

COMMENTS ON NAMA CHAIR'S PAPER

- We appreciate your efforts to prepare the paper which help to intensify the multilateral process. The text has laid out the architecture to solve the major elements in the modality, with some degree of specificity. The numbers, of course, ^{are} ~~is~~ still subject to negotiations and there are still big gaps to be bridged. China is supportive and strongly committed to the multilateral process and we are ready to engage with other Members in serious negotiations when we resume our work in September. Here I would like to give our initial comments on some of the points in the Chair's paper.
- We share very much the comments by many previous speakers. This is Development Round and the principle of less than full reciprocity is very important. The gap between the two coefficients should be wider than the Chair's proposal. We should recognize that for many developing countries, a coefficient higher than the range of the Chair's text is necessary. At the same time, we believe that a coefficient between 8 and 9 for developed countries fails to deliver the ambition of the DDA. According to our simulation, the coefficient for developed countries should be lower than 8 in order to enhance market access for developing countries. As Swiss formula itself is very ambitious, if both developed and developing countries equally cut 50% of their bond tariff under the formula the coefficient would be 5 for developed and 35 for developing countries. Therefore the request for less than 8 for developed countries is quite reasonable while the coefficient proposed by the Chair for the developing countries are much lower than 35.
- China fully understands the concerns of Nama 11, the para 6 members, the LDCs and SVEs. It is our believe that we should listen carefully to their specific proposals in order to find a proper solution to achieve the development objectives.
- On RAMs, we appreciate the Chair's consideration of the interest of the RAMs but the inclusion of the grace period and longer implementation as treatment for RAMs alone could not address our concerns. There are still needs for some more flexibilities.
- Finally there is the issue of Para 24 of the Hong Kong declaration. It is a most challenging task to strike a balance between the ambitions of Ag and Nama. A lot of work remains to be done to deliver that balance. We are looking forward to an improved second draft of the modalities after resuming our work in September.
- In conclusion, China is fully committed to the early conclusion of the

negotiations and will remain engaged constructively and actively in the negotiations for achieving the goal of the Development Round.