

China's Minister of Commerce Reflects on 10 Years since WTO Accession

27 January 2011

- China's Minister of Commerce outlines plan to further open China's economy
- Minister of Commerce Chen Deming reiterates joint communiqué's pledge to step up efforts to conclude the Doha Round
- WTO Director-General Pascal Lamy praises China's record as a WTO member
- More information on the World Economic Forum Annual Meeting 2011: <http://www.weforum.org>

Davos, Switzerland, 27 January 2011 – China's Minister of Commerce Chen Deming said that China would do its best to see the WTO's difficult Doha Round through to a successful conclusion.

The minister repeated the language of the joint communiqué released during President Hu Jintao's recent state visit to the US, in which both sides pledged to step up efforts towards a fair and comprehensive conclusion.

Minister Chen made the remarks in a discussion with Pascal Lamy, Director-General of the WTO, before global business, financial and political leaders at the World Economic Forum Annual Meeting in Davos. The two reflected on the decade since China's decision to join the WTO – a decision that Minister Chen described as a “courageous and tough choice,” but one that he affirms was “the right choice.”

“The WTO Terms of Agreement for China is the only area in the international system until now in which China has ceded sovereignty,” said Lamy. “China has accepted, in joining the WTO, that seven judges somewhere in Geneva make the decision of whether China is right or wrong.” He noted that China joined under terms much tougher than for any other developing country – a bitter pill with industrial tariffs four times lower than Brazil or India, and agricultural tariffs lower than the European Union. The pill, though, was “an insurance policy against protectionism,” said Lamy. “If they had not joined, the rise of China in international trade would have been terribly bumpy.”

Lamy said that his answer to the frequently asked question of whether China has abided by its accession agreement is “Overall, yes.” He added: “Like other WTO members, there are moments of hesitation, of doubt. Nobody has a totally clean nose in the WTO.”

Minister Chen noted that China still regards itself as a developing country, with a low per capita GDP and 150 million people living under the poverty line. But Lamy pointed out that while that may be true, what people see on televisions in other countries is the booming China of the Shanghai Expo, the Beijing Olympics, imposing skylines, high-speed rail lines. “China still has major domestic challenges in the environment, in rebalancing its economy, in healthcare and the pension system, but that is not what you see on TV,” he said. “Governments accountable to public opinion will need to take into account that China is booming.”

Minister Chen outlined Beijing's plan to further open its economy, with a three-prong strategy of encouraging Chinese companies to invest overseas, increasing overseas buying and boosting domestic consumption. At current rates of growth, he said: “10 years from now, [China's] imports will be bigger than the total [volume] of world trade currently.”

Pressure to conclude the round in the coming months is mounting as presidential election season

heats up in the US, when any further progress will be unlikely. "We all need to work, not point fingers at one another. China will do its best," said Minister Chen.

Notes to Editors

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