

May 1998

UNICE statement in view of WTO ministerial conference

Geneva, 18-20 May 1998

1. UNICE is **fully committed to the multilateral trading system**. Experience has shown that, in a constantly changing political, economic and technological environment, the multilateral approach based on the principle of non-discrimination and binding commitments voluntarily accepted by the members of the system is best able to:
 - create the conditions for fair competition between companies;
 - actively promote balanced liberalisation of markets;
 - reduce barriers which hamper the development of economic activities, while respecting the specific features of each country and the general interest;
 - allow a coherent examination of complementarities between trade liberalisation and achieving other objectives in the general interest;
 - provide durable solutions to the trade problems and conflicts which are unavoidably engendered by globalisation and the growing and irreversible interdependence of economies.

2. UNICE **resolutely rules out any return to the discriminatory and restrictive practices** in the areas of trade and investment which have caused so much political and economic damage in the past.

3. Thus, on the occasion of the 50th birthday of the multilateral trading system, UNICE **urges** participants in the WTO ministerial conference, to be held in Geneva from 18 to 20 May, to reaffirm **their full support for the multilateral trading system and their determination to strengthen it** by:
 - full and effective implementation of WTO agreements;
 - timely completion of the work programme incorporated in the agreements;
 - execution of the Singapore decisions;
 - active pursuit of work in the working groups set up in Singapore on investment and transparency in public procurement practices in order to produce specific proposals by the end of 1998 to allow preparation of decisions that might be taken at the 1999 ministerial conference. Specific proposals are also awaited on trade and environment;
 - active pursuit of the exploratory work in progress in the working group on the interaction between trade and competition policy;
 - intensification of negotiations with accession candidates, notably China, in order to give the organisation the widest possible coverage in terms of geography and trade;
 - commitment to give the WTO the necessary financial means and professional staff to enable it to fulfil its tasks efficiently.

Concerning least developed countries, UNICE supports a differentiated approach and implementation of the action programme defined in 1997.

4. UNICE also attaches great priority to **launch a new global round of negotiations in the year 2000** covering:
- access to markets;
 - all issues for which a negotiating timetable has already been put in place, e.g. agriculture and services;
 - the other issues for which definition of multilateral rules has become essential because of developments in international trade and business realities.

In this last area, UNICE's **greatest priority is international investment**. European companies firmly support development of a global regime for the liberalisation and protection of foreign direct investment and which would complement the WTO agreements on trade in goods and services. The takeoff of **electronic commerce** also merits close examination in order to determine the compatibility of existing agreements with these technological developments. Emphasis should also be placed on **trade facilitation** which should enable companies, especially small and medium-sized firms, to reduce considerably the administrative burden imposed on them and thereby release additional resources for innovation and productive activities.

The sectoral approach has demonstrated its limits, particularly bearing in mind the ever closer links between the different dossiers and the difficulty of securing results on sensitive questions via this route. An integrated global approach is also needed more than ever to ensure effective market access and to obtain, by the end of the negotiating process, which should not last longer than three years:

- globally balanced results;
 - the support of public opinion needed for the success of these negotiations.
5. UNICE recognises the **generally positive contribution that open regional agreements** on trade and cooperation, compatible with the relevant WTO provisions, can make to liberalisation and expansion of world trade. However, it is concerned that their proliferation, in the absence of a clearly defined global vision and more precise rules, will result in conflicting provisions for companies, create distortions in trade and, by dividing the world into regional blocs, lead to abandonment of the principle of non-discrimination on the basis of which international trade has developed significantly and in the general interest over the last five decades.

In this context, UNICE reaffirms its **preference for the multilateral approach** for trade liberalisation. It expects the ministerial conference to give fresh political impetus to work in the committee on regional arrangements and specific guidelines to clarify and supplement existing rules. Launch of a new global round of negotiations would also remove all ambiguity about the complementarity of the regional and multilateral approaches.

6. Over the next few months UNICE will endeavour to develop detailed positions on each of its priorities and on the other dossiers which are likely to be raised in the framework of WTO in order to **open a wide debate** with the different interested parties and thereby contribute to development of the consensus needed for the launch of such negotiations and prevent any specific dossier from overshadowing the others and consideration of the general interest.
7. **Pragmatism, realism and vision:** these three principles continue to underpin UNICE's approach to the multilateral trading system.
