

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

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Trade Negotiations Committee  
Meeting at Ministerial Level  
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CHINA

Statement by Mr. Shen Jueren, Vice-Minister of  
Foreign Economic Relations and Trade

It gives me great pleasure to be here in the beautiful city of Montreal for the eventful Ministerial meeting for the mid-term review of the Uruguay Round of Multilateral Trade Negotiations. We took great interest in attending the opening sessions and listened attentively to the opening address by His Excellency Prime Minister Mulroney. I am sure his address will facilitate the discussion and smooth progress of the meetings in the next few days. I would like to express, on behalf of the Chinese Delegation, sincere gratitude to the Canadian Government and people for the thoughtful arrangement in hosting the meeting.

We are also grateful to His Excellency Minister Iglesias, former Chairman of the Negotiating Committee, for his important contribution to the Uruguay Round. I would also like to take the opportunity to warmly congratulate His Excellency Minister Ricardo Zerbinó on his election as the new Chairman of the Committee. We are fully confident that under his able leadership and with the common efforts of all the participants, the Uruguay Round will achieve satisfactory results as expected.

Since the Punta del Este Ministerial Meeting, a number of positive factors have emerged in the world economy, however, development is unstable and unbalanced, particularly in view of the severe economic situation for the majority of the developing countries with heavy debt burden. There is no evident relaxation of protectionist pressure in spite of recent increase in international trade. Trade frictions occur here and there. There is an apparent increase in the barriers to trade in products in which the developing countries possess competitive advantage. The commitments on standstill and rollback undertaken in the Punta del Este Declaration have not been effectively implemented.

Protectionism continues to be a major threat to the development of world trade and the strengthening of the multilateral trading system. We sincerely hope that the new Round of the Multilateral Trade Negotiations will contribute to the implementation of the established objectives of the Punta del Este Declaration which aim to halt and reverse protectionism, preserve the basic principles of GATT and develop a more open, viable and

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durable multilateral trading system. This round of multilateral trade negotiations should take effective measures to provide opportunities for countries of different levels of development to fully participate in the multilateral trading system with a view to promoting stable growth of the world economy.

Two years have elapsed since the launching of the Uruguay Round of Multilateral Trade Negotiations. Certain progress has been made in the negotiations, but has been unbalanced. Little substantive results have been achieved on issues of major interest to the developing countries. The Uruguay Round faces an arduous task of negotiations ahead. This mid-term review is very important and should provide a strong impetus to the negotiations in the next two years. Textiles and clothing is one of the important issues of common interest to developing countries. But the negotiation has progressed rather slowly. We hope the developed importing countries will give, as soon as possible, a positive response to the proposals by the developing countries and enter into substantive negotiations on the modalities of the return of the textiles and clothing sector to the GATT. The Chinese Government is in favour of early agreements on the functioning of the GATT system, dispute settlement and tropical products. The extensive discussions held so far on the two hardcore issues of agricultural trade and safeguard measures have not brought about positive results. Participating countries should endeavour to reach an agreement acceptable to all parties on the basis of the fundamental principles of the GATT. The Chinese Government will continue to participate in the negotiations on trade in services, trade-related aspects of intellectual property rights and trade-related investment measures in the light of the mandate established in the Ministerial Declaration. In this connection, we hope a consensus could be reached on a set of guiding principles for the negotiations in the next stage.

China as a low income developing country has demonstrated its good will to abide by the basic principles established in the Punta del Este Declaration and actively participated in the multilateral trade negotiations. Since the adoption of the Declaration, the Chinese Government has, in the implementation of the general open policy, made new progress in the comprehensive reform of the economic and foreign trade structures. There has been a substantial increase in the imports and exports of trade, thus making a positive contribution to the expansion of international trade. At present, the Chinese Government is taking measures to improve the economic environment, rectify the economic order, with a view to overcoming the problem of inflation arising in the course of the transition of economic models. Such measures are intended to create favourable conditions for further reforms and opening to the outside world. We firmly believe that the establishment of an open, viable and durable multilateral trading system will facilitate the objective of our economic reform and create a favourable international environment for the development of China's foreign trade. The outcome of the Uruguay Round Negotiations will have a strong bearing on the development of China's foreign trade. The Chinese Delegation is will to join the common endeavour in promoting trade liberalization and wishes to make a contribution to a successful conclusion of the meeting.