

WORLD TRADE ORGANIZATION

WT/MIN(99)/ST/4
30 November 1999

(99-5192)

MINISTERIAL CONFERENCE
Third Session
Seattle, 30 November - 3 December 1999

Original: English

FINLAND

Statement by H.E. Mr. Kimmo Sasi Minister for Foreign Trade on behalf of the Presidency of the Council of the European Union

On behalf of the Presidency of the European Union, I would like to congratulate you on your election as Chairman of the Conference. Through you, I would like to thank the United States, the City of Seattle and all the organisers of this Conference for their warm hospitality.

Our thanks go also to the Chairman of the WTO General Council, and to our new Director-General and his staff for their hard work in preparing for this Conference.

I have the pleasure in taking the floor immediately after Commissioner LAMY who has just addressed you on the EU objectives for this Conference. Allow me to complement his intervention by making some remarks.

The WTO is a celebrity. It has caught the attention of the public opinion because it addresses not only border measures but also internal policies, and because of the impact of its Dispute Settlement Mechanism. Like every celebrity, the WTO is either praised or criticized for its action and finds itself in the limelight of the debates on the effects of globalization. The presence here in Seattle of numerous NGOs and journalists is a clear demonstration of this celebrity.

The WTO is the creation of its Members. We Ministers should not be too shy of that fact. We can be proud of the achievements of the multilateral trading system. The WTO is a forum for cooperation and solidarity among countries with different cultures, mentalities and levels of development. It is an indispensable vehicle for expansion of world trade which contributes to economic growth, job creation and stimulation of innovation. WTO is a powerful engine for promoting market-oriented economies, trade liberalization and a more stable and predictable world economy. It is a pool of attraction with its present membership of 135 countries and a further large number of other countries being in the accession process.

Governments have the responsibility of looking into the future. One expects from them a clear vision of the new opportunities and challenges of the 21st century in the age of the information society. Our common responsibility during the coming days here in Seattle is to demonstrate that we have this sense of vision. We have to keep pace with rapid economic and social changes as well as the technological revolution we are witnessing today. We have to address the legitimate concerns of our civil societies with regard to unemployment, poverty and marginalization and we have to respond to their questions about the effects of further trade liberalization for the development, environment, consumer health and social progress.

Our Conference is of fundamental importance. Further liberalization of trade and an effective set of common rules and principles can be a powerful tool to assist development and enhance world prosperity. We need to go beyond short-term interests and to deliver by launching a New Round with

an agenda which shows that we have a long-term strategy for proper and effective management of the globalization process and which offers equal opportunities for all WTO Members.

In every international negotiation there is a time for discussion and a time for decision. Since Singapore and Geneva, sufficient time has been spent in discussing in depth the issues at stake. This preparatory process has been of extreme value with an intensive dialogue and very active participation of the developing countries. It is now up to us, Ministers, to take the political decisions by showing courage, determination and flexibility on all sides to settle the remaining open questions with a view to achieving a positive and balanced agenda. It is not my intention to re-explain the EU comprehensive approach, which is well known. I would like to limit myself to emphasizing some parameters of crucial importance for our work in the coming days:

- (a) Firstly, we should not miss the target. We are here to open the door of the New Round. We are in the starting blocks and not in the final sprint of the content of possible solutions. To be concrete, our collective task is to set up the agenda for the New Round, and to define the framework of the negotiations. Our task is not to pre-empt the final outcome of these negotiations.
- (b) Secondly, we should aim at a stronger and more predictable WTO. A static WTO or a moratorium on negotiations are non-starters. If we remain passive we run the risk of falling back to protectionism and unilateral actions. Preserving of the status quo would freeze the current, in some respects unsatisfactory situation and prevent improvements. History has shown the disastrous effects of such inward-looking policies.

The EU is firmly in favour of a dynamic WTO. Yes, the EU is fully committed to the built-in agenda and to further trade liberalization. But the EU is equally strongly attached to the strengthening of WTO rules and disciplines. Improved market access alone is not sufficient to provide increased transparency, fairness and predictability. It has to be supported by multilateral regulations by developing a framework of rules also in new areas, such as investments or competition. For example, securing of a stable and predictable climate for investment world-wide would be for the benefit of all WTO Members, including the developing countries. The WTO system can also be improved by clarifying, completing, or, where necessary amending the existing rules, for instance concerning the precautionary principle.

In the same spirit, we need to respect a balance between trade and non-trade concerns, for example in agriculture. Let me be very clear in this sensitive issue. The EU is fully committed to Article 20 of the Marrakesh Agreement on Agriculture in all its elements. The EU is prepared to contribute to the further reform of international trade in agriculture but will not give up the multifunctional character of its Common Agricultural Policy. Success in Agriculture is not achieved by revolutions but by progressive realistic reforms taking into account the specificities and constraints of this sector.

- (c) Thirdly, we need a better and more equitable WTO. The multilateral trading system has been set up to serve all the WTO Members. Each of them has a right of ownership for its functioning and evolution. The fuller integration of developing countries into the system is a must. The marginalization of LDCs is unacceptable. A development agenda should be part of the New Round. The EU expects the Conference to enter into a commitment to ensure duty-free market access no later than the end of the Round for essentially all products exported by the LDCs. We expect a work programme to be built providing for increased technical assistance and for a coordinated approach to trade-related capacity building. The EU is also ready to look in a constructive way at issues of genuine concern to the developing countries with regard to the functioning and implementation of the Uruguay Round Agreements.

A better WTO further means a more transparent organization. The WTO cannot be left only to experts who know more and more about less and less. Our civil societies are entitled to be informed, to understand what is going on and to be heard with regard to their concerns and expectations. Such a dialogue has been initiated with the WTO and at home in our countries where the main responsibility for transparency lies. However, more should and will be done to enhance transparency.

- (d) Fourthly, we need a more interactive WTO. The WTO is neither in charge of resolving all international problems nor responsible for all the evils of the earth. Its main competence lies with trade. But, in an interdependent world, the WTO cannot work in isolation. Stronger bridges between the WTO and other relevant international organizations are needed to ensure the necessary coherence of action at international level. The New Round should maximize the potential for positive synergies between trade liberalization, environmental protection and economic development. A close cooperation between the ILO and WTO on the issue of trade and labour rights would be a promising way. In this context the EU has proposed the creation of a joint ILO/WTO Standing Working Forum on trade, globalization and labour issues. In the same spirit, complementarity of action should be encouraged between the WTO and other organizations, such as the Bretton Woods Institutions, to enhance capacity building in the developing countries.

The coming days will be decisive for the development of the WTO multilateral system into the first years of the new millennium. The time is short and the task ahead of us is not easy. However, I am convinced that by joining our efforts we can still make this meeting a success.
