

MINISTERIAL CONFERENCE
Second Session
Geneva, 18 and 20 May 1998

Original: English

ITALY

Statement Circulated by Prof. Augusto Fantozzi,
Minister of Foreign Trade

1. On the occasion of the second WTO Ministerial Conference, the important results achieved in the 18 months following the Singapore summit should be first of all underlined. In fact, three paramount agreements have been reached in strategic sectors of the world economy (Information Technology, Telecommunications and Financial Services) and this confirms the strong determination with which WTO Member countries overcome all difficulties and proceed along the path of liberalization. Another important target was reached during the top-level meeting on Least Developed Countries (LDCs), which laid the foundations for a coordinated effort of International Organizations aimed at promoting a greater integration of these countries into the multilateral system. Furthermore, the implementation of the agreements reached is satisfactorily under way, in compliance with the commitments undertaken at Marrakesh and subsequently. Progress is also being made in the numerous negotiations on accession, the hopefully rapid conclusion of which will transform the Organization into a truly universal body. All this confirms the viability of the system and encourages us to push ahead with a process that started 50 years ago. We should take advantage of the current momentum and leap into the year 2000 with the launching of a new round of comprehensive multilateral negotiations.

2. The commitment to negotiate in certain sectors is already contained in our working programme, which will have to be completed with the inclusion of other issues such as industrial tariffs, the relationship between Trade and Investment, Trade and Competition, Trade Facilitation, Public Tenders, etc. The 2000 round of negotiations will thus be the greatest effort of liberalization and will allow us to adequately meet the demands of the world economy.

3. The establishment of WTO and its first years of activity coincide with a period of great attention devoted by civil society to international trade. It follows that we have to duly take into account the requests made by those groups that so far did not take part in our negotiations and decisions. These requests reflect the most immediate interests of citizens, such as environmental protection and the protection of human health. Broadly speaking, we have to make a joint effort to overcome the doubts and reservations that are frequently being voiced with regards to the real advantages of liberalization. In other words, we have to devote greater attention to the problems of the most disadvantaged groups and of developing countries. Within an Organization which is going to have a universal nature and is based on consensus, the multilateral system should not be perceived only as a source of obligations, but also as a source of benefits. The role of developing countries is essential to reach this target.

4. Many people are concerned about the most recent phenomenon in the world economy, i.e. globalization. I don't want to describe the origin and characteristics of this phenomenon which, in my opinion, is bound to last for several years. A lot has been written about this subject and endless

debates have been held at the international level. Today, I will just underline the positive function of globalization and its contribution to solving the dilemma of regionalism vs. multilateralism.

5. The processes of regionalism which have recently gathered momentum cannot but create a globally-integrated economy, since the choices made by private individuals as well as national economic policies will be increasingly dependent on what happens in other distant regions of the world.

6. More than ever before, the global economy will need a multilateral system whose rules guarantee the orderly development of international trade. If this is the trend, and I believe that it is, it is up to us to ensure that the next phases of the adjustment process take place in full compliance with the principles and rules of WTO.

7. Although regionalism and multilateralism are sometimes described as antithetical, there are many people - myself included - who maintain that regional integration significantly contributes to the global liberalization of trade. Of course, it is important to make sure that the advantages that some countries undoubtedly derive from regional liberalization do not create disadvantages at the expense of countries that do not belong to the same area. As we all know, the trading partners of the Community have attached a great importance to this aspect and followed with great attention the agreements reached as well as the subsequent enlargements of the European Union.

8. In this regard, I think that it would be interesting to carefully analyze the existing rules and see for example if the different treatments applied to free trade areas and to customs unions are justified.

9. A first important step toward a more homogeneous assessment of treatments was undoubtedly the establishment of the Committee on Regional Trade Agreements, which provides a global vision of the numerous initiatives which previously were analysed on a separate basis. An important task of the Committee is that of considering the systemic implications of regional agreements for the multilateral system and making appropriate recommendations to the General Council. I am convinced that the Committee will perform this function in the best possible way, thus highlighting those aspects of regionalism that are more conducive to the development of a multilateral system.

10. I therefore believe that there are all the necessary guarantees to ensure that regionalism and multilateralism coexist in full compliance with the rights of each WTO Member and with the common aim to push ahead with the liberalization process within a framework of transparent and commonly-accepted rules.
