

**GENERAL AGREEMENT
ON TARIFFS AND TRADE**

SR.49/ST/18
18 February 1994
Limited Distribution

(94-0313)

CONTRACTING PARTIES
Forty-Ninth Session

Original: English

CHINA

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(Speaking as an Observer)

Let me, first of all, pay a high tribute from this delegation to you for your contributions and able leadership as the Chairman of the CONTRACTING PARTIES during the past year.

The year of 1993 is worthy of commemoration in the history of international trade, as it witnessed the successful conclusion of the Uruguay Round of multilateral trade negotiations. China welcomes the Uruguay Round agreement. We believe that the agreement would be conducive to curb protectionism and bring about an increase in international trade and growth in the world economy. Its implementation would revitalize the multilateral trading system and, thus, lead numerous regional trade groupings to more openness to the rest of the world. However, it should be recognized that the resulting package does not give full satisfaction to all participants, particularly those of developing countries. As a full participant in the Uruguay Round, China, from the very beginning, has been actively involved in the entire negotiations by submitting offers in market access and schedule of commitments in services, and has made contributions in line with its economic development level. China is now studying all agreements reached in the Round with a view to final acceptance.

The past year was marked by China's intensified reform efforts towards a market economy and accelerated economic growth. Its GDP rose a hefty 13 per cent over the previous year. The income of urban dwellers, allowing for the double-digit inflation, was 10 per cent higher than the previous year, while the living standard of the rural population continued to improve. Major reforms took place in respect of the establishment of new foreign exchange and tax systems, which came into effect as of 1 January 1994. The new exchange system has abolished the exchange allocation and retention schemes, unified exchange rates and introduced a limited convertibility of the RMB under the current account. Under the new tax régime, both domestic and foreign-funded enterprises are subject to value-added, consumption and business taxes. In the past year, China continued liberalizing border trade measures. We unilaterally cut down tariff rates on 2,898 tariff lines, removed products in 283 tariff lines from import licensing or quota schemes and, streamlined import administration in the light of GATT rules. All of these have expedited the progress of our reform and integration into the world economy.

The year 1994 is crucial for the negotiation of China's GATT membership. An open China needs the world trading system while this system would be incomplete without countries like China. An earlier resumption of China's contracting party status is in the common interest of both China and GATT members. In this connection, I would like to take this opportunity to reiterate the willingness and readiness of China to speed up the substantial negotiations with contracting parties concerned for a timely conclusion of this long process, so as to enable China to be an original member of the WTO. Co-operation and support from GATT members in this regard would be highly appreciated.