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Petit Déjeuner de Travail – 27 mai

Les modalités du prochain cycle de l'OMC envisagé

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

Working Breakfast 27 May

Modalities of the Proposed 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
(Informal working breakfast)**

Ladies and gentlemen,

- Sweden supports a comprehensive, short and balanced new round of trade negotiations in WTO. The need for more free trade and stronger rules is evident and a new round is the best way to move forward. That is something we all in here, as representatives of democratic governments, seem to agree upon.

- But agreement among ourselves is worth nothing if we cannot convince our societies to follow suit. We must show leadership, not only in relation to the rest of the world, but also domestically.

- And that leads me to one of the main points I would like to make this morning -- The importance of openness and communication on trade policy issues to be able to move forward and get everyone on board. Openness will be crucial in the preparations for and certainly also during the negotiations. An open negotiating process is the only way to make sure that WTO is seen as a legitimate body in the eyes of the public.

- In my view two ingredients are essential. First we have to make a credible case for a comprehensive round Second we need a credible process which involves all stakeholders.

- A credible case has to involve both general and specific aspects. Generally, and as is the custom in this organisation, we should talk more economics, and less mercantilist populism. Generally we have to explain how our economies function. More specifically we must show that both our economies and our citizens gain when we open up our own economies. Further liberalisation increases competition and forces our companies to use their resources more effectively. Less expensive foodstuffs and lower priced textiles and clothing benefit our consumers, not least the economically weakest among them. This also benefit developing countries and is therefore essential for their support of the new Round.

- Both domestically and on an international level we also need to show that we are serious when we stress the development dimension of the new Round. We need a consistent approach to free trade. We need to move forward even if it means lowering of trade barriers and structural adjustment in our own economies. Can we really call ourselves friends of free trade without carrying out structural changes in for example the agricultural sector? In my view a properly conducted round could be turned into an act of solidarity with the third world. There is a need to make clear commitments

by the OECD-countries in the areas of interest to the developing countries as soon as possible!

- We also have to show that we are credible when we stress that the new Round should contribute to sustainable ecological and social development. We have key stake holders in our societies in both these areas.

- Trade and environment will be a key area when it comes to public evaluation of the WTO. We need to show that WTO contributes to sustainable ecological development. This leads to a need for work on, for example, the relationship between the WTO and multilateral environmental agreements and eco-labelling. We need results in this area. But let me underscore; results that give no opening for green protectionism!

- Another key area relates to core labour standards. I am well aware of the political problems in this area, but we as governments, or the WTO as an organisation, should NOT shy away from a difficult issue that is in the center of attention of public debate. We need to show that our intent is driven by a desire to help the poor and exploited, and not by selfish protectionist motives. If we are to gain support for far-reaching liberalisation, results in the form of enhanced analysis and real debate will, I believe, be beneficial for everyone.

- To conclude. We need a credible process and this will require openness both domestically and internationally on several issues. We welcome and strongly support the enhanced transparency and dialogue on the multilateral level. We cannot pretend that the trading system has nothing to do with what is going on in the rest of the world. The WTO is not operating in a vacuum. However, I do believe that the main task in confidence building has to be dealt with at the national level and that is a challenge for us all.

Thank you.