

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

Spec(82)90
November 1982

CONTRACTING PARTIES
Thirty-Eighth Session
Ministerial Meeting
(24-27 November 1982)

Original: English

STATEMENT BY H.E. MRS. ANNELIESE ALBRECHT
THE MINISTER OF STATE OF AUSTRIA

On behalf of the Austrian Government I want to express my gratification on seeing you in the chair of this Ministerial meeting which has raised high expectations in the international trading community. I am confident that under your experienced and able leadership, this meeting will attain the best possible result under the given circumstances.

Since our last Ministerial meeting in Tokyo in 1973 major changes in international economy have occurred. The world economic situation has deteriorated and many countries are now confronted with low economic growth, inflation and a high level of unemployment. High rates of interest and erratic fluctuations of exchange rates continue to exercise negative effects on the economic situation. In the recent past even the volume of world exports has been declining and the number of countries having serious balance-of-payments difficulties or financial problems is growing.

The serious economic difficulties need to be overcome through appropriate policies aiming at a return to higher economic growth. International trade is an important component in this context. Under the present circumstances the consequences of trade barriers are being felt more painfully. It is therefore necessary that member countries strengthen multilateral trade discipline and reinforce their economic and trade co-operation in the framework of GATT.

Knowing that smaller countries heavily depending on foreign trade would be particularly hurt by new trade barriers my Government strongly supports all efforts to maintain an open and multilateral trading system and to avoid protectionist measures.

The Ministerial Declaration before us, containing a number of important political commitments, should become an effective instrument against further protectionist tendencies.

Let me, make some comments on those draft Decisions in the Ministerial Declaration which are of particular significance from the Austrian point of view.

Expansion of trade with and among developing countries is a very important issue which should lead to mutually beneficial effects for all nations in the world. We should therefore endeavour to strengthen the trade relations with developing countries having in mind their special needs, in particular those of the least developed among them. We should give due consideration to the legitimate trade interests of developing countries taking into account the favourable effects that high growth in those countries would have for the world economy. In our future activities we ought to contribute further to the economic development of the developing countries and to facilitate their progressive integration into the open and multilateral trading system. For obtaining these goals Part IV of the General Agreement could serve as an appropriate guideline.

I should also like to underline the importance of technical assistance for developing countries. These activities of GATT through its various institutions should be improved and enlarged in the light of experiences gained so far.

For many developing countries an improvement of the trading régime in tropical products would also be of great help. Austria has removed or substantially reduced practically all tariffs on tropical products and liberalized their imports into Austria. The Austrian Government supports all efforts for further liberalization in this field.

Further improvement of the trading system should be achieved by the full and effective implementation of the commitments made in the multilateral trade negotiations. We have, however, to note that many contracting parties have not yet accepted the Agreements concluded in the Multilateral Trade Negotiations. I hope that all countries will find a way to join these Agreements within as short a time as possible.

We should continue our efforts towards further improvements in some of the areas which were not covered by the Multilateral Trade Negotiations or where adequate results have not yet been achieved.

In this regard I particularly have in mind the need for an improved and more efficient safeguard system. Safeguard measures should not be taken outside GATT. Safeguard provisions should be drafted in a manner which takes into account free trade to the greatest extent possible. To obtain this goal some measure of selectivity in appropriate circumstances seems to be necessary. Furthermore, a strict multilateral discipline should be observed.

A free trading system can, as we all know, sometimes only be maintained when workable and satisfactory dispute settlement procedures exist. In the Tokyo Round the Understanding on Notification, Consultation, Surveillance and Dispute Settlement was negotiated. A further improvement in the operation of these procedures particularly with regard to more constructive consultations and a greater recourse to conciliation could be helpful.

With respect to agriculture I believe that due regard must be given to the special characteristics of this sector. The different agricultural rules in the GATT are based on objective differences between the industrial and the agricultural field. Taking this into account Austria supports the elaboration of an agricultural work programme aiming at a better and comprehensive multilateral co-operation. The establishment of a Committee on Agriculture for the purpose of carrying out the manifold tasks in this context would be acceptable.

As far as the very complex Harmonized Commodity Description and Coding System in the field of tariffs is concerned, intensive negotiations for its final completion are still going on within the Customs Co-operation Council in Brussels. The introduction of this Harmonized System will imply considerable changes in the GATT Schedules of Tariff Concessions. Any necessary renegotiations of GATT Schedules in this context should be carried out with a view to maintaining the general level of benefits provided by present bindings of customs tariffs.

The tariff reductions resulting from the Tokyo Round are being implemented in accordance with the agreed time-table, a process which will be completed by 1 January 1987. An appropriate acceleration of the remaining stages of certain products would help to achieve the final results of the Tokyo Round at an earlier time. With effect from 1 July 1982 the Austrian Government has set into force the final tariff rates of the Tokyo Round for a number of products and thus contributed to an earlier implementation of its results.

Austria attaches great importance to an orderly development of trade in textiles under agreed international discipline. The Multifibre Arrangement so far has proved to be a valuable instrument allowing an expansion of trade in textiles while, at the same time, aiming to avoid disruptive effects in both importing and exporting countries. Appropriate studies on the future of textiles trade after the expiration of the present Multifibre Arrangement should be carried out in time.

After the lengthy and extensive preparations of this Ministerial meeting the ideas and proposals for maintaining and further improving the open and multilateral trading system will have to be realized by appropriate decisions to be taken in the course of this meeting and by their implementation by the contracting parties.

Austria is ready to contribute to the follow-up of this Ministerial meeting having in mind the worldwide re-establishment of order and confidence in world trading relations.