

WORLD TRADE ORGANIZATION

WT/MIN(98)/ST/12

18 May 1998

(98-1980)

MINISTERIAL CONFERENCE
Second Session
Geneva, 18 and 20 May 1998

Original: English

AUSTRIA

Statement Circulated by H.E. Mr. H. Farnleitner,
Minister for Economic Affairs

I should like to thank Federal Councillor Mr. Couchepin, for the great efforts Switzerland, as the host country of WTO, has made to contribute to the success of this Conference and of the anniversary celebrations. My thanks are also addressed to the Director-General, Mr. Ruggiero, and his staff for the excellent preparatory work in the run-up to these events.

Mr. Chairman, we meet today on an historic occasion. We celebrate 50 years of GATT/WTO and the history of this organization stands for 50 years of trade liberalization and the settlement of trade disputes with peaceful means. The 50 years long history of the GATT/WTO system can - without exaggeration - be considered as a success story. The achievements of eight world trade rounds since the creation of the GATT reinforced the confidence in the multilateral approach for the regulation of the international trade relations. Liberal trade and GATT/WTO are almost synonymous nowadays and the one can hardly be imagined without the other.

In the past the liberalization of trade proved to be an important driving force for global economic growth. Economic analysis indicates that especially smaller countries, which are heavily dependent on foreign trade, benefit more than proportionally from open markets. Statistics show for these countries an additional growth of up to 6 per cent, created only by the GATT-Uruguay Round. The strong increase of the Austrian exports during the last years for example can be explained to a large extent by the more liberal market access conditions. It appears justified to conclude that future trade liberalization will have similar positive effects for all Members of the WTO.

The Marrakesh Agreement, however, can only realize its full potential for contributing to economic growth and thereby to increased living standards if and when they are fully and faithfully implemented. It goes without saying that Austria advocates the complete and timely implementation of all Agreements of the Uruguay Round as well as of the Results of the 1997 Financial Services negotiations. We therefore expect the permanent organs of the WTO to intensify their ongoing work of monitoring implementation.

There are good reasons for developing the GATT/WTO system further. The WTO faces constantly new challenges because of the dynamics and the increased complexity of international economic relations. It is one of the tasks of this conference and of its follow-up to underline the positive effects of globalization, but at the same time to acknowledge the possibility of undesirable side effects and to consider measures to counteract them.

The lack of comprehensive rules for investment in the WTO Agreements is a shortcoming which becomes more and more apparent. The WTO Agreement on Trade-Related Investment Measures (TRIMs) covers only part of the links between trade and investment. Therefore WTO is called upon

to deal with this subject in a more comprehensive manner. This applies to multilateral rules of competition as well which are not yet covered in the WTO. The efforts made in these fields have our full support.

WTO Members have already made frequent use of the WTO dispute settlement procedures during its first years of existence. The Dispute Settlement Understanding (DSU) has contributed to a large degree to strengthening confidence in the WTO system of rules. The current review process should not put into question the WTO dispute settlement as such, it should rather be used to remedy certain weaknesses in the functioning of the system.

The WTO should give particular attention to a better integration of the least-developed countries into the multilateral trading system. Apart from additional efforts to implement the Plan of Action for least-developed countries adopted at the last WTO Ministerial Conference in Singapore, concrete measures to improve market access to LDC's products should be taken. Some WTO Members have already set a positive example which should be followed by all developed and by more advanced developing countries.

We believe that accession negotiations with the numerous WTO applicants should be accelerated. Lack of resources is certainly not a valid reason for further delays. To this end, it is also necessary, however, that some applicants become more aware of what WTO Membership implies and take more vigorous action to adapt their legislation to WTO obligations.

Apart from the preparation of the next round of trade liberalization and the solving of other imminent ad hoc tasks, Austria supports continuing the WTO Work Programme adopted in Singapore.

The extremely rapid development of electronic commerce with its manifold interfaces to WTO issues requires a quick reaction. Therefore WTO should develop as soon as possible basic principles for trade relevant aspects of electronic commerce. In order to fully exploit its potential, electronic commerce needs a stable regulatory framework from which both, consumers and suppliers, shall benefit.

Since the first Ministerial Conference in Singapore important progress has been achieved by the WTO. In this context I would like to mention particularly the conclusion of the negotiations on information technology, basic telecommunications and financial services. These successes, obtained despite often adverse circumstances, should fill us with a sense of confidence with regard to the new round of trade negotiations.

We support the Ministerial Text before us and are looking forward to the preparatory work for the next Ministerial Conference which we expect to take the decisive decisions for a ninth negotiating Round.

With respect to the upcoming negotiations starting in 1999/2000, Austria advocates a comprehensive approach. This approach covers the lowering of industrial tariffs, particularly those which still constitute a real impediment, the improvement of the effective market access for services, the adjustments of the existing agreement texts where the reviews demonstrate the necessity to do so, intensive dealing with investment and competition questions, progress with the trade facilitation dossier as well as further liberalization within the area of information technology and - last but not least - accelerated reduction of technical trade barriers.

The services sector, no doubt, can contribute very much to growth and employment, although some less-developed countries are unfortunately still lagging behind in realizing the benefits on the full-scale. The small- and medium-sized companies in the industrialized countries also do not always

belong to the short-term winners of liberalization; many of them have still to prove their ability to compete.

In considering further steps of liberalization it appears to us of special importance to convince public opinion of the positive contribution of open markets to growth, prosperity and employment. On the other hand, however, the WTO community is called upon to increase its sensitivity for possible effects of trade on the environment and to pay proper attention to apprehensions with regard to social standards.

The Committee for Trade and Environment has deepened its analytical work and thereby created the adequate prerequisites for a stronger politically accentuated debate. The experiences achieved should soon be transformed into concrete WTO provisions.

Austria favours cooperation between ILO and WTO Secretariats as provided for by the Singapore declaration. Such cooperation should be made transparent by regular reports and appropriate attention is to be given to this important topic in the WTO.

Since its establishment as an international organization WTO has consolidated its position as a driving force in multilateral trade in an impressive manner. I am confident that due to the full support of all Members, WTO will be able to cope with its continuously expanding agenda in the coming years. WTO enjoys the necessary support and prestige to meet the challenge of upcoming trade policy issues.
