

STATEMENT CIRCULATED BY THE U.S. DELEGATION

Ambassador Susan Esserman
Deputy U.S. Trade Representative

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Mr. Chairman:

This November, the United States will host and Chair the Third Ministerial Conference of the World Trade Organization. The role is a high honor, and we share with other delegations the responsibility to ensure that the Ministerial highlights the role of trade in world development and prosperity, and results in an agenda that opens an era of accomplishment for the trading system.

THE OPPORTUNITY

In his address to the 50th Anniversary Celebration last year, President Clinton noted the fundamentally important contribution of the GATT system and WTO to global growth, creation of new opportunities and higher living standards, and world peace over the past fifty years. He then called upon the WTO and its Members to:

“create a world trading system attuned both to the pace and scope of a new global economy, and to the enduring values which give direction and meaning to our lives.”

As we approach a new century and a new negotiating Round, we have been working with our trading partners toward an agenda which reflects a broad consensus among Members and will help all of us realize this aspiration. This agenda should be manageable enough to complete in a timely fashion, but also ambitious enough to meet the major priorities of all Members and achieve the goals our people and governments share:

- Prosperity and growth for the world economy;
- Development in less prosperous regions of the world;
- Benefits broadly shared among families and working people;
- Promotion of technological advance, and worldwide access to the benefits of such new developments as electronic commerce;
- Support for work to fight hunger, ensure financial stability, improve health, protect the environment, and advance social justice; and
- Assurance that the WTO is transparent, accessible, and responsive to the concerns of citizens.

Over the past months we have held a series of intense consultations domestically and with

our trading partners to help develop consensus on such an agenda. Within the United States, we have held discussions and solicited comments from the U.S. Congress; state and local governments; and U.S. businesses, agricultural producer groups, and non-governmental organizations. Internationally, Ambassador Barshefsky and many other U.S. officials have participated in discussions on creating a consensus agenda at the US-Africa Ministerial, the Quad meeting in Tokyo, the OECD, the Friends of the Round meeting in Budapest, the APEC and NAFTA Ministerials, and the recent US-EU Summit, as well as in many bilateral meetings.

This session of the General Council is an important step in our work to create the necessary consensus. Members have tabled over 70 papers offering ideas for the negotiating agenda. We look forward to reviewing all of these; to the responses Members will have to the U.S. submissions from Phase I and Phase II; and to the creation of a consensus agenda based on this process.

The proposals we have tabled reflect many of the ideas developed through these sessions. Our consultations thus far have indicated that in the work ahead, we must give special focus to the built-in agenda, broadening market access, implementation of existing commitments and ensuring that our actions reinforce the shared commitment to further integrate countries into the system.

IMPLEMENTATION OF EXISTING COMMITMENTS

We agree with others on the need to give priority in the leadup and at Seattle to the issue of implementation.

By the end of this year, Members must meet Uruguay Round commitments under the Agreements on Intellectual Property, TRIMs, Subsidies, and Customs Valuation. In succeeding years, final liberalization commitments under the Agreement on Clothing and Textiles as well as certain aspects of the TRIPS and Subsidies Agreement will phase in. Likewise, Uruguay Round tariff commitments will soon be realized in full. These commitments represent the balance of concessions which allowed completion of the Uruguay Round and have helped realize its benefits since then. Their implementation is critical to confidence in the system, and to the credibility of any new negotiations.

Blanket extensions and exceptions to key disciplines would unravel the balance we secured in the Uruguay Round. We are prepared to look at issues and problems on a case-by-case basis, and where there are legitimate problems, find ways to address them.

Many developing countries have asked that the WTO be active in assisting with implementation. The proposals we have tabled in Phase I and Phase II of the preparatory process seek to address many of their concerns. We have focused on specific problems that have been identified in implementation, methods to address them now and in the context of new negotiations, and ways to make technical assistance programs more effective in promoting full

integration into the world economy. Two examples include an action agenda that would adapt, improve and expand the existing Integrated Framework concept and make it more effective, and new work on trade facilitation linked directly to technical assistance.

We also call upon those WTO Members which have not ratified the Basic Telecommunications and Financial Services Agreements to do so, in order to ensure that all Members can benefit from their commitments and that they can win the benefits of competition, transparency and technological progress these Agreements offer.

THE NEW ROUND

Second, we must develop a negotiating agenda that meets the major priorities WTO Members have laid out. While much consultation remains ahead as to specific objectives, we believe the core of the agenda should be market access concerns including agriculture, services and non-agricultural goods, with benchmarks to ensure that the negotiations remain on schedule. Once consensus on the agenda is achieved, we can then adopt the appropriate structure for negotiations. It is clear, of course, that any final package must be broad enough to create a political consensus by addressing the market access priorities of all Members. This should be complemented and balanced by a work-program to address areas in which consensus does not yet exist for negotiations; and by a series of measures to improve the WTO's own functioning.

Specifically, our ideas would include the following.

1. Market Access

Market access negotiations should cover the built-in agenda of agriculture and services, and also address non-agricultural goods.

In agriculture, in liberalizing trade we have the potential to create broader opportunities for farmers, promote nutrition and food security through ensuring the broadest possible supplies of food, help improve productivity, enhance development, and address trade-distorting measures which increase pressure on land, water and habitat. To secure this opportunity, we would hope to set objectives including:

- Completely eliminating, and prohibiting for the future, all remaining export subsidies as defined in the Agreement on Agriculture.
- Substantially reducing trade-distorting supports and strengthening rules that ensure all production-related support is subject to discipline, while preserving criteria-based “green box” policies that support agriculture while minimizing distortion to trade;
- Lower tariff rates and bind them, including but not limited to zero/zero initiatives;
- Improving administration of tariff-rate-quotas;
- Strengthening disciplines on the operation of state trading enterprises;

- Improved market access through a variety of means to the benefit of least-developed Members by all other WTO Members; and
- Addressing disciplines to ensure trade in agricultural biotechnology products is based on transparent, predictable and timely processes.

In services, the major accomplishment in the Uruguay Round was the General Agreement on Trade in Services itself. In many cases, however, actual sector-by-sector market-opening commitments simply preserved the status quo. Effective market access, and removal of restrictions, will both stimulate trade and help address many broader economic and social issues. Examples include improving the efficiency of infrastructure sectors including communications, power, transport and distribution; easing commerce in goods, thus helping to create new opportunities for manufacturers and agricultural producers; and helping to foster competition and transparency in financial sectors. To realize these opportunities, we would hope to set objectives including the following:

- Liberalize restrictions in a broad range of services sectors;
- Ensure that GATS rules anticipate the development of new technologies;
- Prevent discrimination against particular modes of delivering services, such as electronic commerce or rights of establishment; and
- Develop disciplines to ensure transparency and good governance in regulations of services.

In non-agricultural goods, we can continue the progress of the past fifty years in raising living standards and promoting worldwide development by removing tariff and non-tariff barriers. We want to engage in broad market access negotiations in the next Round. Here we would build upon the Accelerated Tariff Liberalization initiative, calling for liberalization of eight specific sectors, by maximizing opportunities for more broad-based market-opening. Specific objectives would include:

- Reduce existing tariff disparities;
- Provide recognition to Members for bound tariff reductions made as part of recent autonomous liberalization measures, and for WTO measures.
- Use of applied rates as the basis for negotiation, and incorporation of procedures to address non-tariff measures and other measures affecting conditions for imports; and
- Improve market access for least developed WTO Members by all other Members, through a variety of means.

2. Forward Work Program and Other Issues

Clearly, some Members have interests beyond this set of core issues. Others have noted great concern about the difficulty of fulfilling existing commitments. The built-in agenda provides for substantial reviews of existing Agreements, like that of TRIPs next year, which will be

important to determining future decisions. We will review all suggestions carefully, and work with other delegations for an ambitious but manageable agenda, capable of completion within three years.

We may find that certain issues would be appropriate for a forward work-program that would help Members, including ourselves, more fully understand the implications of newer topics and build consensus for the future.

One especially important case is the question of the relationship between trade and core labor standards. As President Clinton has stated, the development of the trading system must come together with efforts to ensure respect for these standards, and its results must include benefits for working people in all nations. While the Singapore Declaration on core labor standards was an important first step, more attention to the intersection of trade and core labor standards is warranted as governments and industries wrestle with the complex issues of globalization and adjustment. As we stated in January, we believe a recommendation should be forwarded to the Ministers for the establishment of a forward work-program in the WTO to address trade issues (e.g. abusive child labor, the operation of export processing zones, etc.) relating to labor standards and where Members of the WTO would benefit from further information and analysis on this relationship and developments in the ILO. We further urge consideration of specific institutional links between the ILO and the WTO to help facilitate a common agenda on issues of concern to both organizations.

3. Institutional Reform

The past five years of experience with the WTO have also revealed areas in which the institution can be further strengthened. These would help Members take maximum advantage of the opportunities offered by international trade; ensure that the work of the WTO and international organizations in related fields is mutually supportive and does as much as possible to advance the larger vision of a more prosperous, sustainable and just world economy; and strengthen public support for the WTO.

Substantial achievements are possible in areas including:

Institutional Reforms that can strengthen transparency, ensure citizen access and build public support for the WTO and its work. Here, objectives would include:

- Improving means for stakeholder contacts with delegations and the WTO; and
- Enhancing transparency in procedures to the maximum extent possible.

Capacity-building, to ensure that all Members can implement commitments, use dispute settlement effectively and take maximum advantage of market access opportunities. Specific areas here would include:

- Improve cooperation among international organizations in identifying and delivering technical assistance, and explore ways to improve coherence in the interaction among bilateral donors, international organizations and non-governmental organizations;
- Build upon and expand the Integrated Framework concept;
- Ensure the most effective use of resources on technical assistance programs;
- Strengthen capacity-building efforts on regulatory and other infrastructure needs; and
- Explore a development partner program for the least-developed nations.

We have been consulting with delegations on these ideas in the last several weeks and look forward to continuing to develop a joint effort.

Trade Facilitation, which will ensure that less developed economies and small businesses can take full advantage of a more open world economy. Here, objectives would include:

- Clarify and strengthen the transparency requirements of WTO Agreements;
- Helping to improve customs and other trade-related procedures, so as to increase transparency and facilitate more rapid release of goods;

4. Sustainable Development and Committee on Trade and the Environment

As we embark on this new Round, we must be guided by our shared commitment to sustainable development, including protection of the environment, as enshrined in the Preamble of the WTO. This would include a number of areas:

- First, it underlines the importance of institutional reforms.
- Second, pursuing trade liberalization in a way that is supportive of high environmental standards.
- Third, identifying and pursuing those areas of trade liberalization that hold particular promise for also yielding direct environmental benefits - so-called “win-win” opportunities. Examples include elimination of tariffs on environmental goods through the Accelerated Tariff Liberalization initiative; liberalization of trade in environmental services; and elimination of fishery subsidies that contribute to overcapacity. We can work together in an effort to identify other areas in which these two priorities of WTO Members complement and support one another.

To help in ensuring that we accomplish these objectives, we are tabling a number of proposals, including a proposal to use the Committee on Trade and the Environment as a forum to identify and discuss the environmental implications of issues under negotiation in the round.

TOWARD THE MINISTERIAL

Let me now turn to the work of the months leading up to the Ministerial.

As we develop consensus on a negotiating agenda (including issues of timing, and benchmarks to ensure that the negotiations begin and end promptly) and prepare logistically for a successful meeting in Seattle, we also hope to reach consensus on a series of measures which would both help build the foundation of a successful Round, and take advantage of existing opportunities to achieve broad aspirations held by WTO Members in the short term. They would help the WTO more fully realize shared goals of a fair, open worldwide trading system; help Members find new export opportunities and improve access to modern technologies; strengthen the credibility of dispute settlement; contribute to shared goals of development and improved governance; and strengthen the worldwide base of public support for the WTO as the Round begins.

All of these measures should be readily achievable in the months ahead. They would include:

1. Accessions

First, the accession of new WTO Members, on commercially meaningful grounds, is a major endeavor and critical for the creation of a fair, open and prosperous world economy.

Since 1995, seven new Members have joined: Bulgaria, Ecuador, Kyrgyzstan, Latvia, Mongolia, Panama and Slovenia, with Estonia soon to follow. With 31 more accession applicants, we look forward to further accessions on a similar basis in the months ahead. We applaud those which have completed the process and have made progress on accession, and believe their work should be recognized at Seattle as a contribution to broadening the system. Clearly, however, not all of the applicants will complete their accession processes by the Ministerial and the opening of the new Round. In these cases, as was the case in the Uruguay Round, we would need to develop an acceptable formula under which these economies could be involved in the new negotiations while moving ahead with their accession processes.

2. Dispute Settlement Review

Second, a dispute settlement system that helps to ensure compliance, provides clarity in areas of dispute, and is open to public observers is essential to the credibility of the WTO system as a whole. These goals have informed the U.S. contribution to the current Dispute Settlement Review, focusing on transparency and ensuring timely implementation of panel findings. We are particularly interested in providing for earlier circulation of information on panel reports, making parties' submissions to panels public, allowing for submission of amicus briefs and opening the hearings to observers from the public. Ministers must be in a position to ratify the results of the Review by the Ministerial.

3. Electronic Commerce

Third, one of the most exciting commercial developments of recent years has been the adaptation of new information and communications technologies, notably the Internet, to trade. This has especially important implications for speeding growth in developing regions, as Internet access greatly reduces the obstacles entrepreneurs, artisans and small businesses face in finding customers and managing paperwork.

These benefits will only be realized, however, if electronic commerce continues to develop unfettered. For example, no WTO member now considers electronic transmissions as imports subject to customs duties -- a policy affirmed in last May's multilateral declaration not to assess customs duties on electronic transmissions. This policy should be extended. Furthermore, we should work toward agreement on clarifying the applicability of existing WTO rules to electronic commerce; and agreement on modalities for integrating electronic commerce into the ongoing work of the WTO after the Ministerial.

4. Improved Market Access

Fourth, many of us are committed to achieving agreements which expand market access opportunities across a range of goods of interest to countries at all levels of development. These would give impetus for broader market access negotiations in the Round. These include:

- ITA II -- An "Information Technology Agreement II" adding new products to the sectors already covered by the first ITA; and
- Accelerated Tariff Liberalization – Eliminating or harmonizing tariffs in chemicals; energy equipment; environmental goods; fish and fishery products; gems and jewelry; medical equipment and scientific instruments; toys; and forest products.

5. Coherence

Fifth, trade policy has important potential to support international efforts in other policy fields. We should build consensus on improving the WTO's ability to collaborate with international institutions in related fields, through mutual observer status, joint research programs when appropriate, and other methods to ensure that issues with implications for trade and other policy objectives are addressed as effectively as possible. Such organizations would include the World Bank, the International Monetary Fund, the International Labor Organization, the UN Environmental Program, the UN Development Program, the OECD, UNCTAD, and others.

6. Transparency

Sixth, we should agree upon specific measures to improve transparency.

- WTO – The WTO should ensure maximum understanding and access to meetings and procedures, consistent with the government-to-government nature of the institution. As I noted earlier, dispute settlement is a special focus for this work. Essential goals include such additional measures as more rapid publication of panel reports, and more rapid de-restriction of documents.
- Transparency in Government Procurement – The WTO can also help to promote transparency and good governance worldwide. In this regard, an agreement on transparency in procurement would create more predictable and competitive bidding, which would reduce opportunities for bribery and corruption, and help ensure more effective allocation of resources.

7. Recognizing Stakeholder Interests

Seventh and finally, it is clear that the interest in the WTO and its work of civil society organizations (including businesses, labor organizations, agricultural producers, environmental groups, academic associations and others) is growing. Likewise, delegations and WTO staff will benefit from hearing a broad range of opinions and views on the development of trade policy. By the Ministerial, therefore, we would hope to agree upon methods for such stakeholder organizations to observe meetings as appropriate, and share views as delegations develop policy.

CONCLUSION

In summary, Mr. Chairman, as WTO Members approach the work of the coming months and years, we have a remarkable opportunity.

Our predecessors – the founders of the GATT in 1947; those who developed the system in the succeeding decades; the negotiators of the Uruguay Round nearly six years ago – have left us a world economy more productive and prosperous than ever before. In the years ahead, with a successful Round we can do the same for the next generation, raising living standards and creating new opportunities for billions of people in each part of the world.

As host and Chair of the Ministerial Conference in Seattle, the United States feels a keen responsibility to help build the consensus that will allow us to realize this vision. In this session of the WTO General Council, the final phase of preparations for Seattle begins in earnest. We appreciate the opportunity to set forth our ideas, and look forward to reviewing and discussing those of our colleagues as well.

Thank you very much.