

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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CHINA

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

The Chinese delegation, as a full participant of the Uruguay Round, is very pleased to be here in Brussels to attend this Ministerial meeting. I would like to take this opportunity to express my heartfelt thanks to our host, the Belgian Government, for the thoughtful arrangements made for the meeting.

Since the launching of the Uruguay Round of Multilateral Trade Negotiations, the world economy and trade have experienced a sustained growth, and the economic and trade relations among countries have witnessed a continuous development. However, the development has been uneven, trade frictions occur frequently and protectionist pressure continues to increase. In the economic and trade development, developing countries face enormous difficulties such as numerous trade barriers to their exports, falling export prices for primary products, deterioration of the terms of trade and disequilibrium in balance of payments. Heavy external debt burden weighs upon a great number of developing countries, particularly the least developed countries. This has been one of the major causes of their slow economic growth and development.

Trade protectionism, including grey area measures and unilateral actions against developing countries, remains a major factor impeding steady expansion of the world economy and trade, particularly that of the developing countries and weakening the multilateral trading system. We sincerely hope that the results of the Uruguay Round will effectively contribute to reversing trade protectionism, maintaining the basic GATT principles and strengthening the multilateral trading system. It should also provide countries at different development stages with greater opportunities for fuller participation in the multilateral trading system and confer substantial economic benefits to all countries. Its ultimate goal is to promote a steady growth of the world economy and trade.

With the concerted efforts by all participants, the four year Uruguay Round negotiations have made progress in various areas. But imbalance has emerged in different negotiating groups. In spite of the enormous efforts made by the developing countries, progress has been slow in the market access negotiating groups in which the developing countries

have a major stake. In our view, trade liberalization in textiles and clothing has a strong bearing on the interests of the developing countries. The gradual integration of the textiles and clothing sector into the GATT should lead to trade liberalization. By the end of the transitional period, all discriminatory restrictions against exports of textiles and clothing from developing countries should be eliminated. All members of the MFA should have the right to take part in the liberalization process and acquire benefit therefrom.

With regard to the negotiation on TRIMs and TRIPs, China accepts the concept of establishing relevant rules within the mandate of the Punta del Este Ministerial Declaration. In this connection, it is important to take into full consideration the differing levels and needs of economic development of each individual country. It is also of crucial importance to respect the national sovereignty, domestic laws and regulations and the development policy objectives of all countries. Outright prohibition of certain TRIMs does not solve any problem, but tends to lead to a decline in international investment flows. It is detrimental to the interests of both the investing countries and recipient countries. It would similarly bring about adverse effects on the world economy. Such a situation would be unacceptable to the majority of participants.

In view of the disparity in levels of technological development, it is unrealistic to impose high standards and norms for protection of intellectual property rights beyond the reach of most developing countries. This is contrary to the objectives and relevant principles of the GATT.

The negotiation of trade in services has made considerable progress. Given the great discrepancy in trade in services of different countries and diversity of many sub-sectors of international economy, the issues of trade in services cannot be expected to be settled by one single Round. Some issues can be left to future negotiations, once the framework agreement is established. Commitment for liberalization or partial liberalization for specific sub-sectors should be made by each individual country in accordance with its own domestic situation.

It is absolutely necessary to push forward the process of trade liberalization in agriculture, taking full account of agricultural development objectives and the interests of exporting and importing developing countries.

The Chinese Government pursues a national policy of reform and opening to the outside world. Substantial progress has been made in the comprehensive reform of its economic and trade structures. China will make continuous efforts to carry out the open policy and economic reform and strengthen its economic ties and trade relations with the rest of the world. Meanwhile, the Chinese Government wishes to push forward negotiations on the resumption of China's GATT membership with a view to facilitating China's full participation in the multilateral trading system.

We are convinced that the establishment of an open, viable and predictable multilateral trading system will facilitate the growth of world economy and trade. It will also create a favourable international environment for China's further reforms and the expansion of foreign trade. We hope that all participants will bear in mind the objectives of the Ministerial Declaration and in a spirit of mutual understanding and accommodation, make efforts to bring about a fruitful conclusion of the negotiations which reflects balanced interests of all participants, and acceptable to both developed and developing countries.

The Chinese delegation is willing to join in the common endeavour with other delegations in a positive and co-operative manner, to make contributions to a successful conclusion of the Uruguay Round Negotiations.