

16 July 1998

**Forthcoming WTO Multilateral Negotiations
Preliminary UNICE Objectives**

1. These UNICE comments giving the preliminary European business objectives for the next WTO negotiations are aimed at all those involved in defining the European Union strategy in this matter.
2. European business is confronted daily with strong international competition. Therefore, UNICE gives priority in external economic relations to adoption of and compliance with common rules governing trade and international investment, by as many countries as possible. Such rules are of vital importance to employment in Europe and the upholding of high standards in the fields of consumer health and safety and environmental protection.
3. The rules and disciplines developed within the framework of GATT and the WTO, supported by an efficient and binding dispute settlement mechanism, certainly constitutes a solid, yet incomplete, reference framework. International investment, today inseparable from commercial activities, is not yet covered by a global regime. New technical and regulatory barriers impede access to third-country markets. Rapid development of the information society is bringing about radical change in the ways goods and services are traded.
4. Against this background, it is high time for the industrialised and developing countries to jointly examine the challenges posed by these technological and economic changes. Once this examination has been completed, they must decide, as necessary, to adapt the existing rules accordingly or to negotiate new ones, in order to complement the current WTO system.
5. In order to obtain balanced results, that can be supported by political leaders and to secure the widest possible endorsement by public opinion, the negotiators should aim simultaneously at:
 - facilitating the expansion of economic activities, essential for achieving the goal of increased living standards around the world;
 - reconciling liberalisation of international trade and investment with realisation of other objectives of general interest, such as economic development of the least-developed countries, application of internationally accepted labour standards and protection of consumers or the environment.

6. In this respect, UNICE actively supports the launch of a new global round of WTO negotiations in the year 2000. It urges that this round be prepared in close co-operation with European business. These negotiations should take place on the basis of as brief as possible a calendar, in any case not exceeding three years.
7. The declaration adopted by the Second Ministerial Conference of the WTO, held from May 18-20 in Geneva, unfortunately does not go as far as UNICE would wish, because of the reservations expressed in this regard by a certain number of Members for various reasons. The process established under the guidance of the General Council nevertheless leaves room for such a possibility at the end of the preparatory phase of the Third Session of the WTO's Ministerial Conference to be held in the United States at the end of 1999.
8. Consequently, UNICE urges the European Union to formulate an ambitious strategy at the extraordinary session of the General Council to be held in Geneva in September, and to provide the necessary means, at community level, to efficiently promote its objectives in the work in progress or which will be initiated on that occasion.
9. UNICE also requests the Union to show determination in pursuing its actions, at Community, multilateral, bilateral and regional levels, in order to ensure full and faithful implementation of the various WTO agreements. UNICE, which advocates a high level of protection for intellectual property around the world, attaches very particular attention to complete implementation of the agreement on intellectual property rights.

UNICE notes with satisfaction the commitments of WTO Members, as reaffirmed in Geneva, to respect the existing schedules for reviews, negotiations and other work to which they have already agreed upon in the various agreements or at the Ministerial Conference in Singapore. The negotiations which are to resume in the year 2000 with a view to pursuing liberalisation of agriculture markets through progressive reductions in support and protection are among the priorities of a large number of WTO Members. Thus, it is essential for the European Union to prepare for this actively.

10. For the forthcoming round of WTO negotiations, the priority of European business is the improvement of access to third-country markets for European goods and services. In order to achieve significant and sustainable results, the European Union's strategy must be pro-active and ambitious. The Union should particularly ask the other WTO Members to:
 - negotiate rules for the liberalisation and protection of foreign direct **investment** on a non-discriminatory basis;
 - make substantial commitments to liberalise **services** markets, namely through a significant reduction of existing exceptions and discriminations against European service providers;

- simplify, harmonise and computerise **trade and customs procedures**, notably for imports and exports with a view to facilitating trade. Particular attention should be paid to the need to ensure compatibility between computer systems;
- eliminate **non-tariff barriers**, notably in the areas of standards and certification, which are the most significant barriers to trade in goods.

Other priorities for improving access for European goods to the markets of third countries include:

- . bound reduction of **high tariffs** and in particular tariff peaks with a view to securing greater tariff harmonisation between countries,
- . **binding** of unbound tariffs at commercially acceptable levels,
- . improved **geographical coverage** of zero-duty sectoral agreements and sectoral tariff harmonisation agreements;
- eliminate the numerous restrictions that remain in place regarding European business participation in third-country **government procurement**. This area represents important export markets for European companies;
- formulate provisions designed inter alia to clarify/specify recourse to **trade measures in international environmental agreements** and **ecological labelling** in such a way as to allow the pursuit of clearly defined environmental objectives without unduly impeding liberalisation and expansion of trade, which contributes significantly to dissemination of best environmental practice and an increase in the resources devoted to environmental protection. In this context, UNICE supports the proposal for a high-level meeting to give new impetus to the debate on trade and environment, and to give specific guidelines for action on this subject;
- open negotiations on the aspects of **electronic commerce** for which development of international rules in the framework of WTO proves necessary when the work to be launched on this subject in September in Geneva is completed.

11. Regarding whether or not it would be appropriate to develop a multilateral framework within WTO defining common general principles for competition, UNICE is in the process of drawing up a position paper on this subject. This will be submitted as soon as it has been finalised.

12. UNICE supports the work under way in Geneva which seeks to:

- clarify the rules governing regional trade agreements;
- improve the rules and procedures for dispute settlement.

If the existing rules were to be modified, these two dossiers should be included in the programme for the forthcoming negotiations.

13. With a view to aiding the least developed countries (LDCs) to prepare themselves and to participate actively in the forthcoming negotiations, it is essential that the “integrated framework” for trade-related technical assistance, adopted in their favour in 1997, is fully and rapidly implemented.

14. UNICE, which is favourable to the widest possible geographical coverage of WTO, urges that preparatory work for the third ministerial conference should not in any way slow down negotiations with candidate countries and in particular China.

15. Lastly, bearing in mind the Asian financial crisis in particular, cooperation between WTO, the International Monetary Fund and the World Bank must be further strengthened in order to ensure coherence between commercial, economic and monetary policies.

16. These above-mentioned comments are UNICE preliminary positions. They could be modified in view of:

- the evolution of the work under way in UNICE (notably on intellectual property and international business practices) and in Geneva;
 - the proposals that will be made by other WTO Members;
 - the opinions expressed by non-governmental organisations and representatives of civil society involved in the debate.
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