

WORLD TRADE ORGANIZATION

WT/MIN(98)/ST/76

18 May 1998

(98-2073)

MINISTERIAL CONFERENCE
Second Session
Geneva, 18 and 20 May 1998

Original: English

EUROPEAN COMMUNITIES Commission of the European Communities

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Introduction

This week we have rightly celebrated the many achievements of the GATT over the last 50 years. We have recognized its tremendous contribution to growth, prosperity, employment and economic stability. And we have recognized that, in today's global economy, further expansion of trade within the rule-based system of the WTO is the surest way to maintain and spread that prosperity in the long term.

As we approach the next century, the multilateral trading system faces new challenges. The traditional market access gains of the past may be undermined unless we are able further to liberalize and establish rules in the fields of services, competition and investment. Challenges - and hard choices - face us as we prepare to further reform agriculture. And there is a broader challenge still, as we try to demonstrate to a society sometimes fearful of economic change, and to those sections of society who may be unconvinced of the benefits of the multilateral system, that it is through that system, and not outside it, that we can best manage this change.

At this historic moment for the multilateral trading system, the European Community takes the opportunity to state its views on the key questions which must be addressed at this, the Second Ministerial Conference, if the WTO is to meet the challenges of the future as confidently as it has met those of the past.

Recent achievements

The track record of the WTO since the conclusion of the Uruguay Round has been extremely positive for us all, bringing better business certainty and better market access. Tariff and non-tariff barriers have been slashed, our intellectual property has started to benefit from global protection, and our services industries are opening up new markets. Cheaper imports have also benefited our consumers and industries reliant on those imports. Growth is being increasingly trade driven, and trade accounts for an increasing proportion of economic activity, employment and growth. The past year has also been successful. The Information Technology Agreement, the agreements reached on basic telecommunications and financial services, and the growing success of the WTO's dispute settlement system to diffuse or resolve trade differences: all major successes. It is right that we acknowledge those successes.

Overall aims for the Ministerial Meeting

In broad terms the European Community consider that the Ministerial Meeting should provide the following key messages. First, a reaffirmation by all of the primacy of the multilateral system for trade issues. Secondly, reaffirmation of the importance that all Members attach to full and timely implementation of their WTO commitments. Third, the need to make the WTO a truly global organization both through expanding its membership and through assisting the full integration of least-developed countries into the global trading system. And fourth, recognition of the benefits - to sustainable development, growth and jobs - of further and broad based liberalization within the WTO framework, including in new areas.

Implementation of The Uruguay Round Agreements

The Second Ministerial Meeting of the WTO offers an opportunity to take stock of implementation of our Uruguay Round commitments. As the reports from different WTO bodies show, implementation has proceeded in most cases smoothly and on the agreed time-frames. The European Community has assiduously implemented all its commitments on schedule, and naturally expects the same from its trading partners.

We are nonetheless aware of concerns from some developing countries, notably certain least-developed countries, over their capacity to implement particular Uruguay Round Agreements within the agreed deadlines. The Community is receptive to legitimate concerns of this nature and is prepared to provide further technical assistance and support to ensure full and timely implementation of commitments by the countries concerned.

Global membership

The European Community believes it essential that all trading countries become Members of the WTO. It looks forward to making progress on the accession of candidate countries, large and small, on the basis of mutually acceptable and viable market access commitments and full adherence to WTO rules. It affirms that no acceding country should be required to take commitments which go beyond those of Members.

The limited participation of some least-developed countries in the international economy remains of great concern. Following the 1997 High Level Meeting on LDCs the Community as promised extended duty-free market access to products originating in these countries. It calls on other WTO partners to make comparable commitments towards LDCs at the Ministerial Meeting.

Current difficulties in the international economy

The recent financial difficulties in Asia have put pressures on the international trading system which all WTO Members have felt. The European Community believes that with continued regulatory reform, market openness and strong mutual support, stability in the region will be restored. To this end we believe it must be in the interest of all WTO Members to commit themselves to keep markets open, to continue with economic reform, and to pursue further multilateral liberalization, building on current market access levels, as the best means to overcome any protectionist pressures. The European Community also calls for strengthened cooperation between the IMF, the World Bank and the WTO as a necessary element of this support.

The WTO and civil society

A major challenge for all WTO Members is to strengthen public understanding of, and confidence in the multilateral system. Some sectors of our societies are concerned about the impact of globalization on their livelihoods and uncertain of the benefits provided by a trading system based on international rules. We must introduce measures to improve transparency of the workings of the WTO, and greater engagement with representatives of the civil society. In doing so we must be prepared to demonstrate to all interested groups the economic and social benefits that result from an expansion of trade, as well as the stability that the rule-based system brings.

The future

The WTO must look forward. Economic growth and well-being can only be sustained by continued reform and continued liberalization, because the world economy is changing rapidly and the multilateral system has continually to keep up with those changes. Traditional concepts and patterns of trade are now inextricably linked with international patterns of investment, with communications technology, with the explosive growth of trade in services, and with major issues involving competition policy, the management of the environment, and sustainable development. All these issues demand a response. Framing that response is the key challenge of the WTO in the years to come.

The Community is convinced that these challenges can be met only if we embark on a new, comprehensive round of trade negotiations: a Millennium Round. The Community has therefore been at the forefront of those who have called for such a trade round to start at the beginning of the next century.

We need a comprehensive trade round essentially for two reasons. First, to maintain our sovereign control in the face of rapid and far-reaching economic change. Only by embracing this change can we remain the masters of it. Simply to stay still, we need to set a far-reaching agenda for further liberalization of trade and investment. If we do not, then in view of the pressures the international economy is now under, we risk slipping backwards. As the recent difficulties in Asia have shown, more liberalization, not less is needed. A liberalization underpinned however by multilateral rules, bringing transparency, fairness and predictability.

The second reason for a comprehensive round is to ensure balance. The WTO's built-in agenda foresees negotiations to further liberalize agriculture and services starting at the end of 1999. Those negotiations are going to be more meaningful, more successful and lead to a more significant outcome if placed within a broader negotiating framework. Because it is through a comprehensive approach involving a broad range of issues that all participants can identify gains and in doing so offset any opposition to further liberalization that may arise in specific sectors. In short, only a comprehensive approach can allow us to benefit our widely different constituencies. And only a comprehensive approach will, I submit, allow us to integrate to an acceptable degree the concerns of the broader civil society.

We have therefore argued in favour of a comprehensive round starting in 2000, covering the built-in agenda, the new issues identified at Singapore, together with more traditional subjects such as industrial tariffs and other issues that Members may wish to pursue. We also wish to make qualitative progress on the relationship between trade and the environment, and to promote wider understanding of the economic and social benefits of the WTO system. There is considerable international support for a balanced and broad based approach of this type.

Timing

A comprehensive trade round needs careful preparation, and must be able to deliver results fast, given the growing speed of economic development. A round encompassing the subjects the Community has identified can be concluded expeditiously and certainly substantially faster than the UR. This is feasible because first, we have a fairly finite number of subjects to deal with, most of which have already been under discussion in WTO for a long time and are thus familiar. And second, unlike the Uruguay Round, we are not on this occasion faced with systemic questions about the structure of the WTO.

The future work programme

This week WTO Members have all recognized the need to build on past successes by maintaining the momentum of further trade liberalization. Today is of course not the moment to take decisions on the new round. But it should take a number of steps that will enable us to take such a decision when we meet next year. It must prepare the ground.

The European Community therefore calls on this Ministerial Meeting to set up a wide-ranging, and all-inclusive work programme, under the auspices of the General Council, to prepare the substantive agenda for the 1999 Ministerial. This work programme should cover in a balanced and equitable manner the subjects of the built-in agenda, the issues arising from decisions made at the Singapore Ministerial Meeting and other issues on which there is agreement to prepare for negotiations. The process that this Ministerial could set in train should of course respect existing timetables, and allow work where necessary to intensify so that all the elements are in place for decision-making next year. We should give clear guidance on the Organization and conduct of this process, to ensure that the preparatory work is completed in a timely and smooth way. But above all, we should reflect through this process our commitment to further comprehensive liberalization.

Conclusion

In determining the future work programme of the WTO at the Second Ministerial Meeting, we have a historic opportunity: an opportunity to steer the multilateral system in a new direction, and to equip it to meet the challenges of a new millennium. The European Community calls upon the Ministerial Conference to embrace these challenges in a bold and comprehensive manner by preparing for a global round of trade negotiations at the Millennium. Difficult market access and rule-making challenges are best addressed not sectorally but globally, so that all participants can take the widest possible view of their economic and other interests. Seizing this opportunity will be the first task for all of us in the years to come. The European Community is ready to provide the leadership in this endeavour.
