese policy and continued non-compliance by certain Chinese entities, and increasingly displayed doubts over Beijing's willingness to enforce its nonproliferation commitments and fulfill its obligations. For instance, testifying last September before this Commission, then U.S. assistant secretary of state for verification, compliance, and implementation Paula A. DeSutter pointed out the U.S. remained "disappointed in the continuing proliferant behavior of certain Chinese entities" and "deeply concerned about the Chinese government's commitment towards its nonproliferation obligations."¹¹ Others believe that problems stem more "from China's inability to bridge the gap between its export control regulations, which meet international standards, and its capacity to implement and enforce these regulations."¹²

Incapacity, insufficient infrastructure, and lack of outreach to some extent explain the existing gap between Chinese nonproliferation policy and commitments on the one hand, and continued violation of certain Chinese entities of domestic rules and regulations. To some extent, China's ongoing economic transition from a centrally planned economy to a market-based economy, coupled with growing decentralization and increasing participation of foreign-owned, joint-venture-type, and private economic entities in international trade pose significant challenges for government monitoring and enforcement. While most of these entities are law-biding, there are some, driven by commercial interests, either bypass or deliberately violate Chinese export control regulations.¹³

U.S. intelligence reports and media coverage allege continued Chinese transfers of missile components and technologies, AG-controlled items, and other unspecified materials that presumably have the potential to make material contribution to WMD, ballistic and cruise missile developments. Iran has been identified as the predominant recipient of the majority of these items and U.S. sanctions have been undertaken mostly in accordance with the Iran Nonproliferation Act. Among the Chinese companies and entities that have received repeated U.S. sanctions are the Jiangsu Yongli Chemical and

¹⁰ Shirley A. Kan, *China and Proliferation of Weapons of Mass Destruction and Missiles: Policy Issues*. CRS Report for Congress, updated May 9, 2007.

¹¹ DeSutter's testimony could be found at:

http://www.uscc.gov/hearings/2006hearings/written_testimonies/06_09_14wrts/06_09_14_desutter_statement.php

¹² Davis, *Export Controls in the PRC*, p. ix.

¹³ Li Genxin and Sun Jinzhong, "On China's Export Control Policy," *International Studies Quarterly*, no. 3 (2007), pp. 11-15, 27.

Technology Import/Export Corp., Chen Qingchang (aka Q.C. Chen), China Metallurgical Equipment Corp. (aka CMEC), North China Industries Corporation (NORINCO), and China Great Wall Industry Corporation. U.S. officials have characterized these companies and entities as “serial proliferators”.¹⁴

Beijing has categorically rejected these allegations as unjustified, unfounded, and objects to unilateral U.S. sanctions harmful to bilateral cooperation on WMD nonproliferation. Chinese companies that have important commercial stakes in the United States such as NORINCO have launched public relations campaigns to restore reputation and recover economic losses. Some have undertaken significant steps to establish and strengthen the internal compliance programs to better handle sensitive exports in compliance with domestic regulations.¹⁵

Such a gap, or what is seen as China’s incompliance with its own nonproliferation commitments may also reflect different interpretations, preferences for tactics, and differences in interests. Beijing’s attitude toward the Iranian nuclear development is a case in point. China in principle supports diplomatic solutions to resolve the controversy but has agreed to limited and well-defined sanctions in response to Tehran’s intransigence and defiance of the international demands. Beijing continues facing a dilemma on how it could best handle this issue. It wants to be seen as a responsible rising power supporting the principles of nuclear nonproliferation. It wants to maintain a good relationship with Iran and protect its important energy interests in the oil-rich country.¹⁶ But it also does not want to strain its ties with the United States and other major western powers.

First and foremost, as a country which increasingly depends on imports of oil and natural gas to sustain ever growing domestic demands critical for continued economic growth, China has in recent years developed close economic ties with Iran, in particular in the areas of energy development and supplies. Already the third largest supplier of oil amounting to 13% of total imports to China, Iran in October 2004 signed a preliminary memorandum of understanding with Beijing worth \$70 billion that allows China National Petroleum and Chemical Corp (Sinopec) to develop Iran’s Yadavaran oil field. Earlier in the year, China had also agreed to buy \$20 billion worth of liquefied natural gas from Iran for 25 years.¹⁷ The growing Sino-Iranian economic ties have been driven by their complementary trade patterns. In exchange for Iranian oil and natural gas, Chinese companies, including such large conglomerate as the NORINCO, provide Iran with

¹⁴ Kan, *China and Proliferation*.

¹⁵ Global Security Newswire, “Chinese Company Officials Visit United States to Lobby for End to Weapons-Related Sanctions,” April 20, 2006, http://www.nti.org/d_newswire/issues/2006_4_20.html

¹⁶ John W. Garver, *China & Iran: Ancient Partners in a Post-Imperial World* (Seattle, WA: University of Washington Press, 2006).

¹⁷ “China and Iran signed major energy deal,” *China Petrochemical InfoNet*, October 30, 2005. http://www.zshg.com/columns/article_detail.asp?ArticleID=797&page=52; “China to purchase \$100 billion worth of oil from Iran,” *China Finance Net*, December 19, 2005. <http://news.zgjr.com/News/20051219/News/862439853700.html>.

machinery, consumer electronics, in addition to building power stations, highways and express and metro lines. Bilateral trade could reach \$8 billion in 2006.¹⁸

Beijing's resistance to using economic sanctions also reflects long-held principles of non-intervention in countries' international affairs and seeking solutions to interstate dispute through diplomacy. In addition, and in more practical terms, China has to think of the impact of its endorsement of, or failure to block, economic sanctions against Iran on its other energy partners such as Sudan, Venezuela, Angola, and others. Siding with western powers against southern developing countries will not endear China to the third world. In general, Beijing prefers diplomatic solutions to the Iranian nuclear issue and is opposed to additional sanctions when ongoing negotiation continues.¹⁹

But China does care about its relationships with the United States and the European Union. Beijing has been taking the lead in defusing the North Korean nuclear crisis through the Six-Party Talks, winning praises from Washington and the international community. This has strengthened Sino-U.S. relations. However important Iranian supplies of oil are, China could ill afford alienating the United States, where it has much larger stakes in market, investment, and technologies. Beijing also needs Washington's cooperation in reining the independence elements in Taiwan, as well as working out differences with Tokyo. Likewise, China needs good and stable relationship with the European Union for expanding trade, investment, and the latter's lifting of the arms ban imposed in 1989. This being the case, China will continue to carefully balance its various interests in adopting its Iran position.

RECENT DEVELOPMENTS

Recognizing the importance of strengthening domestic export controls and enforcement so as to better comply with its nonproliferation commitments, Beijing continues to amend, revise, and improve existing laws and regulations. Since 2002 when the overall framework for domestic export controls was put into place, the Chinese government has introduced additional measures that seek to bridge the gap between China's own control practices and control lists and those maintained by multilateral regimes. The next panel will address these issues in more detail and here suffice it to say that efforts have been made on several fronts that deserve our attention.

First are a series of amendments to the chemical and biological, nuclear and nuclear dual-use regulations that bring up to date the compatibility, especially with regard to control lists, between China and the multilateral export control regimes. On July 31, 2006, the Chinese Ministry of Commerce published a revised control list of biological weapons-related dual-

¹⁸ "NORINCO secures contract to build express line in Iran," April 24, 2005. http://www.norinco.com/c1024/chinese/newscenter/content_23.html; see also, "Sino-Iranian trade to hit \$8 bn by 2008," November 23, 2005. <http://www.iranmania.com>; John W. Garver, "Ancient Partners Building a Post-Imperial World," edited transcript of presentation at the Woodrow Wilson International Center for Scholars workshop on Iran-China relations, July 14, 2005.

¹⁹ Global Security Newswire, "China Opposes More Iran Sanctions," July 5, 2007.

use items. Not only was this the first comprehensive revision since the issuance of the BW list in 2002 but it also included items added to the AG list between 2003 and 2005.²⁰

Later in 2006 and earlier this year, the State Council also approved two sets of amendments to China's nuclear-related and nuclear dual-use control regulations. The new regulations now also govern the control of the spread of highly enriched uranium (HEU) and sensitive uranium enrichment and plutonium production technologies, nuclear terrorism, transshipment and intangible technology transfers. In addition, the regulations raise the punitive measures and fines on violations and give expanded authority to the relevant government agencies such as MOFCOM, COSTIND, and the General Administration of Customs (GAC). Meanwhile, the government has also introduced the "permanent measures" on licensing dual-use item and technology trade that specifically contain language that could be viewed as expansion of "catch-all" controls in China. To facilitate enforcement and implementation of the new regulations, special harmonized system (HS)-based control numbers are being introduced, with 70 percent of all items on China's control lists now reportedly assigned a 10-digit HS code as of November 2006.²¹

The Chinese government is also making greater efforts to promote outreach and publicity of its domestic regulations and its international and multilateral nonproliferation commitments. The China Arms Control and Disarmament Association (CACDA), with assistance from international non-governmental organizations such as the Center for International Trade and Security at the University of Georgia, the James Martin Center for Nonproliferation Studies, and the University of Washington in Seattle, and with cooperation from its domestic partners such as Fudan University and Tsinghua University, has conducted various export control seminars, workshops, and training sessions for industry and local officials that promote greater awareness of Chinese export control regulations and introduced best practices.²²

The United States places great importance on its relations with China and Washington has consistently pursued a policy that encourages Beijing to play a more responsible role in WMD nonproliferation. U.S. officials have noted with recognition and appreciation the positive role that China has played in tackling important international and regional proliferation issues such as North Korea and Iran, although differences remain regarding tactics and approaches as well as reflecting differences in interests. Beijing has made great strides in becoming a stakeholder in the international community's efforts to stem, prevent, and combat WMD proliferation with its accession to, and compliance with international treaties and conventions but increasingly through its acceptance of multilateral approaches and arrangements. China has developed over the last decade a rudimentary domestic export control system and continues to amend, revise, and improve this system.

²⁰ "China Updates BW-Related Control List," *International Export Control Observer*, October/November 2006, p. 2.

²¹ Paul Kerr, "China Updates Nuclear Export Regulations," *Arms Control Today* 37:1 (January/February 2007), p. 40; Stephanie Lieggi, "China Strengthens Nuclear-Related Export Controls," *WMD Insights* (April 2007), http://www.wmdinsights.org/I14/I14_EA3_ChinaStrengthens.htm; "China Strengthens Nuclear-Related Export Control Regulations," *International Export Control Observer* (March/April 2007), pp. 3-4.

²² These activities are reported on the CACDA's website at: <http://www.cacda.org.cn/activity/INDEX.ASP>

Appendix I. China and International & Multilateral Nonproliferation Treaties/Regimes

International Treaties and Negotiations	Multilateral Export Control Regimes
<ul style="list-style-type: none"> • Acceded to the Non-Proliferation Treaty (NPT), March 1992 • Supported the indefinite extension of the NPT, May 1995 • Signed the Comprehensive Test Ban Treaty (CTBT), September 1996 • Signed (1998) and ratified (2002) the IAEA Additional Protocol (the only nuclear weapons state to do so) • Signed on to the Latin American Nuclear Weapons-Free Zone (1973); South Pacific Nuclear Weapons-Free Zone (1987); Africa Nuclear Weapons-Free Zone (1996); Southeast Asian Nuclear Weapons-Free Zone (1999) • Acceded to the Convention on the Physical Protection of Nuclear Material (February 1989) • Treaty on the Prohibition of the Emplacement of Nuclear Weapons and Other Weapons of Mass Destruction on the Seabed and the Ocean Floor and in the Subsoil Thereof (acceded in February 1991) • Convention on Nuclear Safety (signed in 1994, ratified in April 1996) 	<ul style="list-style-type: none"> • Joined the International Atomic Energy Agency (IAEA) in 1984 • Joined the Zangger Committee in October 1997 • Applied for membership in the Nuclear Suppliers Group (NSG) in January 2004 and was accepted into the NSG in May 2004 • Six-Party Talks on North Korean nuclear issue (2003-present)
<ul style="list-style-type: none"> • Signed the Geneva Protocols in 1952 • Signed the Biological Weapons Convention in 1984 • Signed the Chemical Weapons Convention (CWC), January 1993; • Ratified the CWC and joined the Organization for the Prohibition of Chemical Weapons (OPCW) as a founding member, April 1997 	<ul style="list-style-type: none"> • Issued domestic regulations on exports of chemical, biological and dual-use items with control list similar to that maintained by the Australia Group (1995-2006) • Consultation with the Australia Group
<ul style="list-style-type: none"> • Participated in but later withdrew from the P-5 talks on Middle East 	<ul style="list-style-type: none"> • Consultation with the Wassenaar Arrangement

<p>Arms control, 1991-92</p> <ul style="list-style-type: none"> • Participated in the United Nations Register of Conventional Arms from 1993 to 1997 • Signed the Inhumane Weapons Convention in 1981 	
<ul style="list-style-type: none"> • Signed the Outer Space Treaty in 1983 • Participated in the negotiation of but did not sign on to the Hague Code of Conduct against the Proliferation of Ballistic Missiles 	<ul style="list-style-type: none"> • Pledged to abide by the original 1987 Missile Technology Control Regime (MTCR) guidelines in February 1992 • Agreed in the October 1994 US-China joint statement to adhere to the MTCR and agreed to apply the concept of “inherent capability” to its missile exports • U.S.-China official talks during 1997-1998 on China’s possible membership in the MTCR • Consultation with the MTCR on membership; bid not successful at the October 2004 plenary meeting
<ul style="list-style-type: none"> • United Nations Security Council Resolution 1540: Nonproliferation of Weapons of Mass Destruction (2004) 	<ul style="list-style-type: none"> • China-EU Joint Declaration on WMD Nonproliferation (2004) • Endorses the principles but does not participate the Security Proliferation Initiative (PSI)

Sources: Adapted from the James Martin Center for Nonproliferation Studies, *Inventory of International Nonproliferation Organizations & Regimes*, <http://cns.miis.edu/pubs/inven/index.htm>; database compiled by the East Asia Nonproliferation Program, the James Martin Center for Nonproliferation Studies <http://nti.org.db.china/>; Information Office of the State Council of the People’s Republic of China, *China’s Endeavors for Arms Control, Disarmament and Nonproliferation*, Beijing, September 2005, <http://www.china.org.cn/english/features/book/140320.htm>.

Appendix II. Evolution of China's Export Control System since the 1990s

SECTORS	LAWS AND REGULATIONS
General	<ul style="list-style-type: none"> • Foreign Trade Law, 1994 • Interim Measures for the Administration of Export Licenses for Sensitive Items and Technologies (November 2003)
Chemical, Biological & Dual-Use	<ul style="list-style-type: none"> • Regulations on Chemical Export Controls, December 1995 • Supplement to the December 1995 regulations, March 1997 • A ministerial circular (executive decree) on strengthening chemical export controls, August 1997 • Decree No.1 of the State Petroleum and Chemical Industry Administration (regarding chemical export controls), June 1998 [Note: These regulations have expanded the coverage of China's chemical export controls to include dual-use chemicals covered by the Australia Group] • Measures on Export Control of Certain Chemicals and Related Equipment and Technologies and Certain Chemicals and Related Equipment and Technologies Export Control List, October 2002 • Regulations of the People's Republic of China on Export Control of Dual-Use Biological Agents and Related Equipment and Technologies and Dual-Use Biological Agents and Related Equipment and Technologies Export Control List, October 2002 • Regulations of the People's Republic of China on Export Control of Dual-Use Biological Agents and Related Equipment and Technologies and Dual-Use Biological Agents and Related Equipment and Technologies Export Control List revised (July 2006)
Nuclear & Dual-Use	<ul style="list-style-type: none"> • Circular on Strict Implementation of China's Nuclear Export Policy, May 1997 • Regulations on Nuclear Export Control, September 1997 (Note: The control list included in the 1997 regulations is identical to that used by the Nuclear Suppliers Group, to which China is not a member) • Regulations on Export Control of Dual-Use Nuclear Goods and Related Technologies, June 1998 • Amended Nuclear Export Control List, June 2001 • Measures on the Administration of Approval for Transfer and Transit of Nuclear Items (For Trial Implementation) (promulgated in January 2000) • Regulations on Export Control over Nuclear Materials amended (December 2006) • Regulations on Export Control over Dual-Use Nuclear Materials and the Related Technologies amended (February 2007)

<p>Military & Dual-Use</p>	<ul style="list-style-type: none"> • Regulations on Control of Military Products Export, October 1997 • The Procedures for the Management of Restricted Technology Export, November 1998 (Note: The new regulations cover 183 dual-use technologies, including some on the Wassenaar Arrangement’s “core list” of dual-use technologies) • China’s Ministry of Foreign Trade and Economics Cooperation (MOFTEC) released a Catalogue of Technologies which are Restricted or Banned in China, presumably also in late 1998 • Decision of the State Council and the Central Military Commission on amending the PRC Regulations on Control of Military Product Exports, October 2002
<p>Ballistic Missiles</p>	<ul style="list-style-type: none"> • Regulations of the People’s Republic of China on Export Control of Missiles and Missile-related Items and Technologies and the Missiles and Missile-related Items and Technologies Export Control List, August 2002

Sources: Adapted from database compiled by the East Asia Nonproliferation Program, The James Martin Center for Nonproliferation Studies, <http://www.nti.org/db/china/>; Stephanie Lieggi, “China Strengthens Nuclear-Related Export Controls,” *WMD Insights* (April 2007), http://www.wmdinsights.org/I14/I14_EA3_ChinaStrengthens.htm; *International Export Control Observer*, various issues;