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DENMARK

Statement by H.E. Mr. Niels Helveg Petersen Minister for Foreign Affairs

Speaking on behalf of the Kingdom of Denmark including Greenland and the Faroe Islands, I would like to thank the Government of the United States for hosting this historic event. My appreciation also goes to our distinguished President Charlene Barshefsky and to the Director-General of the WTO, Mr. Moore for guiding us through these negotiations. Allow me also to pay tribute to the city of Seattle. Situated on the Pacific Rim and as a centre for trade between the Far East and the West, Seattle is a perfect manifestation for our endeavours to enhance trade and prosperity for all.

We live in an interdependent world. The importance of the multilateral trading system is enhanced by globalization. Globalization brings with it great opportunities as well as challenges. We must respond constructively. We need to take steps to ensure that the prosperity that flows from globalization is accessible to all. We must enhance confidence among WTO Members in the global trading system and remove any unease there might be about the effects of globalization. Especially for small economies, the role of the WTO as provider and manager of trade rules is pivotal.

The gains from trade are historically proven. As a small and open economy Denmark has benefited substantially through decades from increased trade liberalization within the EU as well as within the GATT and now the WTO. We see the WTO as one of the cornerstones of our economic policy. Apart from bringing economic gains the WTO acts as a stabilizing factor to the framework of global security.

Responding to the challenges of globalization we advocate a comprehensive agenda for the future Round. Our task in Seattle is to set the agenda for the coming talks – not to enter into negotiations on specific issues. It is our ambition that the Seattle Conference establish a balanced work programme for the Round that will result in a fair outcome for all Members.

As concerns agriculture and services, items on the built-in-agenda, we believe that further liberalization is both desirable and necessary. On agriculture non-trade concerns such as consumer protection, animal welfare as well as strengthening of the precautionary principle should be integrated into the negotiations. On services we strongly advocate that all sectors be included. Opening markets for maritime transport and thus enhancing the level of liberalization in real terms is a key issue for us, and we stand firm that this sector should also be included in the talks.

We believe that the three Singapore issues – investment, competition and trade facilitation – should be given high priority. Even though the MAI negotiations in the OECD did not result in an accord, we should not rule out further multilateral work in this area. Predictability and transparency in international investment will benefit us all. The WTO provides a sound and established framework for continuing our work with due consideration of the special conditions for the developing countries. The same observations are valid in terms of establishing common rules in the area of competition.

Trade facilitation would add substantial benefits to all traders by removing "red tape" and by standardizing existing procedures with the use of information technology. We support all efforts to include trade facilitation as a subject on the work programme for the Round. Trade facilitation and further tariff liberalization for non-agricultural products play a mutually supporting role as elements that will enhance international trade overall.

We support a review of the TRIPS Agreement that focuses on the implementation of the Agreement and the built-in items. On technical barriers to trade we believe that the existing rules should be strengthened and expanded to accommodate consumers' needs for instance labelling.

We believe that electronic commerce should become a subject in the new Round and we support the moratorium on the imposition of customs duties on goods and services traded and delivered by electronic transmission.

It is with great satisfaction we witness the large number of developing countries which have recently acceded to or are currently in the process of acceding to the WTO. Full participation in the multilateral trading system is fundamental for economic development.

The WTO is capable of delivering an important contribution to improving the lives of billions of people in developing countries. Concerns of developing countries must be at the centre of the coming negotiations. Genuine integration of all developing countries into international trade is the single biggest challenge in the field of economic and trade policy at the threshold of the new millennium.

The Round should devote special attention to the following areas of interest for the developing countries:

First: market access. The EU has committed itself to duty-free market-access for essentially all products from least-developed countries. It is our hope that the EU-lead will be followed by others. More must be done in the area of market access. We must focus, in particular, on sectors where developing countries have a comparative advantage. We must also take into consideration the special needs and concerns of indigenous populations.

Second: technical assistance. The WTO must be able to respond favourably to requests for technical assistance. The newly established Global Trust Fund is important in this regard. I take this opportunity to announce a Danish contribution to the Fund of one million US dollars. The present situation, however, marked by insufficient funding as well as by financing by a few Members through voluntary contributions outside the budget is unsustainable. Technical assistance should be financed as part of the ordinary WTO budget.

Also, the area of dispute settlement presents a clear need for increased technical assistance, The new Advisory Centre on WTO Law holds out promise in this regard. I am pleased to take this opportunity to announce a Danish contribution to the Centre of one million US dollars.

Various organizations are active in the area of capacity building. Coherence is to the benefit of countries interested in technical co-operation. I refer to the EU-proposal on this topic.

Third: WTO rules of particular relevance to developing countries: WTO provisions on "Special and Differential Treatment of Developing Countries" were mostly put in place several years ago. There is an urgent need to modernize these provisions and make them more efficient.

Fourth: Implementation of Uruguay Round results: The Round should provide an opportunity to consider issues relating to the functioning and implementation of the Uruguay Round Agreements.

We recognize that further liberalization might result in higher commodity prices which in turn might have negative consequences for the least developed and net food-importing developing countries. In this connection, Denmark attaches the utmost importance that these problems be adequately addressed in the coming Round and provisions agreed to during the Uruguay Round are implemented accordingly.

I stated a moment ago that the multilateral trade system is in the interest of small economies. Multilaterally agreed rules are preferable to the "law of the jungle". Today this is more true than ever. For two reasons:

One: Globalization means that countries are more dependent on decisions taken abroad. Small economies would prefer such decisions to respect globally agreed rules. The alternative is unilateralism and what that involves of uncertainty and risks.

Two: In the globalized world of today trade policy cannot be seen separately from other policy areas. Trade policy is no longer only about tariff duties, anti-dumping and subsidies. The consumer is fast becoming a key stakeholder in trade policy. What concerns the consumer is the link between trade policy and certain other important policy objectives: a sound environment, fundamental labour rights, human health, consumer protection and animal welfare.

Experience shows that free trade can support sustainable development. We must achieve win/win/win-situations by facilitating developing country access to environmentally friendly technologies. Liberalization of trade can make an important contribution to this. The WTO must intensify its work on trade and environment by establishing a clear relation between multilateral environmental agreements and the WTO rules. We also call for the establishment of more precise conditions for the use of the precautionary principle.

Enhancing environmental considerations in the WTO must happen with due respect to the economic and social conditions in developing countries. Therefore, we support environmental policies that contribute to the integration of developing economies into the international trading system. At the same time, the industrialized countries should maintain the capacity of developing sound environmental policies and standards.

Reducing subsidies to the fishery industry has been mentioned as a way to liberalize international trade and at the same time enhance protection of the environment. Denmark supports further analysis of the effects of subsidies to the fishery sector and would therefore like to see this issue included in the coming negotiations.

We support the possibility of preferential treatment for environmentally friendly products, for instance by the use of eco-labelling. However, further work is needed in order to clarify the relationship between such measures and the WTO rules of non-discrimination.

On labour rights let me make two points: (1) We reject protectionism and sanctions. (2) We insist on positive steps, transparency, non-discrimination and dialogue. These elements would form a sound basis for constructive work during the coming Round.

We believe that the relationship between trade and labour rights should be explored further during the Round. With our EU-partners we have therefore put forward the proposal that a Joint Permanent ILO/WTO Working Forum on trade, globalization and labour rights issues be established,

It is our belief that such a forum would serve a useful function and help eradicate some of the misunderstandings that surround the inclusion of labour rights on the international trade agenda.

We are prepared to look deeper into how the relations between labour rights and trade could be carried out in practice. As mentioned, positive measures are the only means by which these standards should be implemented. We believe that special trading preferences should be accorded to countries that integrate ILO core labour rights into their national policies. Such a system of preferences should be established within the framework of the WTO, thus assuring full transparency.

Enhancing public understanding of the objectives, operations and competences of the WTO is crucial. We have to do more than is presently done to improve transparency by involving members of the public, NGOs and parliamentarians in WTO matters. It is the future credibility of our organization that is at stake.

The WTO is a member driven organization. On the threshold of the new millennium it is up to us to steer the WTO in a direction that on the one hand ensures world wide economic growth and better living conditions, and on the other hand takes up the challenges of globalization and answers to the concerns of the general public.
