

# GENERAL AGREEMENT ON

SR.48/ST/6

23 December 1992

## TARIFFS AND TRADE

Limited Distribution

CONTRACTING-PARTIES  
Forty-Eighth Session

Original: English

### CHINA

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(speaking as an observer)

The world economy has experienced another year of low growth. In Western developed countries weak economic recovery was registered in a lack of dynamism coupled with sluggish demands and high unemployment. While global trade grew in a fairly modest fashion, the international trading climate has remained worrying with rampant protectionism and proliferation of trade conflicts, with serious consequences for the development of the world economy and trade, in particular that of developing countries. The intensifying trend of regional economic groupings also requires special attention. Against this background, an early and successful conclusion of the Uruguay Round has become an important factor in safeguarding the multilateral trading system and stabilizing and expanding the world economy and trade.

At the outset of this year, the Uruguay Round Trade Negotiations Committee (TNC) formulated a four-track work programme with a view to pressing ahead with the entire negotiations. Despite the technical progress made in some areas, the Uruguay Round negotiations basically stood in a situation of standstill due to the prolonged agricultural disputes between the United States and the European Community. Most recent escalating trade frictions not only put in danger the fate of the Round but also threatened the functioning of the multilateral trading system based on GATT. China appreciates the timely initiative taken by the TNC at the critical moment to authorize its Chairman, Mr. Dunkel, to convey to the two major trading partners the grave concerns of the Round participants and urge them to promptly resume bilateral consultations and reach an agreement. Thanks to the joint efforts by all the participants, the Uruguay Round negotiations have been re-activated. At present, the Round has entered into a decisive phase. China hopes all participants would take advantage of the hard-won momentum of the negotiations to obtain balanced results, reflecting the interests of all participants, through greater political determination and arduous work. The success in this task will create a favourable and sustainable international environment for the economic growth of all countries and regions. The Chinese Delegation will, as in the past, actively participate in the negotiations and do its best, along with others, to achieve this goal.

During the current year, China has carried out profound economic reforms and opened wider to the outside world. It has achieved vigorous development of its national economy and foreign economic relations and trade, and created more favourable conditions for resumption of its

contracting party status. From January to September 1992, as compared with the same period in 1991, China's GNP grew by 10.6 per cent; foreign trade by 18.6 per cent, of which imports rose by 21.4 per cent; foreign investment enterprises in terms of number increased by a record high of 230 per cent, bringing the total to 70,000. Now, China has announced the establishment of a socialist market economy as its objective of economic reform. This is a historic choice by China to best develop its economy at the present stage and is a major policy decision to accelerate the process of integrating its economy into the world economic system. China has continued to reform the foreign trade system by substantially enhancing its transparency and taking important trade liberalizing measures such as elimination of import regulatory taxes, reduction of tariffs of hundreds of items, and removal of a good number of products subject to import licenses. All these demonstrate China's willingness to abide by international economic and trade rules and disciplines and to make contributions to the strengthening of the multilateral trading system.

The Chinese Government has been attaching great importance to participation in the international trading system. As a result of concerted efforts and cooperation among all parties concerned, the process of resuming China's GATT membership has come to a stage of substantive negotiation. China has clearly stated that it is prepared to assume the rights and obligations set out in the General Agreement and expects to resume as soon as possible its contracting party status on terms of balanced rights and obligations. It is its firm belief that speedy resumption of China's status as a contracting party to GATT will help its further reform and opening process, and reinforce the multilateral trading system, thus contributing to the expansion of international trade and the prosperity of world economy. China hopes GATT contracting parties will give their continued support and cooperation in this endeavour.