



WORLD TRADE
ORGANIZATION



SEVENTH CHINA ROUND TABLE

EURASIAN PERSPECTIVES ON THE FUTURE OF THE MULTILATERAL TRADING SYSTEM:
ACCESSIONS AND THE EVOLUTION OF WTO RULES

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"The Belt and Road Initiative and the Multilateral Trading System"

Deputy Director General Mr. Wolff,
Ambassador Aitzhanova,
Ambassadors,
Ladies and Gentlemen,

It is a great privilege for me to speak on the Belt and Road Initiative and the Multilateral Trading System in this first session of the 7th WTO China Round Table.

The ancient Silk Road is already the common heritage of countries and civilizations connected throughout the history. In June 2014, UNESCO designated Silk Roads Routes Network of Chang'an-Tianshan Corridor as a World Heritage Site, upon joint application from China, Kazakhstan and Kyrgyz Republic.

A few weeks ago, China and Kazakhstan commemorated the 5th Anniversary of the Belt and Road Initiative here in Astana. It was in the state visit to Kazakhstan in September 2013 that President XI Jinping firstly called to jointly build the Silk Road Economic Belt. In the following month of October when visiting South-East Asia, President Xi added to the call with the proposal of building the 21st-century Maritime Silk Road.

The two proposals have since evolved to be the integral Belt and Road Initiative, gaining extensive attention from the international community and active response from countries worldwide. In March 2015, China outlined vision and proposed actions on jointly building Silk Road Economic Belt and 21st-Century Maritime Silk Road. In May 2017, President Xi further elaborated on the Initiative in his keynote speech delivered at the first Belt and Road Forum for International Cooperation held in Beijing. The forum also witnessed the adoption of a Joint Communique at the Roundtable of Leaders of participating countries.

5 years have now passed. By upholding the spirit of peace, cooperation, openness, transparency, inclusiveness, equality, mutual learning and mutual benefit, the Belt and Road Initiative has its connotations continuously enriched. It has also been transforming concepts and ideas into actions and realities by focusing on policy consultation, trade promotion, infrastructure connectivity, financial cooperation and people-to-people exchanges. Countries involved have jointly embarked upon a new historical journey of building a road for peace, a road of innovation, opening-up and prosperity, and a road connecting different civilizations.

The Belt and Road Initiative and the multilateral trading system are in essence mutually supportive and mutually enhancing.

In terms of the objectives, while the multilateral trading system embodied in the WTO is committed to raising standards of living, ensuring full employment, growing real income and effective demand, and expanding the production of and trade in goods and services for purpose of sustainable development, the Belt and Road Initiative has made it clear that achieving inclusive and sustainable growth and development, and improving people's quality of life are the common goals of the participating countries, and to achieve the goals, expanding economic growth, trade and investment based on level-playing field, on market rules and on universally recognized international norms including that of the WTO are of utmost importance.

Furthermore, both of them highlight the need for special attention and efforts to ensure that developing countries, especially the least developed, landlocked and small island countries among them, remove bottlenecks of effective connectivity and development, and secure a share in the growth in international trade commensurate with the needs of their economic development.

In terms of the principles followed, what have been advocated in the Belt and Road Initiative is wide consultation, joint contribution and shared benefits for all. The Initiative stresses the importance of building synergies in development strategies among participating countries with mutual respect. It emphasizes identification of convergence of interests and the broadest common ground for cooperation. The need to stick to market-based operation, to have businesses as key players with sound procurement procedures is also highlighted.

These principles of the Belt and Road Initiative are in fact reflection and reiteration of the spirit of multilateralism. They are consistent with the core value of the rule-based multilateral trading system, i.e. openness, inclusiveness, transparency and non-discrimination.

We all are in a world fraught with challenges. The multilateral trading system has long been the cornerstone of international economic and trade relations. However, it now faces unprecedented threats from surging unilateralism, protectionism and economic hegemony. Against this background, countries involved in the Belt and Road Initiative strongly reaffirm shared commitment to building open economy, ensuring free and inclusive trade, and opposing resolutely all forms of protectionism. Such a commitment cannot be more timely and more supportive.

The Belt and Road Initiative is a new platform of international cooperation, but it already bears fruits of trade liberalization and facilitation. It enhances connectivity not only across Eurasia, it offers opportunities also to other regions such as Africa and South America.

Within 5 years, over 100 countries and international organizations have signed Belt and Road cooperation agreements with China. Areas covered have gone well beyond trade to include infrastructure construction, framework cooperation on production capacity, establishment of economic cooperation zones, cooperation among SMEs, E-commerce, and etc. The enhanced mechanisms and extended coverage of bilateral and multilateral cooperation are expected to produce multiplying effects for more comprehensive and higher-level trade liberalization among the parties involved.

In the past 5 years, total trade between China and other Belt and Road countries exceeded USD5 trillion. China now is already the largest trading partner with dozens of the Belt and Road countries. In the first half of this year, trade registered a year-on-year growth of 18.8%, hitting USD 605 billion.

China also introduced a series of new measures for trade and investment liberalization this year, including for example lowering import tariffs on 1 July for automobiles and parts and around 1,500 tariff lines of consumer goods. In less than 2-month time, the first China International Import Expo will open in Shanghai. Belt and Road countries and their businesses have responded enthusiastically. The platform is surely to bring about more extensive market for their advantageous products and prospering industries.

Trade facilitation has been greatly enhanced in the past 5 years along the Belt and Road with the completion of a number of connectivity projects including for example China-Kyrgyz-Uzbekistan

cross-border road freight. China-Europe railway cargo express has run more than 10,000 times in total, among which more than 4,400 times were in the first half of this year, a yearly growth of more than 50%. The railway cargo express now reaches 43 cities in 15 countries in Asia and Europe. As a result, the potential of trade growth has been greatly released.

Trading conditions have also substantially improved with the deepening of financial cooperation. Multiple forms of financial cooperation have been explored among countries and organizations involved in the Belt and Road Initiative. By the end of 2017, China has signed currency swap agreements with 22 countries and regions along the Belt and Road, with the total size reaching about one trillion RMB yuan (USD 150 billion). This has greatly contributed to the stability and growth of trade by facilitating settlement of bilateral cross-border transactions and avoiding losses as a result of exchange rate fluctuations.

As a major international platform for win-win cooperation that promotes common development and prosperity, the Belt and Road Initiative has been advanced consistently with the multilateral trading system, and has brought trade growth, economic and social development, and increase of well-being for the people. It focuses on the fundamental issue of development, and has made useful probe into the further promotion of globalization.

It is our hope that experiences can and will be drawn from the practice of the Belt and Road Initiative, with a view to further strengthening the multilateral trading system and improving the world economic governance, so that the interests of developing countries and their development space, including in particular the growth opportunities of the least developed countries be well safeguarded. With dedicated efforts, we ultimately will bring true benefit and prosperity to all our people and the world.
