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CHINA

Statement by H.E. Mr. Qian Jiadong
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(speaking as an Observer)

It is a great pleasure to have the opportunity to attend a session of the CONTRACTING PARTIES of the General Agreement on Tariffs and Trade when it is celebrating its 40th anniversary. Allow me, on behalf of the Chinese Government, to extend to the Director General and the Secretariat our warm congratulations on this auspicious occasion. I would like also to express to you our appreciation of your able leadership during your term as the Chairman of the CONTRACTING PARTIES.

Forty years is not a short time. At its middle age, the General Agreement has proved itself to be an important instrument in the arena of international trade. Serving as a forum for countries to conduct multilateral trade negotiations, to resolve trade disputes and to co-ordinate trade policies, it has by-and-large played a positive role in the expansion of world trade and the development of the world economy as a whole. It is not accidental that the GATT family has now grown to ninety-five, far larger than it was forty years ago.

While much could be said on the plus side, one can not, however, be over-complacent. The General Agreement is not without shortcomings and, hence, setbacks or failures. It has not always succeeded in responding appropriately or effectively to the economic realities of the world. At times, even its very survival has been called into question as a result of the gradual erosion of the multilateral trading system.

The economic situation in recent years has never been as bleak as today. Commodity price distortions, trade imbalances, the debt burden and, above all, protectionism, have gone from bad to worse. While all countries have suffered, it is the developing countries that are the hardest hit. The October crash of stock prices demonstrates further how vulnerable the world economy is. Both the international community and the General Agreement are now faced with a new challenge which is by no means easy to meet.

It is precisely under such circumstances that the Uruguay Round was launched. It is a timely decision and indeed an ambitious one. The new round has provided us with a unique chance for co-ordination and negotiations to expand world trade under an improved and strengthened multilateral trading system. Thanks to the efforts of all the governments participating in the negotiations, a good start has been achieved in the first year. However, the road ahead is still long and the problems confronting us will be more complex and difficult. It is hoped that governments, particularly of the developed countries, will continue to make contributions by translating their political will into specific negotiating positions and in the first place by seriously putting in action the standstill and rollback commitment.

The Chinese Government attaches importance to the rôle of the General Agreement and has worked earnestly to develop its relations with it. China's request to resume its status as a contracting party to GATT is no doubt a major step in this direction. After submission of the "Memorandum on China's Foreign Trade Régime" in February this year, China delivered its replies to the questions from contracting parties concerning the Memorandum on 16 November. It is believed that the Memorandum together with the written replies could serve as a useful tool for contracting parties to attain a better understanding of China's foreign trade régime.

The recently concluded 13th Party Congress in China has decided to speed up the process of economic structural reform. The major policy measures to be adopted in the course of foreign trade reform in the next year will include the following: further improvement of the drawback régime for export products; enlargement of the scope of the responsibility for profits and losses of foreign trade enterprises; designation of the right to engage in foreign trade to lower levels; expansion of the practice of agency system; etc.

We are happy that the Working Party on China has already started its work under the leadership of Mr. Girard. At the first meeting of the Working Party convened in October, organizational arrangements for subsequent work have been agreed upon. The next meeting will take place in February 1988. China will send a delegation to Geneva to exchange views further with contracting parties. It is our firm belief that the resumption of China's membership in GATT would not only serve the interests of China, but also the interests of other countries and the world economy as a whole.

In conclusion, I would like to thank again all our friends who have always supported and co-operated with us.