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CHINA

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(speaking as an observer)

The world economy has been growing this year at a lower rate than the previous year. Higher inflation has been registered in many countries. While world trade continues to expand, the inherent imbalance remains almost unchanged. The Asian region proves to be the most dynamic economy of the world. The African and Latin American regions are still facing serious difficulties in economic development. We have noted that the trade protectionist trend remains unchecked. While contracting parties endeavoured to strengthen the multilateral trading system, unilateral actions occurred. The efforts of developing countries to restructure their economies and to diversify export products encountered increasing anti-dumping and countervailing measures. Regional free-trade arrangements of an exclusive nature may further erode the multilateral trading system. These issues give rise to the serious concern of the international community. It is hoped that international economic relations will develop under normal conditions, and cooperation among states will be strengthened on the basis of equality and mutual benefit. States should make their own choice as to what economic system suits their domestic circumstances and development needs. It would run counter to the principles of state sovereignty and basic norms governing international relations, if a certain economic system and development pattern were imposed on the others.

The Uruguay Round negotiations are moving ahead, however, with sharp imbalances among the groups. As quick developments took place in the groups on Services, Trade-Related Aspects of Intellectual Property Rights, including Trade in Counterfeit Goods, and Trade-Related Investment Measures on the strength of high pressure from the major players, progress was extremely slow in the negotiations on "market access", such as textiles, natural resource-based products, agriculture, tariffs and non-tariff measures, which are of great importance to developing participants. On such subjects, negotiations have bogged down. As small and weak trading partners, the developing countries' status and legitimate interests in the GATT are challenged. The Chinese delegation hopes that such imbalance in the negotiations would be overcome next year by keeping to the practice and general principles governing negotiations as provided for in the Ministerial Declaration. My delegation also hopes that the Uruguay Round will reach as many agreements as possible, to the satisfaction of all participants.

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The policy of economic reform and opening to the outside world has brought a dynamic agent to China's economy. In the last decade, there has been a rapid economic development with remarkable improvement of living standards and two-digit trade growth. Meanwhile, we encountered problems of structural imbalance, an overheated economy and high inflation, which necessitated a three-year readjustment program beginning this year. The readjustment program is aimed at correcting the structural imbalance accumulated over years, improving conditions for sustained and coordinated development in the future, and facilitating the modernization process. This year's retrenching efforts have brought the ever-growing investment and inflation under control. China has pursued, and will continue to pursue, the policy of economic reform and opening to the outside world.

Full participation in the multilateral trading system is an important policy decision taken by the Chinese Government in pursuing the economic reforms. The Working Party on China's status as a contracting party will meet next week. I would like to take this opportunity to express my sincere gratitude to the delegations which support a normal process in the Working Party.