

As delivered

**Opening Remarks by H.E. Ambassador
Dr. ZHANG Xiangchen at the 8th China Round Table**

4 December 2019, Moscow

Distinguished Minister Maxim Oreshkin, Distinguished DDG Ambassador Alan Wolff, Ministers, Excellencies, Ladies and Gentlemen, Good morning!

First of all, I would like to thank the hospitality of the government of Russia Federation. As a newly acceded WTO member, Russia stands up to host the 8th China Roundtable when the Organization is undergoing severe challenges, which demonstrates its strong commitment and positive contribution to the multilateral trading system. I would like, on behalf of the government of China, to extend my sincere gratitude to this great nation. I also highly appreciate the Secretariat, for their diligence and professionalism in the preparation of this meeting. Of course, my thanks go to all participants present here today. I expect to hear your valuable and enlightening views in the coming two days.

As the theme of this Roundtable is “*Accessions and WTO Reform: on the Road to MC12*”, I would like to share with you some of my observations in terms of (1) WTO reform, (2) accessions and reform, as well as (3) perspectives on MC12.

On WTO reform, I think no one would deny the fact that the WTO is currently amid serious crisis, for REAL:

On December 10 – that is 6 days later, the terms of two sitting Appellate Body Members are slated to expire, which will make the body dysfunctional leading to a fact that the organization will lose a major limb. The ongoing discussions in Geneva on 2020-2021 WTO budget are also suffering from the Appellate Body crisis.

In addition to this imminent challenge, we are also under threat of mounting unilateralism and protectionism which are fundamentally incompatible with the WTO rules. Furthermore, the deadlock of Doha Round negotiations for over 18 years, the inability of WTO to respond to the technological development and economic globalization, etc. put the WTO in historical crisis.

So, you may see, incompatibility, impasse, inability, deadlock, dead end...the difficulties we are facing are piled up like a mountain. However, we Chinese people have an old saying, “逢山开路，遇水架桥”，literally, *to build a path through mountains and construct a bridge across rivers*. So, we cannot just sit and wait. On the contrary, we need to take actions, real, positive and constructive ones.

To his end, China supports efforts to make necessary reform to the WTO, with the view to enhancing its effectiveness and authority. China released its position paper in November 2018, tabled our proposal on WTO reform in May 2019, and held the Informal WTO Ministerial Meeting in Shanghai last month,

building a fora for Ministers to conduct effective dialogues on MC12 and WTO reform. My colleague will further elaborate China's position in this regard.

On relationship between **accessions and reform**. In December last year, also under the *China Programme*, we had the 3rd South-South Dialogue on LDCs and Development near Geneva, themed with “*WTO Reform: Perspectives from Developing and Least Developed Countries*”; in May, June and November this year, India, China and South Africa respectively held Ministers' and Ambassadors' Retreats in New Delhi and Geneva. Our objective is simple: the WTO indeed needs to keep up with the times, but the reform should be in the right direction and take the right approach. It ought not to be a one-side story from developed members. Developing members, including LDCs, should have our own narrative and agenda to reform the Organization.

Today's meeting is another good opportunity, and a necessary step, to discuss the WTO reform – the flavor of the current trading world, among acceding governments and some WTO members, so that you could better understand what is going on in Geneva, what reform really means and what steps you could take during the accession and domestic reform process, so that you may quickly find the *North* to join the family.

Talking about the advantages of joining the WTO, an alike LDC's successful story may cause more sympathy. Two weeks ago, I attended the first Trade Policy Review meeting of Lao PDR in Geneva. Lao became the WTO member in 2013. One figure comparison before and after its WTO accession impressed me the

most, *i.e.* the annual average of foreign direct investment of Lao PDR between year 2013 and 2016 is 854 million US dollars, more than three times of that of the prior accession period from 2005 to 2012. In one word, WTO can help acceding countries, especially LDCs, better integrate into the multilateral trading system, and further grow their domestic economy in a rapid manner.

My third observation relates to **MC12**. In the challenging months ahead, we need to take pragmatic approach and have a reasonably modest level of expectations:

If we could expeditiously restore the proper functioning of the dispute settlement mechanism, achieve an agreement on fishery subsidies, make progress on the new topics such as e-commerce, investment facilitation for development and MSMEs, make improvements in terms of transparency, earnestly enlarge the membership by welcoming new members such as Belarus, I think we can already call it a success.

Among all of these topics, I want to highlight the investment facilitation for development (IFD).

The focus on investment facilitation comes with the recognition that the predictability, transparency and efficiency of investment policies can help create an environment that attracting investments and fostering trade. In this regard, international cooperation on investment facilitation will help spur the investment needed, enhance countries' productivity and increase trade. Then the economic growth and development will follow –

especially for developing countries and LDCs in particular.

At this critical juncture of the WTO, IFD, proposed by developing members, is one of the few positive agenda items with relatively promising prospects. Till now, 98 members co-sponsored a new Joint Ministerial Statement to show support for this initiative, aiming to achieve a concrete outcome at MC12. It is not surprising that, those co-sponsors include more than 20 LDCs, a dozen small and vulnerable economies (SVEs), and 12 articles XII members, which demonstrates that developing countries and small economies could and should play a positive role in the international economic governance. Coincidentally, WTO is one of the few places that small economies can make yourself heard, instead of waiting for others to make rules.

The WTO is under severe challenges, and we simply can't afford to let this continue. Every one of us, including the acceding countries, needs to lock arms in safeguarding and strengthening this valuable and hard-won Organization. The world is watching.

That being said, I would wish a great success of the 8th China Roundtable, and look forward to hearing your insightful views in the following two days.

Thank you!