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Statement by the Honourable Piero Fassino Minister of Foreign Trade

Thirteen years have elapsed since the beginning of the Uruguay Round and the international economic scenario changed much faster than what people could perceive.

On the other hand, it is meaningful that the Ministerial Conference and the Millennium Round, which we are about to launch, are followed by media, public opinion, parliaments and civil societies with an unparalleled attention compared to the previous Rounds.

One can say that the Millennium Round will be the real "first negotiation of the globalization era".

Clearly, every big change brings about uncertainties, fear and an instinctive defense response which highlight in particular the risks and costs of globalization. We need to go beyond this defensive attitude.

Globalization is not a policy that can be considered right or wrong. It is an unavoidable historical process. Globalization exists and will be more and more pervasive. The problem is not to reject it but to steer it.

Given the inadequate rules to steer the international economy there are those who blame WTO as if it were the cause of this lack.

We must be careful; it is not WTO that creates globalization. On the contrary, it is globalization that requires rules and institutions so that not only trade but also growth and progress can be global. And if WTO seems too weak it is necessary to provide it with more powers and tools to turn it really into an "institution of global governance".

As essential step to strengthen the WTO regulatory function is to make it take on a really worldwide dimension. For this reason we welcome the joining by new Members and the important strides made in the accession process by China and hope that also the negotiations with other countries will be speeded up.

We cannot neglect that the Uruguay Round has been experienced by most less advanced countries as an instrument first of all industrialized countries could benefit from. The possibility that the Millennium Round is really successful is based, therefore, on the overcoming of this mistrust and this can be achieved by taking into account various approaches and interests. International negotiations this Ministerial Conference will launch aim precisely at this: building more robust and transparent rules for globalization to achieve a system that can actually promote a reallocation of

benefits, resources and opportunities the largest possible number of countries can benefit from, in particular the less advanced ones.

The European Union is particularly interested in a further opening of markets and is called upon to fulfill the committing and demanding task of not only protecting legitimate economic interests but also of contributing in organizing the international economy in a way that it can provide new and wider opportunities for growth.

The announcement here in Seattle that export barriers for the 48 poorest countries of the world are being eliminated would represent a sign of considerable strength. Precisely the size of globalization processes demands from us not to confine ourselves only to carrying on the negotiations on the two issues already discussed within WTO - agriculture and services – but to broadening the negotiation to encompass "a global approach" including the main trade policy issues worldwide. And, in line with this global approach is the need that the negotiation is finalized with a "single undertaking".

It is certainly necessary to discuss agricultural prices and trade along the line of a progressive and gradual liberalization of markets that must be accompanied by a regulation of the export credit system. In this framework it is necessary to guarantee a suitable protection of quality or typically local productions.

Moreover, the new frontiers in the genetic research raise the issue of rules that, without hindering scientific progress and its possible benefits, can, however, protect citizens health. This should be guaranteed by acknowledging the right for countries to appeal to "the precautionary principle" each time the concrete possibility of a risk is not scientifically excluded.

However, as of now it is necessary to work in the sector of labeling so to guarantee correct information for consumers.

Other equally important trade issues need, however, to be discussed:

- Market access duties;
- elimination of non-tariff barriers whereby protectionist forms are surreptitiously reintroduced;
- protection of intellectual property, of brand-names and patents against many forms of unfair competition, counterfeiting and forgery;
- multilateral competition rules and rules regulating investments.

Cultural productions require a separate discussion.

Each cultural product must take into account the market and its logic but it is also made up of identity, history and culture.

This is why it is necessary for audiovisual products not to be subject to a general liberalization by acknowledging the right to protect the "cultural identity" that does not mean resorting back to protectionism. It is rather a possibility whereby competitiveness and competition do not prevent cultural identities from surviving, multiplying and spreading with their peculiarities.

The Millennium Round, however, cannot simply be a trade negotiation.

As a matter of fact, the huge growth in trade, production and investments poses increasingly the absolute need for a "sustainable development". Therefore, trade negotiations must reach conclusions that are consistent with international Agreements in the environmental sector. An important signal that could be launched from here would be an invitation to create an international and ad hoc institution for environmental issues, similar to WHO and ILO.

The most critical and sensitive social aspect should be tackled with this same spirit; the protection of labour rights, starting from the weakest sectors – such as minors and women – that are the most exposed to intolerable forms of exploitation, when not real modern slavery.

We know how sensitive this issue is for less advanced countries. Therefore, it is necessary to identify fora that can single out forms and tools to tackle such a crucial issue with the active contribution of less advanced countries. Italy believes that an ad hoc Working Group within WTO or even at an ILO/WTO forum could be useful. Anyway, a close cooperation between ILO and WTO is necessary. What matters is that the issue of social rights is dealt with in a constructive manner by working out positive measures for training and technical assistance to help those countries to change their legislation in order to increasingly protect the work of the weakest groups in society.

To conclude, we are faced with an ambitious objective: to see to it that a global economy is matched by a global progress.
