

GENERAL AGREEMENT ON TARIFFS AND TRADE

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AUSTRIA: STATEMENT BY MR. GERHARD WAAS, DIRECTOR-GENERAL
IN THE MINISTRY FOR COMMERCE, TRADE AND INDUSTRY, AT THE MEETING
OF THE GATT CONTRACTING PARTIES AT MINISTERIAL LEVEL, 15-19 SEPTEMBER 1986,
PUNTA DEL ESTE, URUGUAY

On behalf of the Austrian Government, I would like first of all to thank the Government of the Oriental Republic of Uruguay for its invitation to hold this important meeting of the GATT CONTRACTING PARTIES at ministerial level in Punta del Este and for the excellent organizational arrangements. The fact that a Ministerial meeting of GATT takes place for the first time in a developing country demonstrates the solidarity of the developed contracting parties with the developing ones. I would also like to express my great satisfaction seeing you in the chair of this meeting which raised high expectations in the international trading community, because I am confident that with your experience and under your able leadership this meeting will attain the best possible results.

Our meeting takes place at a time when the world economic situation is disquieting and most countries are confronted with low economic growth and a high level of unemployment. Because of this situation, many governments took recourse to restrictive and trade distorting measures inconsistent with the provisions and the spirit of the General Agreement. These measures in turn led to an erosion of the multilateral open trading system and the disregard of GATT rules and disciplines. Countries which derive an important percentage of their GNP from foreign trade, like mine, are especially affected by this development, as well as by "grey zone measures" like voluntary export restraints and orderly market arrangements.

Austria traditionally follows liberal trade policies and therefore supported the idea of a new round of multilateral trade negotiations from the very beginning. Such a new round should, in our view, go far beyond the contents and purpose of past GATT rounds. The main objectives of the new round should be:

- (i) to aim at a strengthening of the GATT system and take steps to re-establish confidence in this system;
- (ii) to aim at a further liberalization and expansion of world trade to the benefit of all developed and developing countries alike, especially the least-developed among them;
- (iii) to aim at adapting the GATT system to the changing international environment by including non-traditional issues into its agenda.

We have before us a draft Ministerial Declaration contained in document PREP.COM(86)W/47/Rev.2. My delegation has participated, together with a large number of delegations, in the elaboration of this document which constitutes the most complete negotiating concept before us and is supported by a majority of contracting parties. This document contains a renewed commitment by the CONTRACTING PARTIES to the observance of a standstill which is essential to create the appropriate climate for the launching of new negotiations. Unilateral commitments to this effect have already been made by the EFTA countries in their declarations of Visby in 1984 and Vienna in May 1985. Austria also believes that further rollback commitments must be made in GATT and that an effective surveillance system is necessary in order to allow all CONTRACTING PARTIES to check the full implementation of these commitments.

The contents of a new round of multilateral trade negotiations must meet the interests of all CONTRACTING PARTIES and the results should represent a fair balance between the interest of both developed and developing countries alike. It is understood that Part IV of the GATT and the Enabling Clause are not put in question. We see these special rules in favour of developing countries as a dynamic element for the smooth transition from the status of a developing country to a developed one.

Considering the views expressed by contracting parties during the preparatory process a well-balanced list of subjects for negotiations must comprise not only traditional subjects such as tariffs, quantitative restrictions, agriculture, textiles, safeguards, dispute settlement, but also non-traditional issues. Among the traditional areas of special interest to my country, are a comprehensive safeguard arrangement and an improved dispute settlement procedure to be fully respected by all CONTRACTING PARTIES. The same is true for the sector of agriculture. The Austrian Government is fully aware of the fact that the challenge on this area can be met only by new strategies. Due to the special position of Austria in both the economic and geographical respect, our agricultural policy must take into account social and regional considerations as well as the necessity to maintain a degree of self-sufficiency.

Since the establishment of GATT, new sectors attained growing importance for international trade. If GATT should maintain its importance as a dynamic institution dealing with international trade in its entirety, it will have to meet the new challenges and must reflect the main streams of international trade. We regard it essential that a multilateral framework of rules and principles are elaborated for these sectors as a safety net which should be of particular importance to weaker trading partners, both developed and developing alike.

Austria is fully aware of the close relationship between trade on one hand, and monetary and financial issues, on the other. Therefore, a closer co-operation between GATT and the international monetary and financial institutions should be established.

In conclusion, I should like to emphasize the great importance Austria attributes to the forthcoming trade negotiations. Experience has shown that only an open and liberal trading system guarantees in the long run advantages to all parties. That is why we must make every effort to strengthen and enlarge this system. A breakdown of our negotiations would be at the expense of all trading partners, especially the weaker ones among them. It goes without saying that the major trading partners will have to accept their share of special responsibilities in this Round.

In all our efforts and endeavours we must not forget, however, that to start a new round of negotiations is not an end in itself, and that they will be successful only if all participants are prepared to examine conscientiously the positions of their partners and try to achieve compromises. I am confident that we will succeed in doing so and meet the historic challenge before us. The new round will not be like the ones in the past. We find ourselves at a crossroads and it is up to us to decide in which direction GATT will go.

Austria will contribute with all possible efforts to the full success of this comprehensive round of multilateral trade negotiations and thus to a further liberalization and expansion of world trade.