

Statement by Ambassador Sun Zhenyu At WTO Symposium 29th April,2002

Mr. Chairman,
Ladies and gentleman:

Thank you, Mr. Chairman, for inviting me to this symposium. It is my pleasure and privilege to speak before such a distinguished audience and exchange views with other participants on issues related to the multilateral trading system as represented by WTO.

The Doha Ministerial Conference is remembered in history by two historical events: China's accession to the WTO and the launching of the Doha Development Agenda.

During the last couple of months, People have often asked me the following questions with regard to China's accession: (1) What China has done for the implementation of its commitments made during its accession process? (2) What are the main concerns on issues with regard to the negotiations under the Doha Development Agenda? (3) How will China contribute to the further enhancement of the multilateral trading system through the new negotiations?

Here I would like to offer some food for thought for their questions.

China's accession to the WTO fully demonstrated the determination of the Chinese Government to further reform and opening up. China, as a responsible member, shall abide by the WTO rules. It has been doing its best to implement its commitment, made during its accession process.

China takes its membership in the WTO very seriously. Since it will in the long run further promote China's reform and opening process, attract more foreign investment and benefit its long-term economic growth.

Therefore the Chinese government, both at central and local levels, are working very hard to meet the obligations. China has reviewed more than 2000 laws and regulations and has amended or abolished those laws and regulations that are not WTO consistent. The Ministry of Foreign Trade and Economic Cooperation alone, has reviewed 1413 laws and regulations and has abolished 700 of them. In order to improve transparency, China has set up a WTO Notification and Enquiry Bureau in MOFTEC. So far, it has answered more than 300 enquiries of various kind from foreign embassies in China, Chinese and foreign funded companies and some individuals. Starting from January 1, 2002, China has, as promised, lowered the tariff from 15% to 12% on average, and it has removed non-tariff measures on 238 items of products. China has, as promised, established a single administrative body for quality supervision, inspection and quarantine to look after sanitary and phyto-sanitary inspection and commodities inspection. It has stuck to the principle of unified

organization, unified standards, unified conformity assessment procedures and unified charges both for domestic and foreign goods. China is opening step by step its service sectors such as banking, insurance, telecommunication, foreign trade, distribution, transportation, construction and tourism. It has adopted effective measures to strengthen further the protection of IPRs. It has amended and improved its trademark law, copyright law, patent law, which provide high level of protection of IPRs. Since China joined WTO, it has put more emphasis on the enforcement of these laws. For example, last year China confiscated and destroyed 95 million pieces of pirated CDs and VCDs, and the courts punished those serious offenders by up to 7 years imprisonment.

Having made all the efforts mentioned-above, China would appreciate the understanding and sympathy from other WTO members in this respect since the challenge for China is enormous. While China is opening its market, the domestic industries and agriculture are facing great pressure from foreign products flowing into China, especially the agricultural products heavily subsidized by the rich countries. Recently our steel export has been seriously affected by the safeguard measures of certain developed members. China's domestic steel market is under serious threat of diverted steel exports. According to the latest statistics, China's import of steel in the first quarter increased by 17.5% to 4.9 million tons, while her export of steel dropped by 33.9% to 1.2 million tons. This has caused great concerns for our steel industry.

It is fair to say that the issue of implementation is not only with China, it involves all members of the WTO and particularly the developed members. Their thorough implementation of the obligations under the agreement of the Uruguay round would set a good example for others to follow.

As is the case with many other developing members, China is facing the challenges of capacity building. The Chinese government has decided that all civil servants must receive training on WTO so as to get familiar with WTO rules and regulations. How to maintain the country's social stability, reform and economic growth while meeting our obligations in the WTO is a high priority of the Chinese government. China is terribly in need of specialists and experts both for implementation and for the negotiations as set by Doha Development Agenda. China is looking forward to the WTO secretariat and other WTO members for their technical assistance.

As a new member of the WTO, China will actively take part in the Doha Development Agenda negotiations and contribute to establishing a fair and just order for international trade and economy.

Over the past 50 plus years, the multilateral trading system has scored enormous achievements in promoting the growth of world trade and economy through continuous efforts of trade liberalization. More and more developing countries are participating in the multilateral trading system. This general trend is positive and

should be further encouraged. The launching of Doha Development Agenda represents an important step forward in this direction.

However, we are aware of the disparities between the developed and developing countries in securing the benefits of trade liberalization. The interests and requests of the developing members have not been adequately taken into consideration and ensured for a long time. This phenomenon is, of course, unequal and unfair, because this is one of the causes for the widening of gaps between the rich and the poor. Such a pattern of trade is not conducive to the long-term, healthy development of the world economy. It is high time to change this situation.

As a new member, China will play a constructive and active role in the current negotiations. In the Ministerial Declaration of Doha Conference, it is rightly pointed out that "International trade can play a major role in the promotion of economic development and the alleviation of poverty. The majority of WTO members are developing countries. We seek to place their needs and interest at the heart of the work program adopted in the Declaration". Indeed, how to make sure that the developing members, especially the least developed ones to secure a share in the growth of world trade and bring about economic growth, development and employment through their membership of WTO is of common concern. China as a developing member will work very hard and in close cooperation with other developing members for that end.

Now, I would like to share with you some of China's major initial concerns in the negotiations.

Agriculture is of course the most sensitive issue and China takes a great interest in the progress of the negotiations, since China has more than 800 million farmers relying on agriculture for a living. On agriculture negotiations, there should be significant reductions of tariff peaks and tariff escalations by developed members, which have greatly hampered the ability of developing countries to export their agricultural products. New measures should be taken to remove or reduce the vast amount of export subsidies and domestic support provided by the developed members. Only rich countries can afford such huge amount of supports and subsidies, which have greatly undermined the ability of developing countries to compete with them in the world market.

As ministers reaffirmed in the Doha Ministerial Declaration, Negotiations on trade in services shall be based on the Guidelines and Procedures for the negotiations adopted by the Service Council. Given the big gap between developed and developing members in terms of development levels in this sector, developing members are entitled to enjoy flexibility in negotiations as stipulated in the GATS. We urge developed members to give positive considerations to opening those sectors to developing members so as to increase their participation in the world trade in services. Movement of natural persons is an important mode of supply of services for

developing members. Therefore liberalization in this area should be equally addressed as in other sectors.

China encourages IPR protection and has started to implement its obligations under the TRIPS Agreement upon accession. We share the views with many other members that IPR protection shall not prevent governments from pursuing their public policy goals, including public health. Appropriate solutions must be found out to address concerns of members without capacity of manufacturing pharmaceuticals and lacking affordability. We should also work out ways to protect traditional knowledge, including recognition of national traditional knowledge protection system.

In the negotiations of rules, China has a great stake, too. China is highly critical of some members abusing the current rules of antidumping, countervailing and safeguards, because China is already the biggest victim of such practices in the world. Out of the 1500 cases of anti-dumping investigations over the past five years, more than 200 aimed at China. China supports efforts to tighten the criteria by which this kind of measures can be used. China believes that the disciplines in these areas should be introduced and enforced strictly so that trade protectionism through abusing the rules can be checked and the spirit of free trade can prevail.

Implementation-related issues on the Doha Agenda must be resolved so as to encourage developing members to make further trade liberalization commitments. With respect to textiles and clothing, so far implementation of the ATC by most developed members has not been satisfactory. China shares other developing members' position that the developed members must fully implement their obligations under the ATC

China supports strongly the further clarification and enhancement of the S&D treatment under various WTO agreements so that such treatment could bring more benefits for the developing members, particularly the least developed ones. China is of the view that the key to the success of this round is whether there is effective and meaningful participation by the vast number of developing members of the WTO.

Since this round of negotiations is referred to as the Doha Development Round. It would be a failure if it could not ensure full participation from the developing members, and if it could not bring more benefit for them. Nobody would like to see a development round in name only. What we want to see is a development round in real terms.

Of course there are many other issues of concern to us. We shall make further studies and gradually develop our positions in greater detail and to have many informal discussions with other members, especially developing members. We hope the negotiations will eventually produce results that will be accepted by all WTO members.

Thank you.