

WTO envoys expect China's bigger role in multilateral trade system

By Wu Jun, Ren Yan, Fang Yingxin from People's Daily

The World Trade Organization (WTO) members praised China's efforts to fulfill its promises of opening up market and abide by multilateral rules, while also expecting Beijing to play a bigger role in multilateral trade system.

They made the conclusion as the WTO finished its seventh trade policy review (TPR) of China on Friday. During the week-long evaluation, the members reviewed the report on China's trade policy drafted independently by the WTO Secretariat, which summed up China's performance in the last two years.

A policy statement submitted by China, in which the Chinese government elaborated how it implemented its trade policy over the two years, was assessed by the members as well.

"During the review period, the Chinese economy continued to be a major driver of global economic growth," the report said, predicting a more stable, albeit lower growth as well as rates of around 7% per year in the foreseeable future.

"Growth rebalances from investment to consumption, from external to internal demand, and from manufacturing to services," the report added.

The Chinese government has been trying to address these issues by focusing on the quality and sustainability rather than the quantity of growth, lauded the report, adding that reforms have advanced across many areas, including the introduction of measures to reduce overcapacity, strengthen local government borrowing frameworks, and address financial sector risks.

"China continues to be one of the world's largest recipients of foreign direct investment (FDI)," WTO Secretariat wrote in the report, explaining that FDI inflows have been growing for a number of years.

Major recipients of investment inflows were manufacturing, real-estate, leasing and business services and wholesale and retail trade, the body expounded.

Describing China as a significant overseas investor, the report pointed out that its outward FDI has also been trending upwards for a number of years.

China is an active member of the WTO, the report noted, saying that during the period under review, China signed two free trade agreements with the Maldives and Georgia, bringing the total number to 16.

The report also underlined that China continues to grant unilateral trade preferences to least developed countries (LDCs), and as of this March, duty-free treatment on 97% of tariff lines was

granted to 36 LDCs that have diplomatic relations with China and completed the exchange of notes.

China has made modifications and reforms to its trade and investment policies and measures since the previous review, said Eloi Laourou, chairperson of the TPR body, citing its endeavor to revise the catalogue for guiding foreign investment and establish 11 free trade pilot zones.

Laourou, also Benin's ambassador to the United Nations offices in Geneva, hailed China's reforms on trade facilitation as well.

About one third of imports are now declared through single windows, and clearance times of imports were reduced to an average of 16.7 hours in 2017 from over 22 hours in 2016, he elaborated, adding that clearance times for exports were further reduced during the period under review, to a nationwide average of 1.1 hours in 2017.

According to him, China, as an observer to the Committee on Government Procurement, is in the process of negotiating its accession to the Plurilateral Agreement on Government Procurement (GPA), and also as a participant in the Information Technology Agreement (ITA), it has agreed to its expansion.

WTO members highlighted the importance of China's contribution to global growth in recent years and expressed appreciation for China's active role in the WTO, Laourou said in the concluding remarks of the review.

"China, being the world's biggest merchandise trader and one of the largest recipients of FDI, its policies have a direct impact on the global economy," he added.

"Hence, (the WTO) members called upon China to assume the increased responsibility linked with being a major player in the multilateral trading system," said the chairperson.

Since China joined the trade body in 2001, its role in the system has increased a lot, which has also been agreed by the review this time, WTO Director-General Roberto Azevedo told the People's Daily.

Its exports have been increased by seven times and imports by six times, he said, adding that China also lifted more than 700 million people out of poverty.

Thumbs up should be given to these remarkable achievements, the WTO chief said.