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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**

SUEDE

Déclaration

Mr. Leif PAGROTSKY

Minister for Trade and Nordic Cooperation, Ministry for Foreign 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**

SWEDEN

Statement

Mr. Leif PAGROTSKY

Minister for Trade and Nordic Cooperation, Ministry for Foreign Affairs

**OECD Council at Ministerial Level
26-27 May 1999**

**Speech by the Swedish Minister for Trade
Mr Leif Pagrotsky
(Plenary Session)**

Ladies and gentlemen,

- This morning at the working breakfast I stressed the support of Sweden for a comprehensive, short and balanced new Round of trade negotiations. I also stressed the importance of active dialogue and communication with citizens and between countries to come forward. Not least concerning the development perspective and new issues such as trade and labour standards and trade and environment we need to communicate.

- This afternoon I would like to limit my statement to two areas: the possibility of "early harvest", but above all - corruption.

- A new round is the best means to get substantial results in areas important to all WTO-members. But – I also believe that we have to be innovative and not limit our discussions to this. I believe it would be fully possible to achieve faster results in certain areas. This would be beneficial for everyone as it would give the world economy a boost in the right direction through more trade. Through continuous liberalisation we would make WTO into a more permanent negotiation organisation producing continuous positive results towards a more open trading system..

- Eventually we want to see all industrial tariffs eliminated in the advanced economies, at least in tandem with the APEC proposal for zero tariffs in 2010. We are, however, at the same time interested in pursuing sectoral tariff elimination where possible, and as soon as possible.

- We believe the APEC-sectors are interesting, in particular environmental related products and services. Also energy is important. Certainly we would like to see progress enough to be able to reach an agreement on ITA II in Seattle. Finally we strongly support the EU-proposal on tariff elimination for the least developed countries.

- An important question to ask ourselves is how the coming round can contribute to good governance?

- Sweden considers the work in the OECD against bribery and corruption to be of highest importance. The entry into force of the Bribery Convention was an important first step to deal with this important obstacle to economic efficiency and growth. Through the Convention a concerted international effort has been undertaken

for the first time. This will help halt the flow of bribes and ensure fair and open competition.

- OECD-countries must now keep up the momentum to continue its work. To increase the number of signatories and widen the substantive scope of the Convention are high priority tasks, but particular attention also needs to be given to the global trading system.

- Many WTO-rules are fostering good governance in the field of trade. Nevertheless so, corrupt activities have been identified as a major barrier to international trade and investment.

- Earlier this month Sweden presented a room document in the Trade Committee on how a possible work in this regard could be undertaken. What we suggest is to conduct a comprehensive analysis of how existing WTO-rules contribute to anti-corruptive efforts and how they, if needed, could be made more efficient in this context. The response in the Trade Committee was positive.

- Myself and my French Colleague, Minister Dondoux, have sent a joint letter to the Secretary General, Mr Johnston, to underline the importance we attach to this matter. And we would like to use this occasion to invite all OECD-members to give full attention to the initiative put forward in the Trade Committee.

- The result is not intended to be used as a means to prescribe new rules. Rather it should contribute to the knowledge of OECD and non-OECD countries alike, and thereby feed into the increasing international consensus on the need for good governance in trade policy.

Thank you.