

# WORLD TRADE ORGANIZATION

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## EUROPEAN COMMUNITIES

### Commission of the European Community

#### Statement by Mr. Pascal Lamy Commissioner for Trade

The crucial question is: what are we doing here? What are we going to do this week?

Part of the answer to this question is easy. We are here to enjoy the warm hospitality of the American North-West, even if warmth is a figure of speech at this time of year. First of all, I should like to thank the Chairperson of the Conference, Charlene Barshefsky, and the Seattle Organizing Committee for all they have done to give us such a warm welcome, as well as for their efforts and work to ensure that the Conference can take place.

Frankly speaking, the rest depends on us.

Let me begin with an American metaphor. Let us imagine that world trade is one of those long rumbling goods trains like those travelling east of Spokane, down south to California and up north to Vancouver. If this is the case, Seattle is certainly the central and critical switchpoint!

I have no doubt that the goods train is rushing towards the points at high speed with little risk of going off the rails into a gully of protectionism. But we must ensure that it is on the right track and concerns are being expressed in this respect.

Our friends in developing countries are in general worried. They have raised a number of issues concerning implementation. We should listen to them and we should take their concerns into account.

Yet another example, but more vociferous: the 50,000, or perhaps 100,000 demonstrators outside this forum. They are not there by chance.

Of course life would be easier for some of us if they were not there. We could then carry on in our usual way, concocting lengthy texts in incomprehensible jargon amongst ourselves. I sometimes hear trade negotiators refer to the interest shown by non-governmental organizations in trade matters as an invasion of locusts. "Why us? What sin has the WTO committed?"

At the same time, they hope that the locusts will go away and devour some other field. The fact is that these rallies have a legitimate right to demonstrate and we should listen to them.

The demonstrators are there because what we are doing this week is important. They are worried about where the train is going and we should do the same. We should discuss the issues with them.

We are living in a new era, that of globalization. New policies should be developed for this new era. Our friends outside sometimes seem to suggest that we have two options: to succumb to the embrace of globalization or to demolish it.

In fact, there is a third option. Speaking to the European Parliament, I called it "controlled globalization" and it underpins my approach to trade policy in general and the work of this week in particular. This approach can be summarized in a few words.

First, we should not be afraid to build up the speed of our goods train. Trade liberalization has benefited our economies enormously, and there's no reason to believe that the new Round won't do likewise. We need to do more to ensure that the benefits are more widely spread between our economies, and – frankly – within our economies. We must also assess whether our speed is sustainable – which is why the EU is carrying out a sustainability impact assessment of the new Round. But count the European Union in when it comes to market access negotiations: in services, in goods (provided that we take on tariffs in a comprehensive way) and yes – in agriculture too.

Many words have been spilled on agriculture in Geneva, and the hard, sometimes thankless work that our Ambassadors have done on our behalf. But let me briefly spell out what we are ready to do. We are ready to negotiate, on the basis of the whole of the famous Article 20. That means: further reductions in export subsidies (provided that others' means of helping their exporters are also on the table); domestic support, and tariffs. But it also means that non-trade concerns must be taken into account, and we cannot concede on that point.

Second, we need to care about more than just the velocity of the train. We need to be sure that the governance of the world trade system is fully up to date to meet the needs of the global economy. In retrospect, it was quite frankly absurd that the old GATT had no authority over services, for instance, or that it could not settle disputes in a binding manner. I think there are different parallels to our current situation. In years to come, people will wonder why the world hesitated to start negotiations over investment, competition, and trade facilitation. People know our views on these issues, which we consider critical to our work here. But I ask them to consider carefully: if we do not start these negotiations here and now, it could be ten years before we really tackle these vital issues.

Third, we, the drivers of the train, need to unblock our "tunnel vision". We need to think about the environment through which the train passes, and which it occasionally despoils. And we need to think about the workers who lay the track, service the train, and keep it running on time. I know that the issues of trade and labour, and trade and environment worry many developing countries.

But on trade and labour, I urge you to look again at our proposal for an ILO/WTO forum. It is firmly based on what was agreed at Singapore. It does go further. It aims to start a real dialogue on the issue. But the proposal has been carefully designed: not just to prevent the possibility of unfair protectionist sanctions, but to avoid even the suggestion that this could happen.

On environment, the issues are subtly different. We want environmental considerations integrated throughout the negotiations in the new Round, and we want the Round to tackle fundamental issues such as the relationship between WTO rules and MEAs, eco-labelling, and the precautionary principle.

And perhaps most importantly of all, we need new drivers for our train, from developing countries. That is why we have also tried to integrate development philosophy throughout our proposals. That is why we are calling for all the richer countries to offer duty free access to the least

developed. That is why we are looking afresh at what we do by way of capacity building, technical assistance, and special and differential treatment.

Let me be very clear. We are not listing these desiderata only to jettison them tomorrow. We want a broad Round, with a single undertaking and a three-year deadline. We have no desire to aim for impossible achievements on new issues, but we want an inclusive, substantial negotiation agenda.

In conclusion, we in the WTO need to work on that vision thing. We need to look out beyond the beautiful mountains which ring this town, and think about where we need to be not just a year, or two years from now, but twenty years from now. That is beyond the timescales of all our political mandates: but not beyond the legacy that we will bequeath to the next generation of political leaders. This week represents an opportunity we have to take if we really care about tomorrow.

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