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# Millennium Trade Talks and the 'Battle in Seattle'

The 3<sup>rd</sup> Ministerial Conference, on trade on 30 November – 3 December 1999 in Seattle, Washington was meant to herald a new round of trade negotiations expected to begin early in 2000: the Millennium Round. Instead it will be remembered for street violence and political failure. The World's leaders had come to agree, and give political impetus to, the World Trade Organisation's work programme over the next few years; they left amid recriminations and failure. This Paper looks, briefly, at what went wrong at Seattle, what happens next and, in more depth, the underlying trade issues that need to be resolved.

This Library Paper accompanies *Millennium Trade Talks - Food and Agriculture Issues (99/91)*.

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## Summary of main points

Over the past 50 years, there have been eight rounds of trade liberalisation. A new round was expected to begin early in 2000 following the political impetus given by the official launch at the World Trade Organisation's (WTO's) 3<sup>rd</sup> Ministerial Conference, held on 30 November – 3 December 1999 in Seattle, Washington.<sup>1</sup> The primary objective of this meeting was to agree the WTO's work programme for the next few years. However, the failure of delegates to agree on a programme of work has put back this process, possibly by up to a year.

The UK Government and others see the WTO's new work programme as helping to define the trade and development agenda for the new millennium. The detailed negotiating work is expected to take several years. Indeed the last trade round, the Uruguay Round, was concluded in 1994, eight years after its launch in 1986. The UK government would prefer this new round to last no longer than about three years.<sup>2</sup>

For some time it had been assumed that the new round of negotiations would include agreement on further trade liberalisation across a number of sectors, perhaps including sectors such as investment, procurement and intellectual property. An ambitious agreement was always likely to be difficult to negotiate and, in the run up to the Ministerial Conference, it became increasingly uncertain whether, the 135 WTO members would be willing and able to embark on such a comprehensive round, and thus it proved.

The prolonged dispute in agreeing a successor to WTO Director-General Renato Ruggiero, which contributed to an impression of disunity amongst WTO members, merely served to underline the difficulty the WTO membership faced in reaching agreement across a range of issues

The WTO, along with transnational corporations, international trade and even capitalism generally, have been blamed by a diverse range of non-governmental organisations and others for, amongst other things, undermining international development, harming the environment and lowering labour standards. The WTO and its members are, to some extent, on the defensive and are being forced to demonstrate the benefits of trade liberalisation to a sceptical public.

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<sup>1</sup> The World Trade Organisation replaced the General Agreement on Tariffs and Trade in 1995 following the conclusion of the 'Uruguay Round' of multilateral trade negotiations.

<sup>2</sup> Speech on Globalisation by RT Hon Stephen Byers, Secretary of State for Trade and Industry to Keidanren in Tokyo –14 June 1999.

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## **I Introduction**

The WTO was established on 1 January 1995 as a result of the Uruguay trade round as the successor to the General Agreement on Tariffs & Trade (GATT). It is the legal and institutional foundation of the multilateral trading system. The WTO provides the principal contractual obligations determining how governments frame and implement domestic trade legislation and regulations. It also serves as the platform on which trade relations between countries evolve through collective debate, negotiation and adjudication.

## **II The Seattle Conference**

The World Trade Organisation (WTO) described the procedural background to the Seattle Conference in the following way.

Ministers and other senior officials from over 150 governments are expected to attend the four-day meeting at the Washington State Convention and Trade Center in Seattle.

At the last WTO Ministerial Conference held in May 1998 in Geneva, Switzerland, Ministers established a process under the WTO General Council to prepare for the 3<sup>rd</sup> Ministerial Conference. This process, which has been underway since September 1998 in Geneva, calls on the General Council to submit recommendations regarding the WTO's work programme to Ministers, enabling them to take decisions in Seattle. Based on the General Council's recommendations, Ministers will announce the organization and management of the WTO's work programme, including the scope, structure and time-frames of negotiations to liberalize international trade in sectors such as agriculture and services.<sup>3</sup>

Clearly, high profile conferences of this sort are held only if there is a reasonable expectation on the part of the hosts and the participants that it will yield tangible benefits. The fact that the Conference broke up without a settlement of the agenda for the next trade round was highly unexpected. The day before the talks ended Mike Moore, WTO Director-General, had said at a lunch hosted by President Clinton's that:

Mr. President, this conference is doomed, doomed to succeed. Failure is unthinkable. The status quo is not good enough. Because that was just yesterday's compromise. Our people can't wait, science and change won't wait. Mr. President they look to you for leadership, and I know I can report back to them that as always America and you are providing that leadership.

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<sup>3</sup> <http://www.wto.org/wto/minist/minrel.htm>

Much of the subsequent discussion in the press and elsewhere has been about who was to blame for failure and why was it 'doomed'.

The most frequent target for blame has been the United States. Some commentators blame the President for his impromptu introduction of labour standards onto the agenda. Others blame the chairmanship of Charlene Barshefsky the US trade representative. The EU Commissioner, Pascal Lamay, said on his return that the US delegation:

Had been forced to handle [the talks] on the basis that it would make no concessions. That the [Presidential] election campaign in the US was a problem...that is a fact.<sup>4</sup>

A rather different interpretation was put on the outcome in an editorial in the *Herald Tribune*. It suggested that far from being a disaster, failure to reach agreement was in fact a success the writer notes:

Here is today's debate: Do information-age democracies use their economic muscle to bring others up to their standards of human rights? Mr Clinton...dared suggest that the WTO should someday apply sanctions to economies that abuse child labor. This roused the ire of Third World exploiters and contributed to the breakdown of the talks.

That was [the President's] finest hour...whatever his motive, he blurted out a hint worthy of an elected President.<sup>5</sup>

The overriding view from US press sources was anger. The *Herald Tribune*, in its front-page article noted that:

The US delegation was angry because its hard line on workers right's had flopped;  
[...]  
Developing countries were angry with the US, which had, in their view, tried to support big corporations like Boeing at their expense;  
[...]  
The street protesters were angry that their "stop the WTO" campaign had actually worked rather too well;  
[...]  
Angriest of all were the Seattle authorities who had a \$9 million bill for cleaning up the town afterwards.<sup>6</sup>

The article continued:

All that anger raised an obvious question: Why was everyone here in the first place?

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<sup>4</sup> *Financial Times* 6 December 1999

<sup>5</sup> *Herald Tribune*, 7 December 1999

<sup>6</sup> Op cit 6 December 1999

“No-one really knows,” said a former general counsel of the US trade representative’s office. “There was no consensus about the need for further liberalisation. The only thing that unified most of the people here was a sense of grievance that they were being treated unfairly by the global trading system”.

In a press conference convened after the talks Charlene Barshefsky claimed that the US had shown flexibility on a number of issues. She said that she had called a ‘time-out’ on the talks because

delegations in various ways demonstrated to me fairly concretely that governments were not ready to take the leap. I mean its that simple.

Her interpretation, therefore, was that it was a failure to achieve any meaningful advance on the ‘baseline issues’ of agriculture and services rather than, as was suggested by one journalist at the conference, failure to agree on the issues of more interest to the non-governmental groups and the protesters outside, that scuppered the talks.<sup>7</sup>

One quoted response from a developing country is that from India. According to India’s Prime Minister :

The setback showed, “the need for a negotiated settlement of trade issues between nations based not on dominance and unilateral advantage Developing and large population countries like India have core interests to protect, and India will do that”.<sup>8</sup>

The ‘Greens’ in the European Parliament are reported as saying that they welcomed the talk’s failure as it provided a “breathing space” for members to consider reforms.<sup>9</sup>

In his press statement after the Conference the WTO Director, stated that:

We all left Seattle last Friday disappointed but not dismayed that it was not possible to finish the job we went there to do. A great deal was achieved in the short time Ministers had for serious negotiation. Gaps were narrowed considerably in a number of important areas. Ambassador Charlene Barshefsky, Chairperson of the Ministerial Conference, stated that the meeting has been suspended and that we shall continue and complete our work.

The suspension of talks is not unprecedented in the history of the multilateral trading system<sup>1</sup>. But what is vital is that we maintain and consolidate what has already been achieved. The progress made must not be lost.

I feel particular disappointment because the postponement of our deliberations means the benefits that would have accrued to developing and least-developed countries will

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<sup>7</sup> Source: [www.usia.gov/topical/econ/wto99/pp1203b.htm](http://www.usia.gov/topical/econ/wto99/pp1203b.htm)

<sup>8</sup> *Financial Times*, 6 December 1999

<sup>9</sup> *Financial Times*, Op cit,

now be delayed, while the problems facing these countries will not be allayed. A package of results is within reach.<sup>10</sup>

Stephen Byers, the Secretary of State for Trade & Industry, expressed the Government's view of events in Seattle, in an adjournment debate on the WTO Round.<sup>11</sup>

He said:

It is legitimate to ask what went wrong. First, the work was not done in the lead-up to the ministerial conference. There was not sufficient common ground identified in advance. We went to Seattle with a 36-page draft declaration, most of which was simply not agreed. Secondly, there was a lack of organisation in Seattle to deliver a declaration at the end of the ministerial conference; and thirdly, there was a growing concern by many developing countries about their lack of involvement in the decision-making process. They rightly considered decisions on the launch of a new round to be of such importance that they demanded inclusion. They needed to take part in the building of a consensus, rather than being presented with a done deal by the big players. One reason why agreement was not reached was that they called a halt to the process.

I believe that Seattle was a missed opportunity. We must learn from the mistakes of Seattle and build a stronger WTO. We know from the history of the general agreement on tariffs and trade, and now the WTO, that there is no alternative to a rules-based system for international trade. Like the Labour Government who launched GATT in 1948, this Government want to ensure that they can reform and strengthen the WTO so that it can meet the demands and challenges of the 21st century.

We should not overanalyse what happened at Seattle, or get into a blame game. We must instead ensure changes for the future.

Labour standards and trade were among the most difficult issues on the Seattle agenda. We aim to build on recent progress in the International Labour Organisation to gain wider respect for internationally agreed core labour standards, including the recently agreed ILO convention on child labour. Trade and labour standards policies are not in conflict. Both policy objectives can and should be pursued in parallel. We are firmly opposed to the use of trade sanctions to enforce labour standards. Driving countries into even deeper poverty will not improve their labour standards

Aside from the question of fault the next question is what happens next? Two tasks are left.

First, the 'built in agenda' i.e. those subjects already agreed upon, will go forward as planned. The timetable for this is set out in annex 2 to this Paper.

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<sup>10</sup> <http://www.wto.org/wto/new/press160.htm>

<sup>11</sup> HC Deb 9 December 1999 cc1022-1031

Secondly, the Director General of the WTO has to convene the next ministerial round, or as he put it:

The Chairperson of the Seattle Ministerial Conference has directed me to ‘consult with delegations and discuss creative ways in which we might bridge the remaining areas in which consensus does not yet exist, develop an improved process which is both efficient and fully inclusive, and prepare the way for successful conclusion.’ That is what I shall do.<sup>12</sup>

Two factors suggest that the next conference will be later rather than earlier. First, a lack of broad consensus going into the Conference was cited as one reason for failure this time. Clearly it would be prudent to resolve some of the big issues before the delegates arrived at another high-profile meeting. This will take time. Secondly, the unfortunate contribution of the timing of the US Presidential elections to the round’s failure will not diminish between now and the elections themselves (autumn 2000). It is difficult to see a new round taking place before then.

### **III New trade round of negotiations: possible agenda items<sup>13</sup>**

#### **A. Introduction**

The length of the Millennium Round of trade negotiations will depend crucially on its scope: the more comprehensive the round the longer the negotiations are likely to take.

Some WTO members, such as the UK, the EU and the US, are keen for a comprehensive round, including as wide a range of issues as possible, including investment. Some other members wish to restrict the scope of the new round to those areas that the WTO is already committed to review, which means negotiating primarily about trade in agriculture and services and fine-tuning certain areas of the 1994 agreement.

A member of the U.S. International Trade Commission (USITC) provided some useful background.

On September 24–25, 1998, the WTO General Council met to open discussion on what additional subjects might be included in trade negotiations scheduled to stem from the Seattle Conference. Virtually all countries speaking at the September meeting concurred that mandated negotiations set by the “built-in” agenda—notably on agriculture and services—should proceed as planned in 2000. Views were mixed,

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<sup>12</sup> Post-Conference, press conference on WTO website

<sup>13</sup> This note draws heavily on the ‘The UK and the World Trade Organisation: An Introduction to the Next Round’, DTI publication

however, as to whether additional subjects should be included, whether a new round of multilateral trade negotiations should be launched and, if so, whether a new round should aim to be comprehensive. Among advocates for a new trade round, views differed as to which new subjects ought to be included.

Overall, developed-country and transition-economy Members considered that industrial tariffs, investment, competition policy, and regional trade agreements were likely candidates for negotiation in any new trade round, in addition to agriculture and services. On the other hand, a number of developing country Members considered that implementation of the current Uruguay Round Agreements was inadequate in many respects, such that new negotiations should await full implementation of already existing agreements.

Other Members were simply unwilling to take on further commitments until their present obligations were more certainly under control.<sup>14</sup>

The agenda for the new round is likely to draw upon the following issues:<sup>15</sup>

<ul style="list-style-type: none"> <li>• Industrial Tariffs</li> <li>• Agriculture</li> <li>• Technical Barriers to Trade</li> <li>• Trade and Environment</li> <li>• Trade and Labour</li> <li>• Rules of Origin</li> <li>• Anti-dumping</li> <li>• Subsidies</li> </ul>	<ul style="list-style-type: none"> <li>• Trade in Services</li> <li>• Intellectual Property Government Procurement</li> <li>• Investment</li> <li>• Trade and Competition</li> <li>• Trade Facilitation</li> <li>• Electronic Commerce</li> <li>• Regional Trade Agreements</li> <li>• Applicant members</li> </ul>
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These are discussed in greater detail below. Those issues that have already been agreed upon are also set out in annex 2 of this Paper.

## **B. Industrial tariffs**

Tariff barriers on industrial goods have been reduced under successive rounds of General Agreement on Tariffs and Trade (GATT) - now WTO - negotiations. However, developed and developing countries still retain relatively high tariffs in some sensitive industries.

The UK Government strongly supports a reduction of UK (i.e. EU) tariffs but argues that this would only be beneficial as part of a general reduction from all WTO member countries in all sectors. In a DTI Press Release the minister, Brian Wilson declared that the progress:

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<sup>14</sup> Edward Wilson, U.S. International Trade Commission, source: International Economic Review (May/June 1999) US International Trade Commission.

<sup>15</sup> All these, except applicant members are identified by the DTI in The UK and the World Trade Organisation: an introduction to the next round, DTI.

should include tariff liberalisation, through a substantial reduction or elimination of industrial tariffs on a global and comprehensive basis.

A crucial factor in optimising this liberalisation will be improved market access to developing country markets for developed country goods in return for significant reductions in tariffs in the sectors where developing countries have a major export interest.<sup>16</sup>

From the perspective of the WTO even a commitment of governments not to raise tariffs is valuable progress.

## **C. Agriculture<sup>17</sup>**

Agricultural produce in many countries, including the US and the EU, remains highly protected by a combination of tariff barriers, production support and the use of export subsidies. The Uruguay Round (1994) was the first time, a comprehensive "Agreement on Agriculture" was concluded, bringing agriculture firmly within the scope of WTO rules. The Agreement is one of the issues already decided upon to be included in the negotiations starting in 2000.

There are three major planks to the Agreement on Agriculture. First, greater market access; second, a reduction in the volume of subsidised exports, and, lastly, a reduction of domestic support measures that subsidise production. It will apply to the following areas.

### **1. Food safety, plant and animal health**

The Uruguay Round introduced new rules governing trade restrictions used to protect human, animal and plant health, in the Sanitary and Phytosanitary (SPS) Agreement.<sup>18</sup>

The UK Government favours further progress in this area, including a fundamental reform of the EU's Common Agricultural Policy (CAP), however, the Government sees no need to amend the SPS Agreement at present

### **2. Farm animal welfare**

The UK Government is committed to improving standards of farm animal welfare as laid down in EU rules, but is mindful of unequal competition from countries that do not apply the same standards. The UK will consider various ways in which this issue might be addressed in the run-up to the new Round.

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<sup>16</sup> DTI Press release 20 May 1999

<sup>17</sup> See Library Paper on Agriculture ??

<sup>18</sup> Measures must be applied only to the extent necessary to protect human, animal or plant life or health. They must be based on sound science and must not arbitrarily or unjustifiably discriminate against particular trading partners

## D. Technical Barriers to Trade (TBT)

A technical barrier to trade exists when a country applies technical regulations, standards (including packaging, marking and labelling standards) or procedures for assessing conformity with these standards, in such a way as to impose an unnecessary restriction on international trade. The TBT requires countries to act in a transparent and non-discriminatory manner in accordance with WTO principles. However, technical barriers remain a major impediment to international trade.

The UK Government considers that, subject to minimum necessary standards to protect public health and safety or other legitimate objectives, technical standards should be simple and based on voluntary agreements including greater participation in standard setting by developing countries.

## E. Trade and Environment

A major theme of the new round is to balance the interests of a multilateral trading system with environmental protection and sustainable development. This has been one of the main issues fuelling public protest against the WTO. For example, comments like the following are typical of the general complaint against the trading system:

**Hidden costs** - One fundamental cost of international trade is its effect on the environment. Even transporting goods locally takes its toll; doing so backwards and forwards across continents - often in special deep-freeze planes - is many times more damaging again. Similarly, international trade has a hidden human cost. Under pressure from institutions such as the IMF and World Bank, farmers in developing countries have been encouraged to produce cash crops for consumers in the industrialised world rather than growing food for their own communities. While this ensures rich Westerners cheap, year-round access to the most exotic foods, the farmers themselves end up earning less and less from a market in which they are powerless. In trade terms, raw commodities exported from the developing <sup>19</sup>

The WTO Committee on Trade and Environment (CTE) examines the relationship between trade rules and the environment and, if necessary, makes recommendations on the need to change any these rules. The Committee looks at two broad themes; the interface between trade and environmental policies; and the effect on the environment of opening markets.

The UK Government seeks greater incorporation of environmental concerns into the international trade framework and clarification of the relationship between Multilateral Environmental Agreements (MEAs) and the WTO rules. Comprehensive trade negotiations in the new round will be a major opportunity to take this issue forward.<sup>20,21</sup>

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<sup>19</sup> Source: OneWorld website @ <http://www.oneworld.org/guides/trade/index.html>

<sup>20</sup> The Environmental Audit Committee published its report into World trade and sustainable development: an agenda for the Seattle summit on 23 November. HC 45 1999-2000

<sup>21</sup> See also Second Report of Environmental Audit Committee: *World Trade and Sustainable Development*, HC 45 1999/00, for a discussion of environmental issues connected with the talks.

## **F. Labour standards**

The issue of labour standards illustrates some of the general complexities of the problems before WTO members. Some countries and non-governmental organisations (NGOs) argue for the imposition of high labour standards on WTO members. This would force member nations to improve conditions in the workplace. To others, however, including many developing countries, lower domestic labour standards are a source of competitive advantage for the domestic industry. They are concerned that such regulations would amount to disguised protectionism by the developed countries and would hinder, rather than promote, improvements in working conditions and living standards in developing countries

The issue of labour standards was discussed at the 1996 WTO Ministerial Conference in Singapore. That Conference identified the International Labour Organisation (ILO) as the most suitable forum to deal with labour issues. The UK Government supported this conclusion and is committed to pushing forward worldwide observance of core labour standards through the ILO.

## **G. Rules of Origin**

Rules of origin fall into two categories. **Non-preferential rules** define the origin of products for the purpose of such matters as trade statistics and import quotas. **Preferential rules**, which are often stricter, are defined by members of regional free trade areas (or other countries which have signed up to preferential trade agreements) to ensure that only those goods which genuinely originate in one of the member countries enjoy the low tariffs or other benefits laid down in the agreement.

The Uruguay Round laid down a set of principles for non-preferential rules of origin, designed to simplify them and make them user-friendly. A joint WTO/World Customs Organisation working group has been taking this forward since 1995. This was originally planned as a time-limited technical exercise, but has taken longer and is proving more controversial than expected. Some WTO members are pressing for the right to keep rules of origin for certain sectors restrictive, apparently for protectionist reasons. Many developing countries, by contrast, regard the simplification of rules of origin as a key issue for them. It will therefore be necessary to consider this as part of a new Round.

The UK strongly supports the work in the WTO to make rules of origin less restrictive and simpler for traders in order to boost trade, particularly from developing countries. In the view of the UK Government there is no reason why the WTO should not also seek influence preferential rules (for example, to have a say in the rules of origin applied by the North America Free Trade Area). There is, apparently, little support for this from other WTO members.

## **H. Anti-dumping**

'Dumping' takes place when exporters sell their products overseas at an unsustainable lower price than in their own market. Countries are entitled to take 'anti-dumping' measures (typically by imposing additional duties) if 'dumped' imports are causing material injury to their domestic industry.

The WTO Anti-Dumping Agreement sets out detailed rules on the procedures that countries must follow in deciding whether anti-dumping measures are justified, and for calculating the permitted level to set them.

The UK Government takes the view that anti-dumping action is justified in some cases but that it is too often imposed for protectionist reasons. In any new WTO round, the UK will support improved WTO rules to ensure that the tool is used as objectively and transparently as possible.

## **I. Subsidies**

Financial assistance given to an enterprise by a government is, for WTO purposes, called a "subsidy". Subsidies can cause unfair competition and their use is regulated by both the WTO and by the EU. The Agreement on Subsidies and Countervailing Measures finalised at the Uruguay Round, set out that some subsidies, such as programmes of aid to small and medium-sized companies, did not conflict with WTO rules. But, those that are directly aimed at lowering the price of exported goods, were banned outright. The rest were permitted, but subject to the right of other WTO members to challenge them in individual cases or to respond in kind, with duties on the subsidised products. The agreement gives greater transparency through a system of notifications and reviews of subsidies.

The UK is seeking to gain agreement to tighten the disciplines further. In particular the UK would like to improve the effectiveness of the routine workings of the Agreement, for example, adherence to the notification obligations and other operational procedures.

## **J. Trade in Services**

The WTO's General Agreement on Trade in Services (GATS) sets out a framework of legally binding rules governing the conduct of world trade in services. It has been formulated to ensure that government regulations and other measures affecting trade in services are fully transparent, and secure the progressive removal of measures which discriminate against foreign service suppliers. The agreement includes a requirement for successive rounds of negotiations to achieve a progressively higher level of liberalisation.

## **IV Aims & Ambitions of the New Trade Round**

As noted above, some WTO members want to restrict the scope of the round to the "built-in" agenda (see annex 2). However, in a speech in September 1999, the Director General of the WTO, explained why a new, more expansive, round was needed.

Five years on, we should be open and transparent enough to say what we did right at Marrakesh and what we did wrong, as well as the unfinished business. We should also admit that the "game" changes, new circumstances intervene and that often the best economic predictions are in hindsight. But broadly, I would say that we got it right on liberalization of tariffs and quantitative restrictions; we started out in the right directions with agriculture and services; and we got it very substantially right on dispute settlement. Anything can be improved and must be.

As we can see from the agenda for Seattle, there is a lot of unfinished business and much fine tuning to be done. Many of us are disappointed that the Uruguay Round has not delivered the sort of results that we wanted. Many of us are concerned that the package has not been adequately balanced to reflect our needs. It is not surprising that five years after Marrakesh many of you are clamouring for changes and corrections. I agree. That is why we must have a round.

I would like to restate the three aims that I gave myself on my first day as Director-General:

- to facilitate and to assist all participants to get the most balanced outcome from the new negotiations, and an outcome which benefits the most vulnerable economies;
- to be an advocate for the benefits to both great and modest nations of a more open trading system, and one that can increase living standards and build a more prosperous, safer world; and
- to strengthen the WTO and its rules, to build on and maintain its reputation for integrity and fairness, and to reshape the organization to reflect the reality of its membership and their needs.

What do these three aims mean in practice?

First, to make sure that trade liberalization continues in a way that brings real benefits to all countries but especially to developing countries.

I would see this particularly in the areas of agriculture, processed foods, and sensitive sectors like textiles. There are still too many high tariffs. Tariffication of QRs in agriculture was good, because it revealed clearly how high levels of protection on many products are. Our task now is to begin to reduce these high tariffs, as well as tackling the issue of agricultural subsidies and support systems. This is delicate because it will involve new pressures on developed countries at a time when many of their own farmers are in difficulties. But we must find a way to open up access for competitive products, including from developing countries.

Second, to ensure that rules are developed in a way that developing countries can use them.

Many Ministers and Ambassadors of developing countries tell me that their problems stem from the complexity of international rules, or their inability to apply them. They are correct. This is a serious concern that must be addressed. Wealthy countries know this, and increasingly they are aware of the importance of full engagement by all WTO Member Governments. John F. Kennedy said, before the Kennedy Round was launched, that a rising tide lifts all boats. He was right. Today I would describe these boats as part of a convoy, in which we are all dependent on each other and which must all advance together.

We must therefore make sure that negotiated rules are fair, well understood, and applicable, and that both time and help are given to developing countries to apply

them. This will require a substantial increase in both technical and financial assistance.

Third, to make sure that rules and procedures for "contingent" protection are applied fairly, and that such measures don't become a substitute for old-fashioned protectionist barriers.

Since the Uruguay Round, there has not been an enormous growth in the use of these measures, but it's clear that developing countries have borne a more-than-proportionate burden, that certain sectors of interest to developing countries have been targets, and that some developing countries themselves have become experts in using these measures. Ministers have told me that the world trade system works until their products start to have an impact – that is, until they accept the gift of opportunity.

Fourth, to ensure that access to the dispute settlement mechanism is available on an equitable basis.

Many of you have complained about the cost of DSU procedures and it is clear that there is an imbalance here. This must be addressed. One option is the creation of a Legal Advisory Centre, which many of our Members support. There are some other good ideas as well. The instrument to achieve a better outcome is debatable, the objective is not.

Fifth, to make sure that information about the WTO and its activities is readily available to all Members, including the most vulnerable.

The rapid growth and the complexity of the WTO's activities have become a problem for many Members who have either small delegations in Geneva or none at all. We must improve the effectiveness of our communications with small delegations in Geneva and with non-residents in other European stations, and at home. We need to be sure that our information is accurate and appropriate, that it gets to the right people, and that it is usable by the Ministers and advisers who need it.

I appreciate the generosity of the wealthy countries that have contributed funds to important programmes for development. I have appointed a highly experienced individual to advise me, a former Ambassador from a small developing country, to see how we can better serve those Members without representation in Geneva and to audit our efforts so far. As a first step, we shall hold a week of briefings for WTO Members and Observers without missions in Geneva, early in November. The purpose of this "Geneva Week" will be to brief senior officials from capitals, and non-resident Ambassadors in Europe, about the Seattle process, and also to expose them to other agencies in Geneva with interests in trade and development, including UNCTAD as it prepares for its Bangkok conference. I hope we can make a regular practice of such briefing sessions in Geneva.

But these assistance efforts must not stop at Seattle. After Seattle we must do even more to make the vision of Seattle a reality for families and our people.<sup>22</sup>

## V UK Priorities

Although the UK is a member of the WTO in its own right, for most purposes the UK is represented by the EU which has competency in most trade matters under the Common Commercial Policy. Stephen Byers outlined the UK priorities in a speech in June 1999. The relevant extract is reproduced below:

UK priorities reflect our assessment of the benefits and those areas we have identified as remaining trade barrier problems. These include securing further industrial tariff reductions, reducing the burden on business and barriers to trade represented by industrial standards and technical regulations, simplifying trade procedures, opening up government procurement markets in third countries, ensuring proper enforcement of intellectual property rights around the world, seeking substantial progressive reductions in support and protection for agriculture and developing better regimes to cover issues such as food safety, deepening and broadening the liberalisation of trade in services and establishing a liberal, rules-based framework for international investment.<sup>23</sup>

Both the UK Government and the EU are in favour of a new trade round (see appended press notice ). This view was endorsed at the G8 Summit in Cologne in June. In June the DTI published a detailed booklet setting out the background and its views on a range of issues.

The introduction is reproduced below:

### **The Case for a New Round of Trade Negotiations**

The UK Government, together with its EU partners, takes the view that Ministers should give the go-ahead in Seattle to a comprehensive new Round of negotiations. We think that the achievements of the GATT and the WTO to date have been very valuable both for the UK and for the world economy as a whole. When the Uruguay Round was concluded, various studies of the likely economic impact of the Round suggest that, once fully implemented, it could increase world trade by 6-20%, boosting world incomes by 1% or \$200bn - \$500bn per year. In March 1997, 40 countries agreed to eliminate customs duties on a wide range of information technology products (the "Information Technology Agreement") bringing an estimated US\$50bn saving to households and businesses in lower prices. The WTO can ensure that developing and transitional economies are involved and benefit from

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<sup>22</sup> Conference on Developing Countries' Interests in a Millennium Round, Geneva, 20-21 September 1999, Introductory remarks by Mike Moore, Director-General, WTO

<sup>23</sup> Speech on Globalisation by RT Hon Stephen Byers, Secretary of State for Trade and Industry to Keidanren in Tokyo -14 June 1999.

the global system. Since the last round of WTO negotiations, 1986-94 (the Uruguay Round) over 60 countries have implemented plans to liberalise their trade rules. However, there remains considerable work to be done.

□ Tariffs on industrial goods have fallen dramatically since 1948. But they remain high in some sectors, particularly textiles, clothing, footwear and leather goods.

□ As tariffs have fallen, other more subtle ways of restricting and distorting trade have become more prominent, such as technical barriers and subsidies.

□ As the patterns of international trade change, new issues take on greater importance. There is a lot of scope for taking forward some of the issues that began to be tackled in the Uruguay Round, such as breaking down the barriers to international trade in services. There is also a need to look at issues which have developed since the last round of negotiations, such as the application of trade rules to electronic commerce.

The member governments of the WTO have sought to continue discussion of issues begun in the Uruguay Round but not yet concluded. Some things have been achieved, including the Information Technology Agreement mentioned above and agreements on Financial Services and Telecommunications Services. However the Government's view is that the chances of making future progress would be maximised in the context of a full, broad-based Round, where everything is on the table and everyone can gain. Indeed, if agreement is to be reached, every country must gain something in an organisation like the WTO which is run by consensus.

## **VI Controversial issues**

### **A. Costs and benefits of Globalisation**

The Ministerial meeting at Seattle in November/December 1999 attracted a highly vocal and diverse group of protestors including eco-warriors, politicians, trade unionists, environmentalists and developmental lobby groups. At the heart of their complaint was the continuing moves towards economic globalisation and trade liberalisation. These groups blame the international trading system generally and the WTO and trans-national corporations in particular for many of the ills of the modern world.

The following extract from a "Statement from Members of International Civil Society Opposing a Millennium Round or a New Round of Comprehensive Trade Negotiations" summarises some of the views of the opponents of trade liberalisation.

The Uruguay Round Agreements have functioned principally to prise open markets for the benefit of transnational corporations at the expense of national economies; workers, farmers and other people; and the environment. In addition, the WTO system, rules and procedures are undemocratic, untransparent and non-accountable and have operated to marginalise the majority of the world's people.

All this has taken place in the context of increasing global economic instability, the collapse of national economies, increasing inequity both between and within nations and increasing environmental and social degradation, as a result of the acceleration of the process of globalisation.

The governments which dominate the WTO and the transnational corporations which have benefited from the WTO system have refused to recognise and address these problems. Instead, they are pushing for further liberalisation through the introduction of new issues for adoption in the WTO. This will lead to the exacerbation of the crisis associated with the process of globalisation and the WTO.

We oppose any further liberalisation negotiations, especially those which will bring new areas under the WTO regime, such as investment, competition policy and government procurement. We commit ourselves to campaign to reject any such proposals. We also oppose the Trade-Related Aspects of Intellectual Property Rights (TRIPS) Agreement.

We call for a moratorium on any new issues or further negotiations that expand the scope and power of the WTO.

During this moratorium there should be a comprehensive and in- depth review and assessment of the existing agreements. Effective steps should then be taken to change the agreements. Such a review should address the WTO's impact on marginalised communities, development, democracy, environment, health, human rights, labour rights and the rights of women and children. The review must be conducted with civil society's full participation.

The failure of the Organisation for Economic Cooperation and Development's Multilateral Agreement on Investment (MAI) demonstrates broad public opposition to the deregulation of the global economy, the increasing dominance of transnational corporations and escalating resource use and environmental degradation.

A review of the system will provide an opportunity for society to change course and develop an alternative, humane and sustainable international system of trade and investment relations.<sup>24</sup>

Oxfam has set out its key recommendations for the Seattle talks:

At Seattle Oxfam recommends the WTO addresses five key points:

- take stock of how free trade agreements have affected poor people so far
- focus negotiations in Seattle on development
- level the playing field: lower the barriers to exports by poor countries, end subsidised exports by the West (especially agricultural exports), give more

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<sup>24</sup> Statement from Members of International Civil Society Opposing a Millennium Round or a New Round of Comprehensive Trade Negotiations, SEED, website.

freedom for poor countries to pursue development policies, and provide aid from rich countries to help poor countries build their trade capacity

- guarantee that WTO rules will not override ethical consumer choice
- embark on a new era of greater participation, openness and accountability at the WTO<sup>25</sup>

Proponents of liberalisation, including the UK Government, appear to recognise the genuine concerns expressed by experienced NGOs like Oxfam that moves towards liberalised trade might be made at the expense of developing countries and the environment.<sup>26</sup> Even Director General Moore of the WTO accepted that:

Not all our critics are wrong. Some of their criticisms are founded on fact. However, others are founded on misperceptions. And still others are founded on ideological differences.<sup>27</sup>

To some critics, the Asian financial crisis demonstrated the perils of trade liberalisation. However, the WTO's response is that the crisis could have been made worse if governments responded to the financial panics by restricting markets.

The Asian crisis – originating in financial shortcomings and a consequent fall in confidence – has had its impact on the world economy. Prices for most raw materials have fallen, harming resource-intensive economies. Demand in previously fast-growing economies has fallen, leading to lower rates of imports, perverse change in the trade balances of many developing countries, and a lack of export as well as import capacity in many cases. A serious human crisis, with sharply growing poverty and social unrest has returned to many countries that were pulling themselves into higher levels of development.

But we also have to recognize that until the Asian financial crash, the process of progressive trade liberalization was creating new jobs, structural changes, and remarkable growth in income in many developing countries. Our task now is to learn from the lessons of the 1997 crash, and try to ensure that trade and financial sector liberalization are managed in a way which can guarantee greater stability at the macro-economic level, better income distribution within nations, and a better deal for the poorest both within countries and among countries.

There is another lesson we need to take away from the Asian crisis, and that is that the situation would have been much worse if the leaders of the region had not stood firm in their commitment to open markets. It's very important to remember as well how critical it is that the markets of the North remained open. WTO rules contributed to this firm stance and to markets remaining open.<sup>28</sup>

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<sup>25</sup> Oxfam website.

<sup>26</sup> See The UK and the World Trade Organisation: An Introduction to the next Round, DTI, Foreword by Brian Wilson

<sup>27</sup> <http://www.wto.org/wto/new/press137.htm>

<sup>28</sup> <http://www.wto.org/wto/new/press137.htm>

The UK government's position on globalisation was set out in a speech by Stephen Byers:

By working together we can confound the critics and show that globalisation and liberalisation together can be a decisive force for good. But in our democratic societies we need to work at convincing our electorates they are to be welcomed rather than feared.

To do this we need to engage in and win the intellectual debate, and confront head-on the allegation that globalisation is inherently harmful. If it were true that globalisation was about the unregulated power of cynical multinational corporations coercing Governments and playing off one country against another - the so-called "race to the bottom" - then I would be the first to call a halt.

But the evidence points decisively the other way. Globalisation, through the free flow of foreign direct investment, leads to a more equal distribution of capital; greater competition and productivity; the expansion of markets; the transfer of technology; wealth creation and growth in employment. Potentially everyone is a winner.<sup>29</sup>

## **B. Economic assessment of the Uruguay Round**

It may be useful to outline some of the economic effects of previous (Uruguay Round) trade negotiations. In general, estimates of the benefits of trade liberalisation are usually based on economic analysis conducted by the WTO or some other international body such as the Organisation of Economic Co-operation and Development (OECD). The WTO describes the range of estimates that have been found.

Freer trade through negotiation; more predictable trade policies around the world through the disciplines of the WTO agreements; more trade; better allocation of resources. Economists at the WTO and other institutions have made numerous calculations of what the WTO agreements might add to the world economy after they have been fully implemented. Obtaining a precise figure is difficult. In 1994, economists at what was then GATT estimated that the agreements could contribute \$184 billion to \$510 billion to the world economy by 2005.<sup>30</sup>

According to one major study<sup>31</sup> the effect of the Uruguay Round will be to increase world welfare (income) by \$258 billion by 2005. The largest aggregate gains would accrue to the European Union (\$56½ billion), Japan (\$40 billion), the newly industrialising economies of

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<sup>29</sup> Speech on Globalisation by RT Hon Stephen Byers, Secretary of State for Trade and Industry to Keidanren in Tokyo -14 June 1999.

<sup>30</sup> Source: WTO website (<http://www.wto.org/>)

<sup>31</sup> *The Uruguay Round and the developing countries* edited by W. Martin and L. Alan Winters

Asia (\$39 billion), and Malaysia (\$34 billion), followed by the United States and Canada (\$32 billion).

In total the United States and Canada, the European Union and Japan would account for almost half of the total gains, the newly industrialising economies of Asia for 15% and developing countries for the remaining 34%, or about \$87 billion.

The study concluded that both Latin America and Sub-Saharan Africa were likely to lose from the Uruguay Round, the latter by around half a percent of GDP.

According to the study both these regions were relatively marginal participants in the Uruguay Round, as shown by the depth of their tariff reductions and both were also largely on the sidelines in terms of being affected by the Multi-Fibre Agreement (MFA). Latin America would gain from the opening of textile markets but would lose out as its preferential market access under the MFA was eliminated. Overall, however, Latin America's loss was estimated to represent a negligible proportion of its GDP.

The losses in Sub-Saharan Africa were more substantial and were thought to arise from the region's failure to generate sizeable efficiency gains to offset the deterioration in its terms of trade: in effect its market economy was not flexible enough to adapt to new trading conditions. In other regions, losses in the terms of trade would be offset by higher efficiency gains as their trade became liberalised. The authors of the study concluded that further liberalisation and hence greater efficiency in Sub Saharan Africa was the most promising approach for overcoming such losses.

Although the figures are only broad estimates of very large numbers they tend to reinforce the entrenched views of the pro and anti WTO camps. On a global scale trade liberalisation is undoubtedly a non-zero-sum-game: increased trade leads to increased prosperity (President Kennedy's rising tide lifts all boats metaphor). But, the benefits are more likely to be available to those advanced and flexible countries/regions that can adapt as they open previously protected sectors, in the case of the US and the EU reducing the protection of their agriculture and textile sectors.

### **C. International investment**

The role of international investment has recently received much the same opposition, from similar critics, as that currently being directed at trade issues. The WTO first addressed investment issues under the Uruguay Round, with the Trade Related Investment Measures (TRIMs) agreement and through the investment provisions of the General Agreement on Trade in Services (GATS). The UK Government hopes to make progress on TRIMS and GATS in the new round.

Negotiations to agree the Multilateral Agreement on Investment (MAI) under the auspices of the OECD collapsed in October 1998 when the French withdrew from the negotiations. A number of NGOs, which campaigned against the MAI, have strong ideological objections to any move that encourages further globalisation. Despite this, there is still widespread interest among WTO members in debating the scope of rules on international investment, including

the principle of non-discrimination. Members of the WTO are likely to consider whether or not there is sufficient interest in trying to replace the network of bilateral agreements on international investment with a multilateral agreement.

Some countries, especially those in Eastern Europe and Latin America, are generally in favour of multilateral rules on investment, whereas the Egypt, Malaysia and a number of Asiatic countries are generally against.

Even if this issue does become part of the round it will, for obvious reasons, be different from the original proposals. However, for any future agreement to be meaningful, it will need to include a number of the principles that were set out in the MAI, such as non-discrimination and legal procedures for dealing with breaches by governments.

The UK Government would like to see a multilateral framework of WTO rules applied to international investment but recognises that lessons will need to be learned from the MAI negotiations.

## **Annex 1: DTI Press release**

11 June 1999

### **BYERS CALLS FOR RADICAL REFORM OF THE WORLD TRADE ORGANISATION**

Stephen Byers, Trade and Industry Secretary, will today call for radical reform of the World Trade Organisation in a speech to the Keidanren, the Japanese CBI, in Tokyo.

He will say:

"The World Trade Organisation itself has a vital role to play in putting the global economy back on course. The WTO is a younger organisation than the IMF and the World Bank but as we look towards the 21st century it is increasingly clear that world economic growth will depend on free trade and open commerce. The WTO needs to stand alongside the IMF and the World Bank in the world economic order.

"The real threat to the spread of global prosperity today is posed by protectionism and discrimination. The WTO must lie at the heart of the global trading environment based on clear and firm rules designed to protect weaker economies from exploitation and to deter stronger economies from confrontation."

Stephen Byers will outline a four point plan for reform in his speech and set out the Government's view on what should be in the new trade round in Seattle. Firstly he will call for greater transparency and openness

"There is, on the part of all international organisations, a need for a positive policy of communicating to a wider audience the relevance of their work and what it means in simple, non- technical terms. The WTO must explain its decisions or risk undermining support for free trade in general.

"Secondly, he will say more must be done to integrate Developing Countries: "There is more we can do to integrate all countries, and in particular the least developed countries, more closely in the multilateral trading system and the global economy.

"As we embark on the task of defining the range of subjects to be discussed as part of the new round of negotiations, we must make sure that topics of particular concern to developing countries are given their proper priority.

On trade and the environment, he will say:

"It is not the WTO's role to engage in environmental regulation. But what we must do is to ensure there is no conflict between desirable and legitimate regulation and trade rules. Ultimately we must ensure that there is no conflict between protection of the environment and expansion of trade. Both are aims of the highest importance. We must find a way forward. "On the fourth area for reform, the Dispute Settlement, he will say:

"At least one recent case has shown, some of the procedures, such as those governing the application and enforcement of judgements, are open to argument. Loopholes in existing rules allow losing parties to delay the day of reckoning. Such flaws need to be resolved. Consideration must be given to setting down a clear timetable with deadlines." Speaking about the next round of negotiations, Stephen Byers said: "The new comprehensive round should ensure continuing growth in the global economy and provide a boost to confidence, thus helping to offset protectionist tendencies. "It should further reduce the burden on consumers and taxpayers imposed by agricultural protection.

"UK priorities reflect our assessment of the benefits and those areas we have identified as remaining trade barrier problems.

These include securing further industrial tariff reductions, reducing the burden on business and barriers to trade represented by industrial standards and technical regulations, simplifying trade procedures, opening up government procurement markets in third countries, ensuring proper enforcement of intellectual property rights around the world, seeking substantial progressive reductions in support and protection for agriculture and developing better regimes to cover issues such as food safety, deepening and broadening the liberalisation of trade in services and establishing a liberal, rules-based framework for international investment."

He will also stress that countries must not lose sight of the benefits that come as a result of globalisation. He will say:

"We must not lose sight of the opportunities that have flowed from the new age of globalisation. We have benefited from the integration of the international economy. Now we must manage it through more difficult times.

"A shared commitment to open trade and orderly progress - certainly among the G7 and in the EU - has been a driving force for growth - even in countries that not so long ago seemed permanently left behind.

"Now the trend is stalled, and in some places even reversed - but I believe that is a temporary setback, not a permanent condition. The essential answer to the problems of the moment is not less globalisation - not new national structures to separate and isolate economies, but stronger international structures to make globalisation work in harder times as well as easy ones.

"Our urgent need is closer co-operation, continuing dialogue, and an unwavering commitment to open commerce. We must not let temporary instability put global progress at risk.

"As the economic weather turns, as a storm in one region threatens to spread, there are easy but dangerous shelters - a return to protectionism, the breakdown of co-operation, the rise of beggar thy neighbour policies. But this can only yield further worsening of the situation, not renewed growth.

"Let us be clear, protectionism anywhere is a threat to prosperity everywhere. Closing off national economies only increases national and international instability. And across the world, it is the poorest, the most vulnerable members of society who suffer from

financial crisis and stagnation."

<http://www.dti.gov.uk>

## Annex 2: Built-in agenda

Further details on the so-called Built-in Agenda are set out below.

### *a. BUILT-IN AGENDA*<sup>32</sup>

Many of the Accords agreed during the Uruguay Round specify future dates for continuing review or negotiations of specific sectors or subject areas. Below is a list of some of the most important dates and deadlines.

#### **1998**

- Sanitary and Phytosanitary Measures (SPS): review of the operation and implementation of the Agreement by 1998.
- Technical Barriers to Trade (TBT): review of the operation and implementation of the Agreement by 1998.
- Intellectual Property Rights (TRIPS): further negotiations starting in 1998, with a view to broadening and improving the Agreement on the basis of mutual reciprocity.
- Dispute Settlement Understanding: full review of dispute settlement rules and procedures.

#### **1999**

- Government Procurement: further negotiations starting in 1999, with a view to improving the Agreement and achieving the greatest possible extension of its coverage among all Parties on the basis of mutual reciprocity.
- Investment Measures (TRIMS): review of the operation of the Agreement and discussion on whether provisions on investment policy and competition policy should be included in the Agreement.

#### **2000**

- Agriculture: negotiations for continuing the process of substantial progressive reductions in support and protection.
  - Services: new round of negotiations starting in 2000 with a view to achieving a progressively higher level of liberalization
- Intellectual Property Rights (TRIPS): review of the implementation of the Agreement after 1 January 2000.
- Trade Policy review Body: appraisal of the operation of the policy review mechanism by 2000.

#### **2001**

- Textiles and Clothing: review of the implementation of the Agreement by 2001.

#### **2004**

- Textiles and Clothing: review of the implementation

## Annex 3: Parliamentary Questions

### Millennium Trade Round

**Mr. Stunell:** To ask the Secretary of State for Trade and Industry if he will list Her Majesty's Government's objectives in the proposed Millennium Round of trade negotiations.

**Mr. Wilson:** The UK Government are strongly in favour of a broad-based new Round of trade negotiations in the World Trade Organisation, and has backed the European Commission's calls for a comprehensive approach. Decisions are to be taken on the scope and timing of these negotiations at the third WTO Ministerial Conference, which will be held in the United States in November this year.

Our objectives at this stage include further tariff reductions; reducing the burden on business and barriers to trade represented by industrial standards and technical regulations; opening up Government procurement markets in third countries; simplifying import and export procedures; ensuring proper enforcement of intellectual property rights around the world; seeking substantial progressive reduction in support and protection for agriculture and developing better regimes to cover issues such as food safety; deepening and broadening the liberalisation of trade in services; establishing a liberal, rules-based framework for international investment; clarifying the interaction between environmental and trade policies to meet concerns that liberalisation should be pursued in a manner compatible with sustainable development; and clarifying the interaction between trade and competition issues.

Throughout the Round we shall want to ensure that the interests of developing countries are taken into account and that every opportunity is taken to promote further engagement of the least developed countries.

**Mr. Stunell:** To ask the Secretary of State for Trade and Industry what plans he has to ensure full consultation with Parliament, relevant non-Governmental organisations and the public over developments in the proposed Millennium Round of trade negotiations.

**Mr. Wilson:** The Government have always consulted fully on major trade policy developments. The proposed Millennium Round of trade negotiations will not get underway until after the third WTO Ministerial Conference in November 1999. In preparation for and during these negotiations, the Government will consult with interested parties as we have in the past. The timetable for these consultations has not yet been finalised.<sup>33</sup>

## Annex 4: WTO Press release

### World Trade Organization Director-General Mike Moore

#### PRESS RELEASE

2 September 1999

#### MOORE SPELLS OUT PRIORITIES FOR SEATTLE MINISTERIAL CONFERENCE

New World Trade Organization Director-General Mike Moore underscored his priorities for the upcoming Seattle Ministerial Conference during his first media briefing in Geneva since assuming his post on 1 September.

Mr. Moore, the first non-European to head the WTO, stressed the importance of achieving a balanced outcome in Seattle which addresses the needs of all WTO member governments.

"Ordinary people greeted the launch of the Uruguay Round with apathy, the possibility of launching a new round in Seattle will be met with far greater emotions, some positive, some not so positive," he said.

"This time we will not be able to complain about apathy. In the absence of global conflict between 'isms' some people have chosen to focus their fury on globalism. Thus the WTO has become a target for abuse. This will necessitate new skills at governmental and at the international level to communicate and engage those citizens especially in the wealthy nations who will protest and march and call for barriers to be built to keep out products from poor countries which desperately need the opportunity to work and produce incomes for their families. Even in developed countries large numbers of people have problems with international trade. Yet tens of millions of jobs in OECD countries are directly related to exports and overseas investment.

"A third of new US jobs are export related. As the global economy evolves, a major duty for the WTO's Director-General is to make the case for keeping the markets of the rich nations open to products from poorer countries. Imagine the economic - then social and political - implications if the markets of the North were closed during the recent Asian crisis?

"It's a moral issue as well. A world now exists polarised by poverty and opportunity as it was once polarised by the cold war. I will judge my term in office by how much we could improve the conditions and opportunities of the most vulnerable economies.

"Seattle is the priority, but the Seattle Ministerial will only be judged a success if there is a balanced outcome. We need to assist all member governments to engage in the process. Thus we need to increase the levels and focus of technical assistance from the WTO and other sources to make this happen.

"The WTO is not the GATT and the Seattle Ministerial Meeting will not be like the Punta del Este launch. This is the cynical 90s and not the optimistic 80s. During the long months of the selection process, many ambassadors told me in no uncertain terms what is expected of a Director-General and the rules-based institution he manages on behalf of its member governments.

"My duties and priorities are clear:

- To facilitate and assist countries to get the most balanced outcome from the negotiations, an outcome which truly benefits the more vulnerable economies.

- To advocate the advantages both for the great nations and the more modest nations of a more open trading system and how that can increase living standards and build a more prosperous, safer world.

- To strengthen the WTO and its system and rules, to build on and maintain its reputation for integrity and fairness, and to re-shape the organization to reflect the new reality of its Membership and their needs.

"All eyes are directed now at the Seattle Ministerial - hopes are high. Our goal is very clear, it's better living standards for all our people. Because it is through higher living standards that we achieve better health care, superior education systems, and a safer, better, environment. It's time now for me and colleagues in Geneva and capitals to roll up our sleeves and get to work."

## **Annex 5: WTO Documentation**

The WTO is making available a vast collection of documentation. The following is a sample of the documents available on the WTO's website.

### PREPARATIONS FOR THE 1999 MINISTERIAL CONFERENCE -

- Trade Facilitation – Communication from Korea 02.09.99 WT/GC/W/308
- Trade and Competition - Communication from Japan 25.08.99 WT/GC/W/306
- WTO Work Programme on Electronic Commerce - Communication from the European Communities and their Member States 09.08.99 WT/GC/W/281
- Proposals Regarding the GATS Agreement - (Paragraph 9(a)(ii) of the Geneva Ministerial Declaration) - Communication from Venezuela 06.08.99 WT/GC/W/282
- Proposals Regarding the TRIPS Agreement (Paragraph 9(a)(ii) of the Geneva Ministerial Declaration) - Communication from Venezuela 06.08.99 WT/GC/W/298
- Trade and Competition - Communication from Korea 06.08.99 WT/GC/W/299
- Technical Assistance - Communication from Kenya on behalf of the African Group 06.08.99 WT/GC/W/300
- The Interaction Between Trade and Competition Policy - Communication from Kenya on behalf of the African Group 06.08.99 WT/GC/W/301
- Customs Valuation Agreement - Communication from Kenya on behalf of the African Group 06.08.99 WT/GC/W/302
- The TRIPS Agreement - Communication from Kenya on behalf of the African Group 06.08.99 WT/GC/W/303
- Fisheries Subsidies - Communication from Australia, Iceland, New Zealand, Norway, Peru, Philippines and United States 06.08.99 WT/GC/W/304
- Trade and Sustainable Development - Communication from the United States 06.08.99 WT/GC/W/259/Add.1