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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**

FINLANDE

Déclaration

Mr. Kimmo SASI

Minister of Foreign Trade (and Minister at the Ministry of Trade and Industry)

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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**

FINLAND

Statement

Mr. Kimmo SASI

Minister of Foreign Trade (and Minister at the Ministry of Trade and Industry)

**OECD COUNCIL MEETING AT MINISTERIAL LEVEL 26-27 May
1999**

Mr Kimmo Sasi, Minister for Foreign Trade of Finland

"Trade and investment; opportunities for the multilateral system and objectives for a new round"

The new WTO Round has an important role in helping all of us to benefit from the dynamism and the new opportunities in the global economy and global market place.

We believe that the main challenge of our times is to improve the multilateral trading and investment system and its management. Strong multilateral rules are in the interest of all countries. These rules must be transparent, and promote sustainable development. We consider also, that the world trading system should be rules based and not power based. As noted in the meeting documentation, a vast amount of evidence indicates that developed or developing economies with open trade and investment policies have, in most cases, been outperforming closed economies in many respects. For example, the Finnish post-war economical experience shows that a more open economy and domestic market is not a handicap; it is a source of competitive strength. Exposure to international trade is a powerful stimulus to efficiency. Efficiency, in turn contributes to economic growth and rising incomes.

Finland shares the opinion expressed by many countries that we should strive for a new comprehensive round of trade negotiations. It would cover the built-in agenda of agriculture and services together with industrial tariffs and the new issues to balance the package.

These issues that we would like to be included in a comprehensive Round are e.g. investments, trade and environment, competition, trade facilitation and public procurement. We support the single undertaking approach. Likewise, the objective of a proposed 3 year round has its merits. An other important feature of a comprehensive Round is that the outcome of the Round must be balanced and also bring clear benefits for developing countries.

As for the trade and social standards, we find the Singapore decisions still valid. We should now concentrate on making those decisions functional by intensifying cooperation between the ILO and the WTO and by arranging firmer participation of the ILO in the work of WTO.

We consider that the time has come for the establishment of a global regime for investments worldwide. The WTO-rules should create a non-discriminatory, transparent, stable and predictable climate for international investments. We believe that appropriate provisions on foreign direct investments will be in the interest of WTO member countries at all stages of development. Here we could start with basic rules which would then create a basis for later market opening efforts for investments. Comprehensive investment protection should be one of the results of an investment agreement

in the WTO since there is a common understanding between industrialising and industrialised in this field.

In the next millenium, the competitiveness of our industries will depend increasingly on its capacity to develop new and efficient technologies and to utilize them in the production of more advanced and more competitive products and services.

Advanced technology industry plays a key role in knowledge-based societies and their further development. This industry, whic relies heavily on research and product development, has proved to be the most important source of new well-paid jobs as well as creating the prerequisites for solving global environmental problems.

However, the multilateral trading system shows signs of emerging barriers, especially non-tariff barriers, that can, when left unaddressed, distort the rapidly expanding markets and, at worst, slow down the development of technology. The observation that these trade and growth barriers cannot be abolished by business alone was one of the underlying motivations to conclude the ITA-agreement and the Telecommunications Agreement.

Thus, the proposed new round would offer an excellent opportunity through a horizontal approach to address all these barriers and liberalize trade in advanced technology and related services.

Mr Chairman,

The new Round offers, for all WTO member countries, real scope for enhanced cooperation. It is clear that we cannot avoid the challenges of globalisation. We do, however, have the possibility to put the pursuit of material goods and investments through the free market in a wider ethical and social framework which takes into account the importance of wider priorities, such as the right to a clean environment to equality before the law and human rights. We, OECD countries, must ensure that our different global and regional policies and cooperative processes are transparent and consistent. In the future, we have to be more open and build alliances and dialogue with civil society. Public understanding of benefits as well as potential adjustment costs of globalisation and trade and investment liberalisation is essential.