

GENERAL AGREEMENT ON TARIFFS AND TRADE

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STATEMENT BY EFTA MINISTERS ON THE PROSPECTS FOR A NEW ROUND OF NEGOTIATIONS IN GATT

Vienna, 10 May 1985

The following statement is circulated for the information of contracting parties at the request of the Austrian Mission on behalf of the member States of the European Free Trade Association.

There is universal recognition of the need to keep the channels of trade open and to ensure a trading climate favourable for the conduct of business. Recent efforts to come to grips with the problems of world trade have nevertheless so far yielded scant results. Both the GATT Ministerial Declaration and Work Programme of 1982, as well as the roll-back exercise initiated in other organizations, have failed to produce the necessary breakthrough. We face an erosion of the trading system which in recent years has manifested itself in a proliferation of trade-restricting measures and a lapse into bilateralism, with a consequent fall in the share of the overall trade subject to GATT rules and disciplines. This outcome is intolerable for trading nations, in particular for countries such as ours which are heavily dependent upon foreign economic relations and know from experience the advantages of free and open trading, both among themselves and world-wide, based on internationally agreed rules.

The EFTA countries support the idea of new comprehensive trade negotiations in GATT. They believe that a new round is necessary to maintain, strengthen and enlarge the multilateral system for open trade with GATT as its corner-stone. These negotiations should provide the means to reverse present trends. They should also be regarded as a further important step towards improved market access leading to an expansion of world trade.

The prospects for a new round of trade negotiations have been discussed in recent months in several international fora outside GATT. The time has come for an in-depth discussion in GATT which is the competent forum for decisions on the concepts and contents of new negotiations.

For the multilateral system for open trade to be strengthened, it is imperative that negotiations be successful. A consensus on which issues

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are to be negotiated, on negotiating procedures and on a standstill as to the trade measures in contradiction with the GATT rules and as to new protectionist measures outside GATT would lead to a broad agreement among the contracting parties to GATT to launch the negotiations. In the stage when negotiating issues are being identified, the GATT Work Programme of 1982 would form an appropriate basis. It is essential that elements of interest to all countries, both developed and developing, are included, so as to achieve balanced results at the end of the negotiating process.

There is a close relationship between trade questions on the one hand, and monetary and financial questions on the other. Careful consideration should therefore be given to parallel initiatives aiming at addressing monetary and financial problems in suitable international fora.

The EFTA countries underline the importance of careful preparations and support the idea of a meeting of senior officials of the GATT CONTRACTING PARTIES before the end of the summer with the task of setting in motion a preparatory process for new negotiations. The preparations should be pursued actively with the aim of launching the negotiations as early as possible.