It is a great pleasure for the Chinese delegation to attend, in the capacity of observers, the Ministerial meeting of the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade. Please allow me to extend my sincere thanks to the GATT for the kind invitation. The Chinese delegation has carefully listened to the statements of the Chairman and various delegations, and read the documents prepared by the secretariat. The statements and documents are of great help to our understanding the current international trade issues and their causalities as well as the recent developments in the GATT and the problems it faces.

At present, international trade is in a new difficult period. The world trade value in 1981 even decreased by 1 per cent, something unprecedented in post-war history. The shrinkage of international trade is obviously the direct consequence of economic recession in many countries of the world. This severe situation is further aggravated to a great extent by intensified protectionist measures which obstruct and undermine the normal flow of international trade, and hamper the revitalization of the world economy, bringing difficulties to developed and developing countries alike. The numerous developing countries in particular are put in a more unfavourable situation. The 1980s have witnessed the declining prices of many primary products, and the ever increasingly difficult access to the market of developed countries of manufactures and semi-manufactures from developing countries, particularly textiles and clothing. The developing countries find their terms of trade further deteriorated, their trade deficits increased, and their total debt burden reaching US$500 billion, which has become a salient problem in the world economy.

The current severe international trade situation demonstrates that the multilateral trading system based on the GATT is confronted with many fundamental problems which urgently call for resolution. We hold therefore, it is very necessary to hold this Ministerial meeting to discuss some of the fundamental questions. Of course, during the past thirty years and more the GATT has played a certain rôle in the promotion of international trade through the advocacy of unconditional most-favoured-nation treatment and the principle of non-discrimination. Yet, since the provisional entry into force of the General Agreement, the international trade situation has undergone great changes, and especially the Third World has emerged as a new force in the international arena. In order to adjust to the changed circumstances, establishment of a new international economic order has become an unavoidable task of historical significance, and improvement of certain provisions of the General Agreement a real question
that should be faced squarely. We have noted that a special part was included in the GATT on trade and development issues of developing countries in 1965, and that in both the "Tokyo Declaration" adopted at the Ministerial meeting of the contracting parties in 1973 and the Enabling Clause adopted during the Tokyo Round it is emphasized that the provisions contained in Part IV of the General Agreement should be effectively implemented so as to strengthen the active rôle of developing countries in international trade. The Chinese delegation hopes that these commitments and provisions be implemented effectively. At present the developing countries demand that the developed countries refrain from erecting new tariff and non-tariff barriers and gradually reduce and eliminate protectionist measures; that the special needs of the developing countries, particularly of the least developed countries, be taken care of, and their terms of trade be improved; that the pending issues of the Tokyo Round on agricultural products, tropical products, multilateral safeguard system as well as textiles trade be resolved. In the view of the Chinese delegation, these demands are all justified. We hope that the current Ministerial session of the contracting parties would make contribution to an early solution of these problems which would not only conduce to the diversification of exports of developing countries, to the stabilization and increase of their export earnings, but also to overcoming the economic difficulties of the developed countries themselves, and to the revitalization of the world economy.

China is a developing socialist country, as well as a low income developing country. In our efforts to effect socialist modernization, we go by the principles of self-reliance, that is to say reliance mainly on our own hard work. Since 1981 remarkable achievements have been recorded in our country's economic readjustment. The national economy has passed its most difficult phase, and is now on a path of steady growth. Favourable conditions have been created for further development of the economy. At present, China is prosecuting reforms to its economic system and has commenced with the promulgation and perfection of various economic laws. Guided by the principle of maintaining the leading rôle of planned economy supplemented by market regulation, we are making full use of various economic levers in the management of our economy. Tariffs as one such lever are playing an ever important rôle in foreign trade. Meanwhile we are carrying out firmly the policy of opening to the outside world and are making efforts to expand economic and technological exchanges with foreign countries in accordance with the principle of equality and mutual benefit, vigorously expand foreign trade, utilize foreign capital to the fullest possible extent and actively introduce advanced technologies suited to our national conditions with a view to promoting the development of our national economy. With the development of its economy, China's economic co-operation and trade relations with other countries in the world will definitely be further expanded.
It is well known that China is one of the founding members of the GATT. At present, the lion's share of China's import and export is with the GATT CONTRACTING PARTIES, and in the years to come, such trade will certainly expand and develop. We are pleased to note that China's relations with the GATT are becoming increased. We are ready to explore with GATT the possibility of developing relations further. We hope that the GATT would make progress in improving the existing trading system and play its due rôle in improving North-South relations, in respecting and giving special attention to the interests of the developing countries and in promoting international trade.