

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

MTN.TNC/MIN(90)/ST/52
4 December 1990
Special Distribution

Trade Negotiations Committee

Original: English

Meeting at Ministerial Level
Brussels, December 1990

AUSTRIA

Statement by Mr. Wolfgang Schüssel,
Federal Minister for Economic Affairs

We are all aware that this is a crucial moment. Time is running out on us. If we do not succeed in reaching a generally acceptable conclusion of the negotiations which we have carried on over the last four years, we will be faced with the breakdown of a system from which we all have derived ample benefits in the post-War period. We all share the responsibility, but there can be no doubt that the major responsibility rests with the major trading countries to whom we therefore direct a serious appeal to take the necessary decisions.

In a time of new serious political and military confrontation, we must show political will in order to arrive at a result which will be acceptable and beneficial to all participating countries. It should be borne in mind that the success of this Round means a significant extension of the rule of law within the international economic system, while failure would constitute a serious setback for our efforts to arrive at a coherent multilateral framework.

We must do everything possible to avoid the formation of inward-looking economic trading blocks at a time when the traditional political and military blocks are undergoing a decisive transformation and are changing their nature. To keep the world's trading system open is our common interest. More particularly, it is in the interest of developing countries, many of which have taken upon themselves painful adjustment programmes and which expect a fair chance to sell their products on the markets of the developed countries. We must also take into account the situation of the countries of Central and Eastern Europe which, in the process of changing their structures from command to market economies, have put heavy burdens on their populations.

Let me now briefly comment on Austria's contributions to - and expectations from - the negotiation process. In tariffs we have offered reductions according to a formula in nearly all sectors. Particular attention has been paid to products of special export interest to developing countries. For illustrative purposes, let me mention that the tariff reduction formula has been fully applied to the textile and clothing sector. The few quantitative restrictions still maintained under the MFA

in the textile sector will be phased out progressively in accordance with the expected negotiation results. If the economically and technologically advanced developing countries also contribute to the liberalization of world markets for textiles and clothing under the conditions of fair competition, we do not foresee any major problems to integrate this sector fully into GATT within the next years. In tropical products, we have aimed at the fullest liberalization by considerably improving market access and lowering tariffs.

In this context, I would like to appeal to all participants, especially to the major countries, not to reduce their offers. Austria is determined to stand firm by her offer as long as possible.

Let me now turn to one of the most salient issues of the Uruguay Round, agriculture.

In compliance with the July TNC, Austria has tabled an offer which includes reductions in all three areas under negotiation, namely internal support, border protection and export subsidies. We are convinced that a successful outcome based on equivalent commitments can be reached as a result of multilateral negotiations conducted in full transparency.

As far as agriculture is concerned, we view the Uruguay Round not as the end, but as the beginning of a reform process. In this respect, we all are in general agreement. Where we differ is the extent and the speed of the reform. The reasons for these differences in opinion are obvious. Structure and function of agriculture depend on conditions which vary from country to country and from region to region. We have to recognize these fundamental differences.

Agriculture is not merely a food-producing industry. It has tasks to perform which go beyond this purpose. My country is a case in point. For us it is of vital importance that agriculture and forestry continue to play their multifunctional rôle based on small-scale family farming, thus giving due attention to environmental aspects. Consequently, my delegation has made it very clear that the non-trade concerns will have to be adequately reflected in the results of the Uruguay Round.

The proposed draft text on a general agreement in trade in services could very well become the engine for global economic expansion in the 21st century. The importance of trade in services is increasing steadily for developed and developing countries alike. The creation of a legal framework would be an important contribution to achieve stability and predictability in international economic relations. Although in the context of services the principle of MFN has an equally important rôle to play as in the GATT, it will have to be adjusted to specific country situations.

Starting from scratch, the negotiating group on services together with the GATT secretariat, to which I would like to pay tribute, has done a

remarkable job. Nevertheless, a lot remains to be done: the implications of the proposed framework agreement on sectors have not yet been examined sufficiently. Here as in the context of agriculture we are confronted with a problem which my delegation has brought up repeatedly: the preservation of the environment for future generations.

Austria's geographical position in Europe requires her to shoulder a heavy burden in transit traffic. So far Austria has carried this burden without imposing major restrictions. In the spirit of GATT this has been carried out on a non-discriminatory basis. But the intensification of economic relations, the higher mobility of persons and goods demonstrate the limits to growth in road transport and the limits to the burden which the environment can and which the population is willing to accept. Austrian transport policy therefore aims at the protection of these vital concerns and not at the protection of a sector of her industry. The acceptance of these concerns in a special annotation on road transport services will be crucial to my delegation.

In concluding, it is not only a personal preoccupation to reiterate an appeal which my delegation has already launched in various negotiating fora during the Uruguay Round, namely to work towards the establishment of a partnership between economy and the environment. This is a formidable task to which GATT is called upon to contribute. This concern is also the driving force behind the initiative which Austria, together with her EFTA partners, has launched in proposing a "Statement on Trade and the Environment" to be made by us here in Brussels.

I believe that we ought to recognize that our future economic and trade policies have to take into consideration the concept of environmental sustainability as a necessary basis for the survival and well-being of future generations.