

Statement by H. E. Ambassador Sun Zhenyu
Permanent Representative of China to the WTO
At the Informal Trade Negotiations Committee Meeting

(28 July, 2008)

Thank you Chairman,

China would like to thank you and the two Chairs of Ag and NAMA who really have spent a great deal of time and tried to bridge the gaps of members. We appreciate very much your efforts.

We have tried very hard to contribute to the success of the round. It is a little bit surprised that at this time the US started this finger pointing. I am surprised because they are now talking about cotton, sugar, rice of China as seems that we are not going to make any more efforts there. But I just want to explain what China has contributed in the round.

Because of our accession negotiations, our tariff in agriculture on average is 15.2% now bound at this level, which is lower than the average of European Union, lower than Canada, lower than Japan, lower than quite a number of developed countries on average. But on that basis, we are committed in this round to cut further down our tariffs, the applied tariffs deeply. And in NAMA, our average is 9%, bound at that level. And in this round, we will cut about 30% in applied level. So we are making contributions of 50% of the total developing countries in terms of applied rate cut. So that is our contribution.

During the Signaling Conference, my minister gave indications that in spite of our very expansive commitments in our services commitments, we are going to make new efforts, we are going to give signals to consider on the condition that others will reciprocate some new sub-sectors, and some improved offers. Eventually the level of openness of our service market will be roughly at the same level of some developed countries. So that will be our contribution.

If you consider what the contributions that developed countries are going to make, in OTDS the US now is spending \$7 to 8 billion this year or last year, maybe a little bit more to 10 billion, but they are offering \$14.5 billion with a lot of policy space for the US. And in their tariff cut in agriculture, they are protecting their sensitivities through sensitive products while they are saying “well even if sensitive products for 5 or 4% although, but we will have TRQ expansions”. But they can never expand their TRQ to the level of China’s TRQ quantities. In our case, our TRQ is 9 million tons for wheat, 7 million tons for corn, 5 million tons for rice. How about your quota, even after the expansion will never pass half a million tons. Where is the new market access to the developed countries?

In NAMA, they are using erosion trying to cover their sensitivities, keeping their tariff peak in textiles and garments for another 10 years. They will cover all their sensitivities through various measures while they are asking China to participating in sectors where we have great sensitivities, particularly in chemicals, in electronics, in machinery. We need some kind of

protection but they want to bring that down to zero or near zero. So they have protected their sensitivities very well and now they ask us in our sensitive areas: “you need more efforts to walk on extra miles there”. So we are in a very difficult position but we still want the round just for the sake of the multilateral trading system. We have been trying very hard to bridge the gap so we have some consensus on erosion. We have expressed our contributions in services, and we have tried very hard to make improvement there for issues that we think we can show some flexibilities. But unfortunately on those important issues such as SPs and SSM, which affect millions of poor farmers, that is somewhere we can’t really make further concessions there. Particularly on the concerns of LDCs, SVEs, they can not accept too high a trigger or too low a remedy there. Their concerns have to be considered, their poor farmers’ interests have to be considered. And we also have great sympathies to the solution of the issue of cotton, and in NAMA, the solutions for South Africa, for Venezuela, for Bolivia, I think they are all important issues that we have to settle.

Having said that, Mr. Chair, we will continue to work with you, to work with the two Chairs who make great contribution and also with all other Members, and try very hard to cover the last mile and to make compromises. But the major players, the major developed players, have to show their flexibilities. This is a Development Round. They have to remember that this is a Development Round. If they cover all their sensitivities for themselves, and keeping on putting threats on developing countries, I think we are going nowhere.

Thank you, Chair.