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**Statement by Mr. Wang Shichun, Head of the Chinese Delegation,
at WTO Global Review of Aid for Trade
Geneva, 20 November 2007**

Mr. Chair, Friends, Ladies and Gentlemen,

I am very pleased to be here for the very first WTO Global Review of Aid for Trade. The Chinese Government attaches great importance to this review and fully supports the Aid for Trade initiative.

Trade is the engine of development. Nonetheless, to ensure that developing members and especially the least developed members to participate fully and benefit from the economic globalization as well as trade liberalization and eventually realize development goals, they will need support in the field of infrastructure development, trade related capacity building through aid for trade initiative. In this regard, aid for trade is a necessary compliment to the successful conclusion of the Doha Round and a duty bound commitment of the international communities. WTO, as the only international organization mandated to maintain sustainable and stable development of the world trade, will play a unique and an indispensable role for this historical task.

Mr. Chair,

As a large developing country, China fully appreciates the difficulties confronting the other developing countries in their pursuit towards economic development. China supports developing countries to enhance their capacity for national development, improve livelihood of people and reduce the North-South gap. While a recipient itself, China also provides assistance, to the best of its ability, to other developing members and particularly the least developed ones, which is a clear manifestation of the spirit of South-South cooperation.

In retrospect of its experience in the past few decades, China's foreign aid programmes have a few unique features:

As a general principle, China pursues a foreign aid policy with Chinese characteristics that stresses equality between and mutual benefit for both parties. China respects the aspirations of the recipient countries and design aid programmes through friendly consultations with host governments. More importantly, China strongly believes that action speaks louder than words, therefore it always commits to good faith and honours its commitments fully.

On the modalities of assistance, China adopts an approach that incorporates trade

promotion, infrastructure development and capacity building. Specific interventions are as follows:

First, China opens its market for recipient countries. So far, China has granted tariff exemption treatment to majority export products from 41 least developed countries, taking up 93% of the volume of their total exports to China.

Second, China encourages the Chinese enterprises "to go global" and collaborate with a large number of developing countries in a variety of ways and increases investment to those trade-oriented sectors with a view to enhancing production capacity as well as competitiveness of these countries.

Third, China supports infrastructure development. By providing assistance to large construction projects such as railroads, ports and factories, China helps enhance the trade related supply side capacities of the host countries.

Forth, China gives emphasis on training to develop human resources. China has scaled up its training programmes. In the trade related areas, so far, China has provided training to more than 4000 people through 197 courses and workshops for the trade and economic personnel of recipient countries, where they shared China's experience in its economic and trade development.

In terms of impact, China always believes that the level of satisfaction of local people is one of the key benchmarks and indicators to measure the effectiveness of its foreign assistance programmes. For example, China's support to the sugar cooperation project has not only increased the production and supply capabilities, but also expanded the export volume and created more jobs, winning the heart and soul of the local people.

Mr. Chair,

Aid for trade is a long-term effort and of high complexity. In order to ensure its success and make it more sustainable, I would like to make following four proposals:

First, developed countries should take the lead to provide additional funding over and above the current level of aid for trade.

Second, developing countries in the position to provide aid for trade are to take on shared but differentiated responsibility in providing assistance within their capacity and commensurate with the level of their national development.

Third, aid for trade will have to address both immediate as well as root causes, which means that aside from assistance programmes, meaningful market access for developing countries will have to be provided. In this regard, the trade distorting measures should be removed and duty free and quota free treatment to export products from the least developed countries should be granted.

Forth, while continuation of efforts to better define the terms of aid for trade is necessary, we should, from a pragmatic point of view, move ahead through learning by doing and through further sharing best practices and successful approaches, in order to establish and develop an effective aid for trade monitoring and evaluation

mechanism under the WTO framework.

Mr. Chair,

China is still a developing country with GDP *per capita* falling behind more than 100 countries. Nevertheless, as our economy grows, China will be able to gradually increase the level of its foreign assistance, which includes, among many others, regional cooperation and public and private sector cooperation. **In** this connection, we believe that more targeted aid for trade activities will be further promoted accordingly.

Mr. Chair,

The global review of aid for trade is a concrete step forward. And we hope to continue our efforts to promote better communication between donors and recipients, so as to build a sound and sustainable partnership and achieve tangible results, to truly help developing countries, especially the least developed.

Thank you very much, Mr. Chair.

Thank you all for your attention.