

# WORLD TRADE ORGANIZATION

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## AUSTRALIA

### Statement by the Honourable Mark Vaile, MP Minister for Trade

Australia is a strong and enthusiastic supporter of the WTO. We recognize the vital role the WTO has played in underpinning global prosperity for the last 50 years.

We now have the opportunity this week in Seattle to build on this success and shape the international trade agenda into the next century.

I come to Seattle strongly supporting the launch of a new Multilateral Trade Round.

A new round will deliver major economic benefits to us all – not only in agriculture, which has for far too long been excluded from genuine reform, but also from lower tariff barriers to manufactured exports and better access conditions for our export of services.

Work commissioned by Australia shows potentially massive global economic gains of around US\$400 billion annually from a 50 per cent cut in support and protection.

Negotiations on our Ministerial Declaration setting out a mandate for a New Round are at a critical stage. We are approaching the eleventh hour.

Agriculture is one of the major sticking points. In my former job as Australia's Minister for Agriculture I often wondered how some of the richest countries in the world could justify huge trade distorting subsidies in agriculture. For Australia, meaningful reform leading to the end of discrimination against agriculture is essential. I have yet to hear anyone who has been able to justify why this should not be the case. For over 50 years we have seen the elimination of tariffs, subsidies and other barriers to trade in other sectors, yet agriculture has not been addressed.

We need to remember that the main game of the multilateral trading system is to maintain a stable framework of rules, to deliver the progressive opening of markets across the board, and to prevent the emergence of new restraints to trade.

It is also in all our interests to ensure that the WTO remains a stable and respected institution.

The WTO is accused of a multitude of sins – whether that is in terms of the environment, jobs, income disparities or economic development. This shows that we are not doing enough to promote the WTO as an institution vital to everyone's economic prosperity.

We have responded to this by more actively seeking to highlight the benefits of international trade to our domestic constituency as an integral part of Australia's overall trade policy. I urge others to do the same.

Beyond this, we can help the WTO as an institution by not broadening its agenda too much. We need to avoid becoming bogged down with issues over which the WTO has only marginal influence and which belong elsewhere. Similarly, we need to avoid introducing issues which can be misused for protectionist purposes.

At the same time, WTO Members have already recognized that there are some areas where our work clearly overlaps with other policy domains. This includes the links between trade and environment and between trade and development. We need to continue to ensure that our efforts to free up trade are mutually supportive with environmental goals, and advance the broad objectives of sustainable development.

Seattle should mark the beginning of a negotiating process that will reinforce and strengthen the WTO and the trading system we have built since the 1940s.

I remain confident of a positive outcome through agreement on a balanced mandate proving real gains for us all.

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