World Trade Organisation (WTO): the Union's approach to the Millenium Round, 3rd conference of Seattle

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PURPOSE : to present the case in favour of a new comprehensive Round of trade negotiations and to define a common negotiating framework. CONTENT : The European Community has been at the forefront of efforts to launch a Millennium Round of trade negotiations in the WTO in 2000. In its conclusions of 30 March, 30 April and 18 May 1998, and 21 June 1999, the Council unanimously supported such an aim. Frequent and substantive discussions on several occasions within the Council's 133 Committee have developed further the Community's position on the approach to, and possible scope of such a Round, enabling the EU to continue to exercise leadership in the WTO. This communication sets out the case for a new WTO trade round as an important means to improve the European economy, to foster global economic growth and development, and to ensure the successful management of globalisation. It argues that a comprehensive Round offers the best way to take account of the trade interests of the WTO membership as a whole. In addition, the Communication sets out the possible EU agenda for the Round, for which should, among other things, include further liberalisation or rule-making in the fields of agriculture and services, non-agricultural tariffs, investment, competition, trade facilitation, and trade environment. Results in all areas should support and contribute to sustainable development. The Communication sets out in addition the views of other trading partners on the question of a new round, noting that the support for this is growing. It also proposes a detailed agenda to ensure that the needs and interests of developing countries are concretely reflected in the negotiations, and suggests an approach to the question of labour standards and the WTO. The main guidelines which are proposed can be summed-up as : 1) agriculture : some of the principles of the agreement concluded in the Uruguay Round should be kept, notably, the defence of the multifunctional role of agriculture, the preservation of human, animal and plant life or health, the relationship between trade and the environment, animal welfare, food safety and food quality and other consumer concerns relevant to agriculture. For the Commission, the reform of the CAP within the framework of Agenda 2000 would constitute essential elements in defining its negotiating mandate for the future multilateral negociations at the WTO; 2) services : the Community should have an ambitious position for the further market opening coupled, where necessary, with regulatory disciplines. The aim is to achieve real and meaningful liberalisation, and ensure the development of a transparent and predictable domestic regulatory environment, justified on the basis of specific public policy objectives, which can provide legal certainty and confidence to service suppliers, investors, users and consumers; 3) investment : the WTO represents the adopted framework for a negociation in this domaine including the developing countries who have been mostly in the role of host countries. A framework for multilateral rules for investment has to ensure the right conditions for international investment to be conducive to sustainable development. To this end, such a framework should, among other things, preserve the ability ofhost countries to regulate the activity of investors (whether foreign or domestic) on their respective territory, for the achievement of legitimate policy objectives; 4) competition : the Commission have come to a firm decision in favour of a strict framework in this regard: the setting of common rules relating to competition and the active and effective enforcement of these rules, common approaches on anti-competitive practices with a significant impact on international trade and investment, provisions on international co-operation, provisions on notification, consultation and surveillance in relation to anticompetitive practices, introduction of concepts of negative and positive comity, uniform procedure of regulation of different opinions; 5) trade facilitation : it is necessary to simplify and harmonise, automate procedures, reduce red tape and documentation, and increase transparency; 6) tariffs on non-agricultural products : the Commission calls for the generalised reduction of tariffs on the non-agricultural products, with an important advantage for the least developed countries which should benefit from early tariff free treatment for nearly all of their products from now until 2003; 7) trade and environment : trade and

environment policies should play a mutually supportive role in favour of sustainable development. The WTO rules should be harmonious with existing and future multilateral environment agreements (MEAs). It is also necessary to maintain the right of WTO members to take precautionary action to protect human health, safety and the environment while at the same time avoiding unjustified or disproportionate restrictions; 8) trade and core labour standards : the Commission does not consider sanctioning the countries where social conditions are considered as inadequate but it recommends a positive approach by encouraging the fixing of international rules within the ILO (in this regard, the Commission regrets that the efforts made by the Union to create a "social standards" working group within the WTO, came to nothing. The Commission underlines that the opposition of the developing countries remains strong and that it is not realistic to reach a consensus on the issue). The Commission advocates a five point strategy based on co-operation with the ILO and the convincing of its partners (by means of a regime of encouragement allowing third countries to obtain complementary trade advantages if they prove that they respect the main ILO conventions on work). The Commission's document also deals with the intellectual property rights, public procurement, technical barriers to trade, anti-dumping measures and other instruments of trade defence, electronic commerce as well as taking account of the public's concerns which are becoming more and more sensitive to the negative effects of the globalisation of work and the environment. The Commission calls on the Council to reach a position regarding its communication and to approve the general guidelines, in such a way that allows it (direct consultation with the Committee in Article 133) to prepare, along the lines indicated, for the Ministerial Conference in Seattle, which is to take place in November 1999. The European Parliament will also be called upon to reach adecision on the contents of this communication and will be kept informed of the progress on each of the issues throughout the negotiating process.