

STATEMENT BY CHINA

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Statement by Assistant Minister
Yi Xiaozhun, Head of the Chinese
Delegation at UNCTAD XI

(Sao Paulo, Brazil, 15th June 2004)

Mr. President,
Ladies and Gentlemen,

The Chinese Delegation would like to express its congratulation to you, Mr. President, on the successful inauguration of UNCTAD XI and on your being elected as President. We agree with the statement made yesterday by the representative of Jamaica on behalf of G77 and China.

Mr. President,

Since UNCTAD X, economic globalization and regionalization have been developing in a profound and sustained manner, and the world economic and trade situation have witnessed significant changes. On the one hand, more and more countries have participated in the multilateral trading system and taken part in the globalization and regional economic integration. The major economies are back on track of recovery. On the other hand, economic globalization, while bringing about opportunities for development, has also created new challenges to all countries, especially, the developing countries in their efforts to achieve growth and sustainable development. Various distortions in the existing international trading system are hampering the development of most developing countries. The LDCs are facing tremendous difficulties in their development efforts. The gap between the North and the South has been enlarged, rather than narrowed.

Mr. President,

It is the shared aspiration and responsibility of the international community to take full advantage of the opportunities and to cope effectively with the challenges brought about by the globalization. The theme of UNCTAD XI has fully reflected such aspiration and responsibility. The Chinese Delegation would like to put forward the following views:

1. In the process of globalization, diversified national conditions of each country should be respected and developing countries should be assisted in order to enable them to benefit from the growth of the world economy and to participate actively in the decision-making and rule-setting in the global economic affairs. Situations differ from country to country, which determine the various approaches and models taken by individual countries in pursuit of their development. These differences also explain for individual countries to respond to globalization in different ways. Therefore, the path, model and policies for development as adopted by individual country in the light of its

specific domestic situation should be fully respected. The special difficulties and interests of the developing countries, particularly the LDCs, should be given adequate attention. The international community, especially the developed countries, should help developing countries raise their productivity, international competitiveness and capacity to withstand risks, by various means including adequate and effective delivery of ODA and improved market accesses of products that are of major export interest to developing countries.

2. An open, fair, equitable and non-discriminatory multilateral trading system is conducive to the sustained development of global trade and economy. Many developing countries have made tremendous efforts at trade liberalization under very difficult circumstances. The new round of multilateral trade negotiations is at a critical juncture. All parties, particularly the major developed trade partner, should strengthen cooperation and draw lessons from Cancun. Development should be at the center of the new round of negotiations, and the special and differential treatment for developing members should be taken into full consideration and reflected in concrete manner. With regard to the new members, the extensive commitments they undertook in their accession process should be taken into full account and issues of particular concern to them should be resolved effectively. In the area of agriculture, the trade-distorting domestic support and export subsidies should be reduced substantially and abolished as early as possible. In the non-agricultural sector, tariff peaks and tariff escalation of the developed members should be reduced largely, with the principle of "less than full reciprocity". Only in this way can we expect an early outcome of the new round, that is positive, balanced and development-friendly.

3. Regional and sub-regional economic cooperation and trade arrangements based on WTO rules, will not only help minimize challenges brought about by globalization, but also complement the multilateral trading system and expand the global trade. With this understanding, China has been taking active part in the regional and sub-regional economic cooperation with other countries, including the developing countries. In Asia, we are building China-ASEAN Free Trade Area. We are conducting feasibility studies for FTAs with some countries in Latin America and Africa.

4. South-South cooperation and North-South dialogue are both effective ways for developing countries to achieve growth and development. In the face of new challenges of globalization, such cooperation and dialogue should be further strengthened and consolidated. The contents, modalities, mechanism and means should be enriched, improved and innovated in pursuit of common development. It is necessary to mobilize

all resources, open up various cooperation channels and explore new modalities for cooperation and dialogue. Apart from the government's resources, enterprises can also be mobilized to engage in the South-South cooperation by various policy tools.

Mr. President,

UNCTAD has attached great importance and made valuable contributions to the above-mentioned issues. We would like to extend our deep appreciation and respect to Mr. Ricupero and his colleagues in UNCTAD secretariat for their hard and efficient work over the years, and make two comments on UNCTAD's future work and China's cooperation with UNCTAD.

First, in the face of the challenges brought about by the globalization to developing countries, UNCTAD's role in promoting the trade and economic development for developing countries should be further strengthened rather than weakened. More specifically, UNCTAD should further strengthen its role in the policy analysis, consensus-building and technical cooperation activities, mobilize the international community to help the developing countries in maintaining coherence between their national development strategies and the international efforts, and assist the developing countries to raise their international competitiveness and deepen their engagement in rule-making, and coping effectively with the challenges posed by globalization.

Second, the Chinese Government will, as always, continue to support and participate in UNCTAD activities and further expand the areas of cooperation between China and UNCTAD. As a developing country, China has benefited much from its cooperation with UNCTAD and expanded the areas of cooperation in the recent years to globalization, investment, and regional economic cooperation. I would like to reaffirm that the Chinese Government will continue to attach great importance to its cooperation with UNCTAD and broaden such cooperation.

Mr. President,

Over the past 25 years starting from 1978, China has unswervingly pursued the reform and opening-up policy, established the system of socialist market economy and achieved sustained growth of its national economy with an average annual increase of 9.4%. China's major experience is to formulate its development strategies, models and policies according to its own domestic situation. At the same time, China's active participation in

the globalization and regional integration process and constant drawing upon the advanced know-how of other countries have also contributed to accelerating its development.

China has a saying to the effect that "one flower does not make spring and it is only when all flowers are in blossom is spring truly with us". With the fundamental concept to seek common development, China, while devoting to its own development, has also paid much attention to strengthen its trade and economic relations with other countries, particularly the developing countries. In 1978, China's foreign trade stood at 20.6 billion USD and the figure increased to 851.2 billion USD in 2003. China is now the biggest importer in Asia and the 3rd biggest in the world. In 2003, China's import totalled 412.8 billion USD, 40% over the previous year, out of which, 47.3 billion USD from ASEAN countries, an increase of 51.7%, 5.8 billion USD from Brazil, a growth of 94.6% and 2.7 billion USD from Argentina, a 120% jump. The fast and further opening-up of the Chinese market will continue to provide great opportunities for Asia and the rest of the world, and produce a new impetus to the global economic growth.

While attracting the foreign investment, China has also been encouraging the Chinese companies to invest in other countries, especially in the developing ones, and to develop economic and technical cooperation in various forms. Up to now, China's investment in more than 160 countries and regions has exceeded 30 billion USD, which has contributed to the economic and social development of those countries and regions.

In future, China will develop its economy in accordance with the new concept of all-around, balanced and sustainable development, with the target to quadruple its GDP of 2000 in the year of 2020. Meanwhile, China will further open up to the outside world and strengthen its economic cooperation with all countries to achieve common development.

The Chinese delegation wishes the conference a complete success and would like to express its gratitude to the Government of Brazil and the city of Sao Paulo for hosting this Conference.