Editorial: A Major, Historic Event in China's Reform and Opening Process

On November 10, the legal document on China's entry into the World Trade Organization (WTO) was adopted at the 4th WTO Ministerial Conference held in Doha, the capital of Qatar. It indicates that China has eventually become a new member of the WTO after 15 years of painstaking efforts and the cause of China's opening to the outside world has entered a new stage of development. This is a major event of historic significance in China's modernization drive, it will certainly exert important and far-reaching influence on China's economic development and social progress.

Joining the WTO is a major strategic decision taken by the Central Committee of the Communist Party of China (CPC) and the State Council after making a correct assessment of the situation and taking a broad and long-term view about the matter. It fully demonstrates the farsightedness of the third generation collective leadership with Comrade Jiang Zemin at the core who assume responsibility for controlling the whole situation and advance with the time, and their firm confidence in deepening reform and expanding opening, it also fully displays China's active posture in conforming to the trend of economic globalization and actively participating in international competition and cooperation. Over the past 15 years, the tremendous achievements gained in China's reform and opening up have provided condition and possibility for China's participating in the multilateral trading system; China's unremitting efforts for joining the WTO have also forcefully promoted the whole process of China's reform and opening up.

Accession to the WTO is China's own needs for reform, opening up and economic development. The WTO (its predecessor is the GATT) is an important international organization handling trading problems in today's world, its basic functions are to formulate and supervise the implementation of multilateral trading rules, organize multilateral trade negotiations and solve trade disputes among its members, playing an irreplaceable role in world economic and trade development. At present, the trade volume among the WTO members accounts for 95 percent of global trade total. China's entry into the WTO, the world's largest multilateral trading system, will further strengthen China's economic and trade relations with various countries and regions around the world, will expand new space for China's opening to the outside world, will help promote the perfection of China's socialist market economic structure, inject fresh vigor into the national economy for its sustained, rapid and sound development, it is identical with the objective of China's reform, opening up and the establishment of a socialist market economic structure.

Accession to the WTO is required by China's in-depth participation in the process of
economic globalization. Economic globalization is an important characteristic of today's world economic development, under the impetus of the rapid development of science and technology, it is a profound industrial structural readjustment carried out globe-wide with the global operation of transnational companies as the carrier. Economic globalization is the objective trend of the world economic development. It is a double-edge sword, when it is properly used, we will benefit from it; when it is improperly used, we will suffer harm. The crux of the matter is how to comprehensively treat this trend. This requires that we should dare to join and be good at joining in the international division of labor and cooperation under the condition of economic globalization, pursue the benefits while avoiding the detriments, make full use of its favorable factors and resources to speed up our own development and expansion and timely prevent and control unfavorable factors and risks that may appear. Through joining the WTO, we will further speed up the pace of perfecting the socialist market economic structure, and opening to the outside world in a wider scope and at a deeper level, this will create an important structural condition and policy guarantee for our effective participation in economic globalization.

China's accession to the WTO is also required by the WTO itself. China is the largest developing country in the world, without China's participation, the WTO will be incomplete and will be unable to express the universality and fairness of the multilateral trading system. China's entry into the WTO will play an active and constructive role in starting a new round of multilateral trade talks and in establishing a new international economic order. After entry into the WTO, China's economic system will more conform to the common international rules and will greatly help improve China's industrial and investment environment. In the meantime, China's huge market potential will be gradually transformed into real purchasing power, thereby providing a formidable market and business opportunity for various countries and regions around the world, this will definitely enable China to make new contributions to all mankind.

Like joining the process of economic globalization, China's entry into the WTO has both advantages and disadvantages, but on the whole, it conforms to China's fundamental interests and long-term interests. Accession to the WTO will, from many aspects, bring us opportunities for development, which will help us continue to deepen economic restructuring and promote the national economic structural readjustment and the upgrading of industry, it helps expand total employment volume and raise people's living standards; it helps display comparative advantages, further expand exports and make better use of foreign capital; it is conducive to implementing the strategy of "going globe-wide", and to participating in international competition and cooperation in a broader world; it is advantageous to China's participation in the formulation of international economic and trading rules, and to China's share of the benefits brought about by the multilateral trading system and economic globalization. Entry into the WTO will also mean that we will face some
grim challenges, government departments are required to make necessary conceptual and structural adjustments in economic management, corresponding changes should also be made in enterprises' management method and operational mechanisms; along with the inflow of more foreign products and service trades into the domestic market, some Chinese industries will face fiercer competition, enterprises with high cost, low technical level and backward management, in particular, will be subjected to certain impact and pressure. We must make adequate estimation of this.

We should make scientific and dialectical analysis of the advantages and disadvantages of China's accession to the WTO. We should give play to our subjective initiative, strive to promote advantages and eliminate disadvantages, and work hard for the advantage outdoing the disadvantage in the whole situation. To this end, we must complete various steps in the Preparation work well for entry into the WTO. We should fully understand that whether we can seize the opportunity for WTO entry and meet challenges facing China's accession to this organization, in the final analysis, depends on whether or not we have our own things done well and whether we can constantly improve our overall national strength and international competitiveness. This situation requires that we should proceed from the general situation, make advanced preparations, actively cope with eventualities, adopt appropriate tactics and measures, strive to improve the socialist market economic structure, standardize policies, laws and the administrative management system, further unify and open the domestic market, and construct a fair, transparent competitive environment for domestic and foreign enterprises. China is a large responsible country, the promises we made during negotiations are part of the rights and duties for entry into the WTO. China will earnestly honor these commitments. The urgent task at the moment is to lose no time to sort out, revise and perfect foreign-related economic laws and regulations, maintain the consistency and authority of related policies; accelerate the change of government functions, and raise the administrative level according to law; energetically strengthen the work of rectifying and standardizing the market economic order; continue to expand the opening of the service market in a systematic way; extensively carry out multilateral and bilateral economic and trade cooperation; strengthen the coordination between government departments after entry into the WTO, and accelerate the training of professionals.

We believe that with the staunch leadership of the Central Committee of the CPC Central Committee with Comrade Jiang Zemin at the core, with the successful experiences gained in the reform and opening up over the past 20 years and more and the solid material foundation and with the understanding and support of the entire Chinese people, so long as we achieve ideological unity, make full preparation and take correct actions, we will certainly be able to take entry into the WTO as an opportunity to transform pressure into a motive force, further promote the fundamental change in the economic system and economic growth method, improve
the overall quality and competitiveness of the national economy, make new contributions to the great rejuvenation of the Chinese nation and play a still greater role in promoting the common development of human society.