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CZECH REPUBLIC

Statement by H.E. Mr Jiří Maceška Junior Minister of Industry and Trade

On behalf of the delegation of the Czech Republic I would like to thank the United States for the initiative in hosting the Third WTO Ministerial Conference. By taking this initiative, the United States has demonstrated, once again, its leadership and genuine commitment to the open, rules-based multilateral trading system.

It has been one and a half years since we met in Geneva where we agreed to establish a process to prepare recommendations regarding the WTO's work programme for the beginning of the 21st century. Since then, we all have been engaged in intensive preparations and negotiations.

Despite the enormous efforts by our negotiators, so many issues remain unresolved and much work still has to be done. There are many reasons for this discouraging picture. However, we have not come to Seattle to spend too much time on analyzing these reasons.

We are here to plan ahead and to make progress. We all know each others' positions, sensitivities and priorities. This week, political action is called for to narrow down the differences. Our task is to take decisions on specific policy options before us and arrive at a compromise which will be acceptable and beneficial to all Members.

I am still optimistic that with joint responsibility, political wisdom, pragmatism and determination on the part of all Members, we can reach such an understanding that will enable us to launch, here at Seattle, a new round of trade negotiations.

To succeed, another important tool has to be with us throughout the week. I am referring to the need to resist any temptations to pre-negotiate. Results should emanate from the post-Seattle process.

We all are aware of the stark choices facing us today. They are too known to require any detailed repetition. The success means a window opportunity to deal with the major problems we are confronted with. Failure would constitute a serious setback for our joint endeavour and a dangerous message for the world. Although the alternative to a successful conclusion exists, we cannot afford to fail.

From the very outset of the preparatory process for the Seattle Ministerial, the Czech Republic has been advocating a strong case for having a comprehensive, time-bound round of multilateral trade negotiations based on the principle of a single undertaking. In pleading for a new round, we have been guided by the following considerations.

We believe that only a round with sufficiently broad-based agenda, covering both meaningful market access liberalization and rule making can produce balanced and ambitious results which will cover the interests of all participants and the benefits of which will be widely shared. Apparently, too narrow focus in negotiations will bring about only narrow results. Moreover, it will not allow to maximize the potential for positive synergies between trade, environmental protection and economic development.

A new round is best suited to address pressing challenges confronting the multilateral trading system. One of its major objectives will be to maintain the key role of the WTO in ensuring greater coherence in managing interdependence and global economic policy-making and in proper channelling globalization. By establishing new rules and strengthening the existing ones the round will also be responding to important developments in international economic environments.

There is another reason why a new round is required. It has to do with concerns about further marginalization of less-developed countries. Here again, a new round should be an important confidence-building measure in our joint efforts to integrate fully developing countries and economies in transition into the world economy and multilateral trading system. It is apparent, more than ever before, that there will be no ambitious new program in the WTO, unless further trade liberalization and rule making is pursued in line with the objective of promoting development.

We are well aware that in shaping the future WTO agenda, we must be ambitious as well as realistic. We believe that the subject matters we have been proposing, testify to the ability to reconcile in a proper way the level of ambition with what is achievable in a relatively short period of three or four years.

From our perspective we are looking to comprehensive market access negotiations comprising not only agriculture and services but also non-agricultural products. Results in these areas have to be underpinned by strengthened multilateral rules.

We are also interested in developing new multilateral frameworks of rules on investment and competition which are necessary to provide more coherent multilateral policy responses to interrelated issues of trade, investment and competition.

Our approach also covers necessity to strengthen the WTO ability to support real trade through promotion of electronic commerce and trade facilitation activities. We stand ready to consider in a constructive manner and with an open mind any other proposals, including those aimed at improved transparency of WTO operations in order to generate public support for WTO activities.

I do not intend to comment on each and every aspect of my country's well-known position regarding individual topics. However, some specific points have to be highlighted.

Agriculture has been considered as the linchpin. It represents the area where the differences often are even of a conflicting nature. Despite the persisting gap in positions, however, my delegation is of the view that the situation may not necessarily be as serious as it was in the Uruguay Round. At that time, we had to take a painful decision of principle whether or not to initiate a process of the reform in agriculture.

Today, everyone is committed to the continuation of this process and to substantial results in all areas of the reform. We should not destroy this consensus by exaggerated demands calling for such liberalization that goes beyond boundaries of any reasonable limits and ignores some fundamental realities. There are reasons exceeding pure economic considerations for which we have to maintain agriculture. I will mention food security, food safety, regional aspects and environmental function of agriculture.

We are interested in preserving the overall framework of the reform process. We believe that future commitments have to be based on the modalities elaborated in the Uruguay Round, be made in an equitable way among all Members and be balanced against non-trade concerns. In establishing these modalities, the experience and effects of implementing the Uruguay Round reduction commitments have to be taken into account.

The experience gained through the implementation of the reduction commitments assumed by various Members clearly points to the considerable differences in the levels of effective market openings. These differences have to be narrowed down in the next round of trade negotiations.

In the Czech Republic, there have been major structural changes in the agricultural policy. These changes have required important efforts and sacrifices by domestic farmers and producers. We belong to countries having one of the most liberal agricultural trade regimes. In the next round, we must receive full recognition for our efforts. Whatever modalities for new tariff reductions are elaborated they have to take account of general market openness of countries like the Czech Republic.

As for implementation issues, let me reaffirm the importance my country is attaching to proper and timely implementation of the WTO Agreements which is a condition *sine qua non* for the entering into any new negotiations. The Czech Republic has complied fully with its commitments and is expecting the same from its partners.

At the same time, we remain very sensitive to problems encountered particularly by developing countries in their efforts to cope with the Uruguay Round requirements and to benefit fully from new trade opportunities resulting from market opening.

Most countries have complained about asymmetry in the existing Agreements by referring to imbalances between rights and obligations, unequal benefits from the system and lack of implementation on the part of others. Whether we share these ideas or not, it is true that so far, only partial responses have come from Geneva to address specific implementation concerns identified by developing countries. We have to show a political will to deal with these concerns and to settle them through appropriate mechanisms.

Regarding other areas, it is my view that we can progress fairly rapidly on services. Despite some remaining differences, everybody seems to be ready to go along with the continuation of progressive liberalization of global trade in services that takes account of the interests of all and secures an overall balance of rights and obligations.

The same goes for non-agricultural products where we are looking to comprehensive negotiations enabling to make progress across the board. To cover interests of all, no priorities should be established among sectors. Recognition has to be extended for autonomous liberalization and for the general openness of markets.

In the area of intellectual property rights, negotiations should aim to complete the built-in agenda and strengthen and clarify the existing TRIPS Agreement whilst preserving a balance between the interests of all Members.

We, like many others, have shown a keen interest in expanding the additional protection for geographical indications to other products than wines and spirits. We envisage that Ministers will mandate the WTO to carry out negotiations and complete them within a specified time-frame.

Moving on to so-called Singapore issues, we have made our position known. It is incumbent upon the WTO to devise multilateral rules on foreign direct investment and on competition. We believe that multilateral approach is best suited to develop a proper balance between interests of

different economic operators and regulatory powers of governments and between interests of countries at different levels of development.

The issues of trade and investment and trade and competition have been debated in the WTO for some time now. They are sufficiently ripe to be able to enter into negotiating phase and reach meaningful results within a relatively short period of time.

On transparency in government procurement, our ambition remains unchanged. If we are not able to conclude an agreement here in Seattle, then we would expect that we shall decide on the continuation of negotiations and their completion within a given time-frame.

Social issues, including labour standards, clearly belong to most contentious subjects we are confronted with. Wide gaps exist as to the role the WTO is supposed to play in enforcing objectives in these areas. Our view is that these issues could and should be discussed amicably. We need a good point of departure allowing to get out of various myth, misperceptions and accusations, a mechanism enabling to increase mutual confidence through an open and non-prejudicial dialogue.

We would be supportive of the idea of establishing a mechanism somewhere between the ILO and the WTO to debate trade and labour as well as other relevant issues. However, we would not support the establishment of any institutional links between trade and labour and inclusion of this issue into the next round.

Before concluding, I wish to mention that for the Czech Republic the new WTO negotiations will be going on at a time when my country will be pursuing intensive negotiations on terms of its accession to the European Union. I would like to seize this opportunity and underline our firm belief that the objective of becoming a full member of the EU runs parallel to the objectives of active participation in the multilateral trading system. There is no doubt that the EU enlargement will be beneficial not only to countries directly concerned, including the Czech Republic, but to all trading partners.
