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CHINA

Statement by H.E. Mr. Qian Jiadong
Ambassador, Permanent Representative
(Speaking as an Observer)

It is a pleasure for the Chinese delegation to attend the current Session of the CONTRACTING PARTIES of the General Agreement on Tariffs and Trade. Allow me, on behalf of the Chinese Government, to extend our congratulations and to wish it success.

The year of 1988 is drawing fast to its close. Looking back, we see that the trend towards relaxation in the international situation has gained even greater momentum and the world economy has turned out to be in better shape than expected. This is undoubtedly encouraging and relieving. However, it cannot be taken for granted that the world is already free from troubles. Worrisome problems still exist. The continuing uneven development between the developed and the developing countries is a case in point of particular concern. While the developed countries have maintained their growth for six consecutive years, the developing countries have been seriously hampered by heavy debt burdens, reduced inflow of funds, worsening trade terms, growing protectionism and frequent natural disasters. The situation is still fraught with uncertainties. In the present-day world of ever-increasing interdependence, if the difficulties of the developing countries remain long unresolved, the developed countries will sooner or later find themselves also adversely affected. An urgent task confronting the international community is to create an international environment more supportive of development, economic co-operation and trade, and beneficial to all countries. To achieve this objective, the General Agreement on Tariffs and Trade is also obliged to make its contributions.

It is under such circumstances that the Uruguay Round was launched. Through the joint efforts of all participants, progress on the whole has been made over the past two years, though very uneven among the different negotiating groups. Textiles and clothing is one outstanding example where there has been almost no progress. On the question of standstill and rollback, it is all the more regrettable to note that not only have these commitments remained far from implemented, but in violation of them, more protectionist measures are being taken which could not but have a negative impact on the Uruguay Round. According to the scheduled time-frame, we are already halfway through the Round. It is hoped that the forthcoming Montreal Ministerial meeting will give a new and forceful impetus to the ongoing negotiations so as to bring the Round to fruition as anticipated.

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We are happy to see that, over the past year, gratifying progress has been made in the work concerning the resumption of China's status as a contracting party to the GATT. After five hard-working sessions, the Working Party has completed the phase of questions and answers. Over a thousand questions were answered in all, through which we believe contracting parties have acquired a clearer and better understanding of China's economic and foreign trade régime. At the June Working Party session, contracting parties were furthermore invited to conduct tariff negotiations with China if interested. We have now entered the phase of overall assessment. On behalf of the Chinese Government, I would like to take this opportunity to express our thanks to Mr. Girard, Chairman of the Working Party, and to the GATT secretariat, as well as to all members of the Working Party for their co-operation and support. The Working Party will meet again next January. The Chinese Government will, as in the past, co-operate closely with all concerned. It is our belief that the resumption of China's status as a contracting party to the GATT conforms not only to the interest of China but also that of other countries.

China has been implementing its reform and open policy for ten years. We have made great achievements, but have also run into some problems. The Chinese Government has lately decided to devote the next two years to what we call improving the economic environment and rectifying the economic order. The aim is to curb the scale of investment for capital construction, reduce inflation and cool down the overheated economic growth, so as to create even better conditions for the implementation of the reform and open policy. The orientation of this policy will continue to be adhered to unchanged.

To conclude, I wish to reiterate that China attaches importance to the rôle of the GATT and is ready to work with all contracting parties for the betterment of the multilateral trading system and a more healthy and sound world economy.