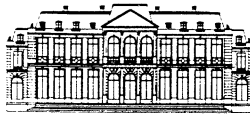


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C/M(99)12/ANN 11

UNCLASSIFIED / NON CLASSIFIE

CONSEIL AU NIVEAU DES MINISTRES

26-27 MAI 1999

POINT 5

**COMMERCE, INVESTISSEMENT : DEFIS ET OPPORTUNITES POUR LE SYSTEME MULTILATERAL,
ET OBJECTIFS POUR UN NOUVEAU CYCLE DE NEGOCIATIONS COMMERCIALES
DE L'OMC**

AUTRICHE

Déclaration

**Mr. Hannes FARNLEITNER
Federal Minister for Economic Affairs**

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COUNCIL AT MINISTERIAL LEVEL

26-27 MAY 1999

ITEM 5

**TRADE, INVESTMENT: POLICY CHALLENGES AND OPPORTUNITIES FOR THE MULTILATERAL
SYSTEM, AND OBJECTIVES FOR A NEW WTO ROUND**

AUSTRIA

Statement

**Mr. Hannes FARNLEITNER
Federal Minister for Economic Affairs**

**Statement by Hannes Farnleitner
Federal Minister for Economic Affairs
(Austria)**

Item 4:

**Trade and Investment: Challenges and Opportunities for the
Multilateral System and objectives for a New WTO Round**

The multilateral trading system has contributed over the last fifty years to global growth and employment by promoting liberalization and expansion of trade in goods and services. The role of OECD in contributing analysis and ideas and thereby preparing binding GATT/WTO agreements is highly appreciated. The further stabilization and development of the multilateral trading system will be greatly enhanced by continuing mutually supportive work in both, OECD and WTO.

Austria fully supports comprehensive multilateral negotiations to start early in the year 2000 to continue world trade liberalization and thereby securing economic growth, employment and sustainable development. There should be no a-priori exclusion of any trade related area. Especially the new trade issues should be focused on. The outcome should be balanced so that each government can demonstrate systemic and specific advantages to Parliament and the public opinion.

Besides the obvious economic advantages of a final „package,, the new WTO Round must be seen to proceed in a transparent manner and to care for the manifold interests and sensibilities of civil society, e.g. trade and environment, health and safety concerns, consumer protection, animal welfare, to name just a few concerns.

The benefits of the multilateral trading system should be spread to all countries. Special attention shall be given to the particular situation and problems of the least developed countries and to the need to encourage positive measures such as e.g. differentiated treatment of LDCs, fully opening of the markets for LDCs and enhancing technical assistance to facilitate expansion of their trading opportunities.

Areas such as environment, investment, competition and social standards must be taken into consideration. In some of these „new,, areas – not all are so new in the GATT/WTO context – new rules are not necessarily the only conceivable outcome. Often it will be sufficient to get together with other international organisations to explore the possibilities for a coherent international policy. OECD can play an important role in promoting this coherence and in particular in helping to lay the analytical groundwork for giving the development dimension and the social dimension their rightful place in international economic and trade organizations like WTO.

In this connection the ILO-WTO cooperation which has been specifically mandated by the Singapore Ministerial Meeting comes into our mind. ILO has spelled out clearly some core labour standards and WTO members are committed to support its work in promoting them. We are not seeking any protectionist devices and reject the use of labour standards for protectionist purposes.

A trade and environment component shall be included into the New Round. We have to strive for clearer WTO rules affecting environmental protection and for common understanding that there is, subject to the necessary safeguards, scope within the WTO rules to use market based non-discriminatory and non-protectionist instruments to achieve environmental objectives. A consensus on the relationship between WTO rules and trade measures taken pursuant to Multilateral Environmental Agreements (MEA's) also seems to be of particular importance.

OECD has considerable experience in the fields which are being clarified since the Singapore Ministerial Meeting, like trade and competition and trade and investment. It is appropriate and timely that in the new round of WTO negotiations this experience is used to help negotiate a broad framework of rules in these areas. However, the future set of such rules should not be overambitious and too detailed so that they also could be of considerable medium and long term interest to those developing countries, which are keen to attract foreign investment.

In view of the increase in international investment flows Austria supports the efforts to establish a multilateral framework of rules governing international investment as part of a comprehensive new round of trade negotiations in the WTO.

Austria also welcomes a future oriented OECD-work programme on investment as presented by the Secretary General. The OECD can, as the new Principles of Corporate Governance and further progress in the combat against bribery show, through its experience and multidisciplinary approach significantly contribute to the improvement of the multilateral system and should continue to do so.

Agriculture will constitute an important and difficult part of the forthcoming negotiations. It has to be ensured that there is a balance between the longterm objective of substantial and progressive reduction in support and protection and non-trade-concerns, such as safeguarding the multifunctional character of agriculture.

As far as services are concerned the aim of the next round must be to get improved commitments from all WTO Members on market access and national treatment. Austria is in favour of comprehensive market access negotiations in order to rebalance the currently existing bindings of service sectors. More effective market access could be achieved by establishing regulatory disciplines and pro-competitive principles. Any unfinished business like for instance safeguards and subsidies which may remain, should be absorbed by the GATS-2000 negotiations. There are offensive interests especially in mode 3 (commercial presence), whereas with respect to mode 4 (movement of natural persons) a more cautious approach seems to be indicated.

The WTO-work programme on the important issue of electronic commerce should bear concrete results, maybe in the form of trade principles, before the next round. The development of electronic commerce for the sake of legal certainty suggests quick results as far as WTO-rules are concerned.

Recent experiences have shown that a functioning dispute settlement system is of fundamental importance for the multilateral system. In the course of the DSU-Review we support deliberations in order to make further improvements of the system.