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AUSTRIA

<u>Statement by H.E. Dr. Martin Bartenstein</u> Federal Minister for Economic Affairs and Labour

At this time of great challenges and opportunities I want to thank His Highness the Emir for his offer to host the Fourth Ministerial Conference here in this beautiful city of Doha. We are impressed by the way the Qatari Government and the people combine traditional Arab hospitality with an efficient framework for our important endeavours.

My sincere thanks also go to the Chairpersons of all WTO institutions and to Director-General Mike Moore, his deputies and to the entire WTO Secretariat.

The world is confronted with many challenges right now: slacking economic growth, structural development deficits, increasing unemployment, new health scares, and – last, but not least – environmental degradation problems. These factors make it necessary to look for new and creative responses. A successful outcome of this Conference means invigorating the WTO negotiating process. Multilateral rulemaking and trade liberalization are important stimuli for economic growth and structural improvements. Their immanent welfare-creating potential should be reinforced in the future. There are good reasons for developing the WTO system further. In doing so, let us, however, not forget that trade liberalization must go hand in hand with increased responsibility, particularly in the field of environment, health and social policy.

The multilateral trading system does not, for various reasons, automatically provide the possibility to use to an equal extent the opportunities which it offers to all Members. The developing world and especially the Least Developed Countries (LDCs) need our particular support, in order to master the challenge of globalization. We therefore welcome the paragraphs in the Ministerial Declaration which contain concrete suggestions to improve technical assistance and capacity building and give particular attention to LDCs. Important steps have already been taken in this regard by the EC, granting free market access to LDC products except arms, and by other WTO Members.

Let me turn to a few specific areas:

Last year we were able to launch the mandated negotiations on agriculture and services. These sectors account for over two-thirds of the world's economic output. In the services area we welcome the fact that the work done so far has been very constructive and has provided a solid foundation for the next negotiating phase. This impetus should be maintained in the coming request offer approach.

As regards agriculture, we support the endeavours for further liberalization building on commitments already undertaken in Article 20 of the WTO Agreement on Agriculture. Leaving aside all details, I wish to stress that agriculture in Austria cannot be compared to agricultural productions in various countries on other continents. The particular characteristic of our agriculture is the small family farm, which, in addition to maintaining high quality production, is committed to fulfilling

important social and environmental functions, e.g. the preservation of the countryside and the rural environment, features of particular importance for a tourist country with many mountainous regions. Therefore non-trade concerns are of particular importance to us in the negotiations on agriculture.

The Agreement on Trade-Related Aspects of Intellectual Property (TRIPS) has been criticized for limiting policy options in relation to public health concerns. But we must not forget that intellectual property rights provide an essential stimulus for creativity and innovation. However, Austria is fully committed to finding solutions to the problem of access to affordable medicines.

In the interest of achieving a sustainable development, complementarity of trade and environmental policy is important. The WTO Committee on Trade and Environment has contributed to a better understanding of the relevant questions and positions. We therefore feel that a good basis has been laid for moving the discussion to a new phase, in which we could proceed to clarify concretely the compatibility of multilateral environmental agreements with the existing WTO rules. In this context we also should address the issue of the precautionary principle and see to it that there are adequate rules on labelling to meet the evident needs of consumers for information. We are convinced that WTO has to assure policy makers and the population that trade and environment are mutually supportive. Consequently, WTO has to take appropriate measures to this effect by clarifying its rules, taking on the legitimate concerns of all WTO Members, in particular of developing countries, and thus reducing the risk of protectionist abuse of environmental objectives.

We fully support the ILO's work in promoting the compliance with core labour standards in all countries and in particular the recent initiative by Mr Somavia. Indeed, this is an area where cooperation must be intensified by creating an institutional dialogue between all relevant organizations like ILO, WTO, UNCTAD, IMF, etc. We reaffirm that comparative advantages of developing countries should not be called into question and that we stand against trade sanctions and protectionist measures in this context.

The WTO is in an ideal position to intensify the work on trade and investment and on trade and competition which would complement its relevance in all matters related to international trade. The analytical studies carried out for half a decade by the respective Working Groups have achieved already valuable insights. Therefore we assume that sufficient preparation has been conducted and time is ripe now to launch negotiations. The introduction of basic rules in both areas will be likely to benefit developing countries at least as much as industrialized members, be it in terms of attracting investment or creating a competitive environment.

This Ministerial Conference provides the opportunity for the 142 Member countries of the WTO to welcome 1.5 billion people from China and Chinese Taipei into our rules-based system. China's accession to WTO represents a major step towards universal acceptance of rules for international trade. The rules-based system will play a crucial role in furthering global economic cooperation and will contribute to sustainable growth and economic development, peace and stability world-wide. In addition, intensifying accession negotiations with the other applicant countries, amongst them larger nations like Russia, the Ukraine and Saudi Arabia, and with smaller ones like Nepal or Bhutan to name just a few, will further strengthen the system.

Mr Chairman, since its creation the WTO has increased its importance as an international organization and in civil society's opinion. Thus, it is up to us to once again show leadership and launch a comprehensive round of trade negotiations. We owe it to our people that we take their legitimate concerns seriously and address them in an appropriate manner. This will enhance WTO's standing and reputation and will permit it to carry out its tasks even more successfully.