

GENERAL AGREEMENT

ON TARIFFS AND TRADE

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CONTRACTING PARTIES

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Statement by Mr. Stuart Harbinson

Permanent Representative

Basic Instruments and Selected Documents Volume 4, better known as the text of the General Agreement on Tariffs and Trade, has been more than a set of international trade rules to Hong Kong. We do not see the General Agreement merely as a code of conduct designed for the purpose of monitoring the behaviour of our trading partners, and that of our own. The fundamental principles of the GATT represent permanent values which Hong Kong not only voluntarily observes, but seeks to faithfully promote at all times.

A rule-based system underpinned by the principles of non-discrimination, transparency and fair competition is of immense importance to the international trading community. So are openness, stability and predictability in trading conditions, bolstered by a rational approach to settlement of disputes. The GATT 1947 has been the embodiment of all these virtues. Through lowering tariffs, removing other trade barriers and distortions, the GATT has greatly enhanced access to markets, fuelled trade expansion, and steered world economic growth.

Since the CONTRACTING PARTIES first met forty-eight years ago, the volume of world merchandise trade has grown over fifteen times. Eight rounds of multilateral trade negotiations have led to progressive betterment in the use of global resources, resulting in the creation of millions of new jobs.

The GATT rewards those who follow it. Hong Kong has always been committed to free trade and free enterprise. Between 1947 and 1986 when Hong Kong became a separate contracting party, our merchandise trade by value multiplied 200 fold. Since 1986, performance has tripled. Despite a relatively small population, Hong Kong now accounts for some 3.28 % of world trade -- within the ten largest economies by this measure.

The activities of the GATT have been characterized by a constructive blend of law and pragmatism. It was, and is, a successful formula. As the world economic order evolves, the ultimate success of GATT 1947 can be seen in its ability to perpetuate itself in the form of the GATT 1994, while transferring its responsibilities as the custodian of the multilateral trading system to the World Trade Organization.

Mr. Chairman, the Fifty-First Session of the CONTRACTING PARTIES witnesses the close of a great era in the history of world trade. This year, the international trading community has seen the beginning of a new age -- that of the World Trade Organization. Just as Hong Kong is grateful to GATT 1947, we are proud to be a founding Member of the WTO.

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On this solemn occasion, Hong Kong states its determination, as part of the international trading community, to continue to observe and uphold the spirit of the GATT for all sectors of trade, be they in the traditional or the new areas.

For five decades the GATT has been a key factor in the prosperity of Hong Kong. We expect the same of the WTO. For our part, our trading partners can be assured that for the next five decades, and beyond, there will be no change to the free trade and free enterprise policy which Hong Kong has espoused. After 30 June 1997 the Hong Kong Special Administrative Region, possessing autonomy in the conduct of its external commercial relations as provided in the Sino-British Joint Declaration on the Question of Hong Kong, will continue to participate fully in the activities of the WTO. As a separate customs territory, the Hong Kong Special Administrative Region will continue to decide its own trade and economic policies, including its monetary and financial policies, as Hong Kong does now.

Finally, Mr. Chairman, Hong Kong thanks, through you, the Director-General of the GATT, Mr. Ruggiero, and his four illustrious predecessors, together with all the dedicated staff of the GATT Secretariat, present and past, for the distinguished services they have rendered to the multilateral trading system.