Working Together for Further Growth of World Trade

Address by H.E. Mr. Zhu Rongji
Premier of the State Council of the People's Republic of China
At the 4th World Conference of Trade Promotion Organizations

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Distinguished Guests,
Friends,
Ladies and Gentlemen,

On the occasion of the opening of the 4th World Conference of Trade Promotion Organizations (TPOs), I would like to express our warmest congratulations to the Conference and extend our sincere welcome to all friends from around the world.

With the advent of the new century, world economy and trade are faced with unprecedented opportunities as well as a host of new challenges. Against this backdrop, it is very relevant and meaningful to discuss trends of world trade and development and explore ways to promote international trade and investment.

The world today is witnessing a surging science and technology revolution and deepening economic globalization, which have tremendous and profound impacts on world economic development and restructuring. This growing trend will surely bring further changes to the landscape and modalities of international trade.

First, continued expansion of international trade. Despite its current slowdown and uncertainties, world economy as a whole will undoubtedly continue to grow in the long run. With science and technology playing a greater role in economic growth, technology content and added value of commodities are on steady increase and service trade is growing faster than commodity trade. The expansion of tradable sectors and reformation of trade structures will all contribute to widening the horizon of international trade development.

Secondly, closer economic and trade ties among countries. With the expansion of global market, countries are increasingly interdependent economically and transnational and trans-regional commodity flows and resources allocation will further increase. This will give better play to
the comparative advantages of countries, accelerate their restructuring and industrial upgrading, realize their economic complementarity and promote a common development.

**Thirdly, the increased integration between international trade and investment.** Across the world, the trend of investment-led trade is constantly gathering momentum. Multinationals have become a leading force in integrating trade with investment. Such integration, in its various forms, will provide a strong impetus to the cross-boundary movement of goods, capital, technology, human talents and managerial expertise.

**Fourthly, the never-ending innovation in means and modalities of trade.** The wide application of information technologies will lead to a boom of e-commerce and internet-based economy and hence sparkle innovations in management concept and modes of trade. Modern ways of circulation such as logistics, distribution centers and chain store operation will play an even greater role in international trade. All this will not only stimulate the development of service industries such as banking, insurance, telecommunications and transportation but also reduce transaction costs by a big margin and improve the efficiency and cost-effectiveness of circulation.

However, it should be noted that the current international economic order is still less than rational. North-South gap continues to widen, trade barriers of various kinds persist and trade protectionism is resurfacing, all hindering a sound development of international trade. Consequently, it is important that countries and international economic organizations should work together to enhance their consultations and cooperation, improve multilateral trading rules and mechanisms and remove obstacles to the development of international trade. Greater commitment is needed for the establishment of a fair and equitable new international economic order with special emphasis on helping developing countries to develop their economies, improve their international competitiveness and increase their trade with other countries. Developing countries, for their part, should also seize the opportunities presented by the expanded international trade, increase the technology content of their exports and improve their export mix so as to promote a growth in their own economies.

The Chinese Government attaches great importance to developing China’s economic and trade ties with the rest of the world. While expanding its domestic market, China has always worked hard to improve
the international environment for trade. We stand ready to work with other countries to contribute to expanded trade and capital flow in the world and push for further global economic growth.

Over the last two decades and more, China has made unswerving efforts in advancing its reform and opening-up, which has resulted in a sustained, rapid and healthy economic growth and constant improvement in its people’s living standards. A socialist market economy has basically taken shape in China and a pattern of all directional openness is put in place. In 2001, China’s imports and exports totaled US$509.8 billion, elevating the country to the sixth place among the world’s trading nations from the 32nd place in 1978. As of today, the accumulative foreign investment in China stands at over US$400 billion, making China the No. 1 recipient of foreign capital among all developing countries for the past nine years. China’s GDP last year grew by 7.3% amidst a considerable slow-down in world economy. In the first quarter of this year, our GDP growth rate hit 7.6% and our economy continued to grow fairly rapidly. For a long period to come, China is expected to maintain an annual economic growth rate of over 7%.

Following its accession to the World Trade Organization, China will open its door still wider to the outside world. As a responsible country that honors its words, China has done a lot to fulfill its accession commitments and will continue to earnestly carry out its obligations while exercising its rights. As from January 1 this year, China has lowered its overall tariff level from 15.3% to 12% and removed certain non-tariff measures such as import quota, licensing and specific bidding administration. More than 2,200 pieces of foreign-related laws and regulations have been reviewed with some of them either being abrogated or amended. Moreover, we have reformed the administrative approval system, resulting in a smaller number of items subject to such process. Thanks to the accelerated opening of the service sector, a considerable number of foreign banks, insurers, professional service providers and logistic firms have been allowed operation in China’s market. We will continue to open, step by step, China’s service sector in such industries as banking, insurance, telecommunications, trade and tourism to foreign investment. In the meantime, we will regulate government activities in line with the principles of uniformity of law, non-discrimination, openness and transparency and create a level playing field that is more fair, transparent and predictable for domestic and overseas enterprises. We are building a foreign trade regime and operating mechanism consistent with international practice, improving financial tools such as export credit and credit insurance, establishing a support system that
would serve the “Go Global” strategy by helping Chinese enterprises’ to explore the international market.

A more open and prosperous Chinese economy will not only benefit the 1.2 billion Chinese people but also offer immense business opportunities to the world and broader prospects for expanded international trade and investment. We sincerely hope that more and more entrepreneurs and investors from across the world will come to China for business or trade. They will find in China a stable social and macroeconomic environment, a bright economic prospect and a huge market with unlimited potential. They can count on China for their future success.

Ladies and Gentlemen,

The various international economic organizations and TPOs have in the past played an important role in facilitating the development of international trade. They will undoubtedly continue to play their positive role under the new situation of world economy and trade. The China Council for the Promotion of International Trade (CCPIT) has always enjoyed the strong backing of the Chinese Government. Over the past five decades since its founding, CCPIT has made significant contribution to trade and economic cooperation and exchanges between China and the rest of the world. It is my hope that CCPIT will continue to make its best effort to develop mutually beneficial cooperation with its foreign counterparts in promoting the growth of world economy and trade. And I am confident that this Conference will reach its goals of exchanging experiences, conducting in-depth discussion and enhancing mutually beneficial cooperation.

To conclude, let me wish the Conference a complete success and our dear friends an enjoyable stay in Beijing.

Thank you.