

WTO hails China's trade liberalization

China's trade regime has continued liberalizing since 2006, the World Trade Organization (WTO) said, expressing concerns about imbalances in and adjustments to the country's export policies.

The WTO Secretariat made the comments in a report following its second review of the country's trade policies and practices in Geneva on Wednesday.

"Structural reforms in China, including trade liberalization, have resulted in annual real GDP growth rates in excess of 10 percent over the past four years, rising per-capita income and poverty reduction," the secretariat said.

The organization's first review of China's trade policies took place in 2006, five years after the country's WTO ascension, and it earned a good evaluation. Disputes about China's trade policies increased as the trade volume grew over the two years since, and the country has also lodged disputes with some of its trade partners with the WTO.

The WTO Secretariat said that since its previous review, China's trade and investment reforms have accelerated the country's integration into the global economy.

It predicted ongoing reform in China - now the world's third-largest trader - would help sustain high growth in the face of a variety of challenges, including various economic imbalances.

WTO statistics show that in 2006 China's total trade in goods alone accounted for about 65 percent of its GDP and 13 percent of global trade, and China has remained a major foreign direct investment recipient.

"The multilateral trading system, which is represented by the WTO, plays an important and irreplaceable role in maintaining world economic stability and promoting global trade liberalization," said Qiu Hong, China's assistant minister of commerce, who led the Chinese delegation to the meeting in Geneva.

The WTO has questioned some of China's policies aimed at curbing exports of resource-intensive and polluting products, such as export taxes, reduced tax rebates on exports, and export prohibitions, licensing and quotas.

"(Such policies) result in lower domestic prices of these products than otherwise; this possibly assists downstream processing of these products, without necessarily helping to improve the environment or reduce the current account balance," the secretariat said.

Consequently, the effectiveness of such trade policy measures in addressing the current account surplus and environmental problems is questionable, it added.

China had received 880 questions from WTO members concerning the country's development and policies in economic and trade sectors before the meeting in Geneva. The Chinese delegation replied to about two-thirds of these at the meeting and is scheduled to answer the others within a month.

Source: China Daily