

WORLD TRADE

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AUSTRIA

Statement by H.E. Ms. Bernadette Gierlinger
Vice Minister

First and foremost, I would like to convey my deep gratitude to Kenya and the people of Nairobi for hosting this Tenth Ministerial Conference in their heartfelt hospitality. Furthermore, I would also like to take the opportunity to express my deep appreciation to our Chair, the Cabinet Secretary for Foreign Affairs, Her Excellency Amina Mohamed, and her Vice Chairs, whose able leadership will guide us through this first WTO Ministerial Conference taking place in sub-Saharan Africa.

Let me also thank our Director-General, Roberto Azevêdo and his experienced team for his work and engagement through the last two difficult years. Since our gathering in Bali in 2013 many challenges had to be overcome. Again we are facing a very difficult moment and we trust in the DG's ability to lead us towards a positive and respectable outcome. In the year of its 20th Anniversary, the WTO as the guardian of a rules based multilateral trading system must show the necessary leadership to make this conference a success.

Austria is very satisfied to acknowledge the steady increase of the WTO family. With gratification we notice the accessions of the Seychelles and very recently of Kazakhstan as new Members to the WTO after long and difficult negotiations. And we welcome in particular Liberia and Afghanistan who have been formally invited to join as new members. These decisions will support the deeper and better integration of the newcomers into global markets and at the same time send a strong signal to those LDCs who remain outside of the WTO still. It is pleasing to see that the WTO continues to be attractive and evolves as a truly global multilateral trading system.

Trade liberalization has been and will be a decisive factor for our economies, for economic growth and for development. The clearly best solutions are always those which can be negotiated and implemented on a multilateral basis. However, with the exception of the information technology agreement for 20 years the WTO has not delivered on new market access; no surprise that many countries look for alternatives to offer new trade opportunities to their business and try to meet their expectations. We have always seen bilateral and regional engagement as complementary to the multilateral system. Nevertheless, this only works, if we advance on the multilateral level at the same time. Lack of dynamics in Geneva endangers both, the multilateral basis and the bilateral agendas. The world is a dynamic place and we have to move forward – with a strong multilateral concept at its heart.

In the next days we will have to make up our mind on the so called Nairobi package. For some time now it has been clear that, like in Bali two years ago, this package is not a big one; neither does it meet all our hopes and long term expectations for the Doha Round. But on the other hand, we should not disregard what is before us:

- A binding global ban of Export Subsidies does represent a significant result and disciplines on other element of export competition like Export Credits, Food Aid and State Trading Enterprises further contribute to the elimination of trade distortion in this area.
- With regard to LDCs we have to deal with long standing demands from our LDC partners and I hope we can identify a satisfying landing zone in the areas of Cotton and Rules of Origin as well as in terms of the implementation of the LDC services waiver.
- It will be difficult but still not impossible to find solutions for some of the difficult issues at hand in the area of Special and Differential Treatment.

When our negotiators get back to Geneva in January, they should have clarity about what they have to do and about what we expect from them. We recognize the "leftovers" from the DDA as important issues which deserve comprehensive solutions taking into account some core developmental principles. But at the same time we have to reconsider our tactics and strategies. 14 years of very

moderate results and packages and in vain efforts in key areas of the negotiations like market access in all three pillars and domestic support in agriculture cannot be seen as a very convincing approach. We have to think about alternatives, about new and more promising negotiating models, even if this means to interpret existing negotiating frames and mandates in a new light. "Business as usual" as a result of this conference would be very difficult to sell to our enterprises and would represent a devastating signal to the outside world.

It is not a big secret that the EU and Austria desire to explore new issues. It would be a wrong step to think that we have still more time in the WTO to sit back and hope for the Doha Round to be concluded soon. Reality does not wait for us. Consequently we have to start brainstorming about other areas that need to be dealt with on the multilateral level. The leading issue, of course, is electronic commerce but also investment or competition are on top of my mind. I would very much appreciate a multilateral approach to these new issues; if this is not possible, as a second best option, we can also move ahead on a complementary plurilateral track.

It was disappointing to realize some weeks ago that we will not have the opportunity to acknowledge the entry into force of the Trade Facilitation Agreement, our first multilateral agreement since the Uruguay Round with broad benefits for all WTO Members, in particular LDCs. According to the WTO's World Trade Report 2015 the full implementation of the new agreement has the ability to reduce members' trade costs by an average of 14.3 % and predict overall export gains between 750 Mio and over 1 trillion USD. But I understand so far that more time is needed for many partners for proper ratification. Austria is actively supporting the implementation efforts and we are looking forward to the entering into force of this important agreement in the near future.

I am very happy to notice progress on the plurilateral initiatives:

- The finalization of the Information Technology Agreement, the first multilateral tariff reduction agreement in 20 years which comprises 7% of world trade and a volume of 1,3 trillion USD. This is an important signal and good news for our companies. The expanded list of 201 new tariff lines provides a boost to global trade in this sector as well as global value chains.
- Furthermore, I want to thank our negotiators on the Environmental Goods Agreement who have achieved significant progress in the negotiations. In the light of the Paris Conference on Climate Change, this future agreement represents a significant contribution to the environment and to the sustainable development objectives.

And I can only underline that the in-built mechanism of multilateralization of both these agreements will benefit all WTO members.

In addition, I still want to honor the active and vigilant role of the WTO in the fight against protectionism and new trade barriers. For a small, open economy such as Austria's, whose economy is based on small and medium sized enterprises open markets are vital for its economic performance.

Believing that trade can considerably contribute to sustainable development by stimulating economic growth and reducing poverty, Austria has been continuously committed to supporting developing countries in expanding their trade capacities and integrating into regional and global value chains. I therefore deem the WTO Aid for Trade initiative as an important contribution to tackle the challenges faced by the poorest countries. In particular, the Enhanced Integrated Framework is undertaking promising work thereto, as well as the International Trade Center whose executive management has demonstrated impressive results over the last year.

The year 2015 has not been easy; many new challenge appeared on the horizon and had to be dealt with. However, the multilateral system showed some very positive results, among others the agreement on the Sustainable Development Goals in New York (Agenda 2030) in September and the favorable outcome of the just concluded climate change conference in Paris, all of them touching trade policy in a wider context. The task at hand is clear. I want the WTO to be part of this list of successfully concluded multilateral conferences. We have not deserved our holidays until this task is done.