

**GENERAL AGREEMENT
ON TARIFFS AND TRADE**

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Permanent Representative

To inflict so many speeches on you, particularly after your strenuous efforts in the lead up to this occasion, falls into the category described, I think, in the United States Constitution as a "cruel and unusual punishment". I shall therefore be brief.

It seems somehow implausible and unbelievable that, after so many years of effort and false starts, we should be standing on the threshold of the creation of the World Trade Organization. I am reminded of a story about William Buckley, who stood for mayor of New York many years ago, in the sixties I think. He was lagging so far behind in the opinion polls that, when a reporter asked what would be the first thing he would do if elected, he replied - "I'd demand a recount!".

Such is the nature of trade negotiations however, that it would be unwise of us to take the same line. Despite the temptation, we had better settle for what we have, warts and all, in the form of the WTO and its attendant agreements and decisions.

If this sounds less than euphoric, perhaps there is a reason. The GATT, far from perfect as it is, worked very successfully because of the strong common commitment to trade liberalization amongst the leading economies of the world.

While the WTO institutions are stronger on paper, we in Hong Kong sense that the ground has gradually been shifting under our feet. The same sense of commitment to liberalization is not there, or at least in our view, is being diluted.

So, while welcoming the WTO wholeheartedly, we look back with a certain nostalgia on the good old GATT days. And we are conscious of the fact that the WTO institutions will have to stand a very serious test in the years to come. In many so-called developed economies the forces of protectionism seem to be gathering strength. Hong Kong therefore intends to play an active role in safeguarding and reinforcing the new institutions we are creating against this threat.

Regionalism is another trend which I would like to mention briefly and which some other speakers have also mentioned. It seems that, wherever we look these days, trading blocs are being established or enlarged. I suspect this is a very mixed blessing. Trade creating on the one hand, these blocs are in our view also trade diverting. Let me say that, as far as Hong Kong is concerned, we are a member of only one trading bloc, and that is known as the World Trade Organization. We will continue to operate our almost unique network of unreciprocated informal free trade agreements with all other parts of the world, and hope that others will in good time see the sense of this and follow suit.

Finally, as you know no speech by Hong Kong can really be complete without a reference to textiles.

We welcome the end to decades of bilateralism brought about by the Agreement on Textiles and Clothing. It is now absolutely essential that we set up a balanced and effective Textiles Monitoring Body to oversee the integration of this sector into the multilateral framework as from Day One of the WTO. Despite the considerable efforts of all concerned, this is the one area in the whole WTO package where we have so far failed to find a solution. This matter must now be sorted out very quickly in the interests of getting the WTO off to a reasonable start.

In closing I would like to pay tribute to the dedicated team of people - including and not least yourself and all the Secretariat staff - who have worked so untiringly to bring us to the present state of play. I am sure that history will pass a positive verdict on all your - and our - efforts.