



CHINA CHAMBER OF COMMERCE FOR IMPORT & EXPORT OF TEXTILES

Fl. 7th, No. 12, Panjiayuan Nanli, Chaoyang Dist., Beijing 100021, China

Tel: 10-67739280 Fax: 86-10-67739311 <http://www.ccct.org.cn>

E-mail: zhanghantao@ccct.org.cn

RECEIVED

DEC 10 2007

DEPT. OF COMMERCE
ITA
6 December 2007

China Chamber of Commerce

for I & E of Textile (CCCT)

Subject: Comment on a possible market oriented enterprise (MOE) by
China Chamber of Commerce for I & E of Textiles (CCCT)

I Whether the Department have legal authority to introduce a MOE test.

CCCT holds the opinion that the department of commerce (DOC) has the legal authority to introduce the test under the condition that DOC give fair treatment to Chinese respondent enterprises same as ones from other country with no discrimination, recognize the achievements China has got in its positive reform and opening up in nearly 30 years, and adopt the prices and costs in respondents' own submission.

II Administrative feasibility in identifying MOE operation within a broader NME environment.

DOC should recognize the reform efforts that China has taken in its nearly 30 years' reform and opening up, and acknowledge that China has realized transform from a complete government planed economy to a

market oriented economy. This is the premise to introducing the test of MOE operating to Chinese respondents. Otherwise the proposal of the MOE test is meaningless due to DOC'S repeatedly setting barriers in the issue concerning non-market operation on lands, loans, water, power and gas supply. Thus no enterprises doing business in China will be regarded as MOE accordingly.

We hope DOC can take into consideration of our reiteration that China has become a market oriented economy. Most enterprises especially those private owned firms are conducting their business under a fair and liberal market economy. The fortune is made and accumulated through their arduous working and precise judgment of the market.

Facing a Chinese industry featuring flourishing private ownership, the DOC' s image will definitely get blotted among Chinese people if DOC still pursues putting barriers of NME issues to Chinese enterprises. It is sarcastic for a nation who is always positively pushing fairness and cooperation around world.

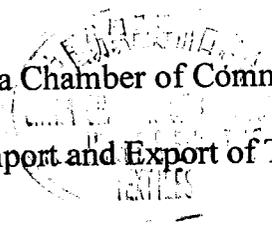
III To what extent and under what conditions should DOC rely on an MOE' s prices and costs, particularly for those inputs that are inextricably linked to the broader operating economic environment.

CCCT holds that respondents that are operating with independent management, assuming responsibility for their own profits and losses, and does not dominate in the public resource industry can be regarded as possible MOE enterprises. The data submitted by these firms can be

relied on and taken into calculation. The resource product such as water, power, gas and lands are necessity for enterprise within China and priced by supplier enterprises. The MOE test will be meaningless unless the DOC take respondents' own price into calculation.

We suggest DOC recognize the fact that the resource products are priced by market, and attach more importance onto other operation of the respondent. The DOC can grant MOE to an enterprise whose operation is conducted under market economy.

Your consideration will be greatly appreciated.


China Chamber of Commerce for
Import and Export of Textiles