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(speaking as an observer)

Since the most recent Session of the CONTRACTING PARTIES, the world economic and trade situation as a whole remains disquieting. Production has slowed down. Trade performance is disappointing. Almost all countries are affected, particularly the developing countries. The causes may be many, but the most worrying one is no doubt the ever-increasing recourse to protectionist measures. Protectionism dampens the trade atmosphere and erodes the very basis of the GATT system. As long as protectionism rampages, the objective of trade liberalization cannot but remain mere rhetoric. The Protocol Extending the Multifibre Arrangement (MFA) concluded last July was a striking case in point. Contrary to the expectations of the developing exporters, new restrictive elements were added to the MFA. It seems that in this case, protectionism was the only winner.

However, it is gratifying to see that there are also some encouraging signs in GATT's activities over the year. The enlargement of GATT membership is one example. The accession of Mexico has brought GATT members to ninety-two. Morocco is well on its way to accession. Accession is also being sought by Tunisia, Costa Rica and Bulgaria. Together with China's request for resumption of membership, they reflect the desire of the international community to restore and strengthen confidence in the multilateral trading system. It goes without saying that the most important event of the year is the launching of a new round of multilateral trade negotiations. The decision taken at the Ministerial meeting at Punta del Este will undoubtedly have a great impact on the development of world trade as well as on the future operation of the multilateral trading system. The commitments on standstill and rollback are seen as a manifestation of the political will and aspiration on the part of the contracting parties for trade liberalization and against protectionism. It is hoped that they will be translated into concrete actions in the course of the negotiations.

The Uruguay Round offers a new opportunity but also poses a new challenge to the multilateral trading system. While we are determined to make the Uruguay Round a success, we should not, however, overlook the complexities involved and difficulties ahead. The fact that the Work Program of the 1982 Ministerial meeting is still far from being fully implemented should also be borne in mind.

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The Chinese Government attaches great importance to the new round. We shall do our best to contribute to the negotiations. On behalf of the Chinese Government, I wish to avail myself of this opportunity to thank once again the delegations that have all along supported our participation.

I would also like to express my appreciation to you, Mr. Chairman, and to the Secretariat for the excellent work done over the past twelve months.