

China settles WTO info row with US, EU, Canada



By Jonathan Lynn | GENEVA

China resolved its trade dispute over financial information with the United States, European Union and Canada on Thursday, eliminating discrimination against foreign financial data providers.

"I am very pleased we have been able to sign an agreement with China today to allow financial information providers like Bloomberg, Dow Jones NWSa.N and Thomson Reuters ([TRI.TO](#)) to operate in China free of unfair restrictions that threatened to place them at a serious competitive disadvantage," the top U.S. trade official, Susan Schwab, said in a statement.

The row was settled without going to a full World Trade Organisation (WTO) dispute panel, indicating China's willingness to resolve disputes amicably without bitter litigation.

"This outcome is particularly significant in these volatile financial times. It shows that the WTO and the rules of the multilateral trading system are successfully resolving major international trade problems," Schwab said.

Brussels and Washington launched the dispute in March because they objected to the way Beijing regulated foreign providers of financial information.

REGULATOR AND COMPETITOR

China requires foreign data suppliers to operate in China through an entity controlled by state news agency Xinhua, instead of dealing directly with customers.

But Xinhua also competes with the foreign providers, launching a financial information service in June 2006.

Canada joined the dispute following the acquisition in April of Reuters Group by Thomson Corp.

Under agreements signed by China with the three parties, Beijing will create an independent regulator for foreign financial information providers by June 2009.

That ends Xinhua's role as a regulator and the requirement for foreign suppliers to trade through an agent designated by the Chinese government, the European Commission said.

"Today's agreement ensures that investors and market operators will be able to receive comprehensive and objective financial information," EU Trade Commissioner Catherine Ashton said. "This shows what can be achieved when interested parties cooperate in search of solutions."

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Both Brussels and Washington said the deal would benefit China's growing financial markets, by giving participants access to high-quality, comprehensive data.

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Thomson Reuters remains committed to supporting the development of China's financial markets, and looks forward to strengthening cooperation with Xinhua by developing news agency services for

China's growing media markets, Henry Manisty, its head of government and regulatory affairs, said in a statement.

China joined the WTO in 2001, and the dispute turned on its commitments to open up its market for financial information services.

The dispute did not involve news agency services, which are outside China's WTO commitments, and so Thursday's deal does not affect press freedom in China.

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(Reporting by Jonathan Lynn; editing by Andrew Roche)