

# WORLD TRADE ORGANIZATION

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## EUROPEAN COMMUNITIES

Statement by Mr. Beseler  
Deputy Director-General, External Relations

One year ago, the European Community was preparing to deposit the ratification instruments of the WTO Agreement. That act was much more than a formality: it was the most solemn confirmation possible of its commitment to a strengthened and effective multilateral system able to meet the needs of our economies. Today, the Organization has 112 members, a figure which bears witness to the political importance that the world attaches to it and, of course, the world's expectations of it.

The report presented to us today is the first annual report submitted by the Director-General of the Organization. It allows us to look back over the whole of 1995 and, all in all, to have confidence even though, as the subject of our work is constantly changing, we always have to look beyond the results already obtained. I should like, on this occasion, to thank and congratulate our Director-General, Mr. Ruggiero and assure him that the dynamism and energy he has devoted to defending and strengthening the multilateral system has our full support.

Once again the report highlights a major achievement: growth in world trade in goods remains high and for 1995 will be triple the growth in world production, following the trend which began in the early 1990s. This is a clear sign that integration on a world scale is keeping up a sustained pace as regards goods: there can be no better justification of our work within the WTO.

Yet we must be aware that the movement towards an increasingly open trading system implies adjustments which are sometimes difficult to manage. So we must constantly be ready to explain to public opinion that such an evolution is to their advantage and that unemployment rates which are still unacceptable in many of our countries will unfortunately rise rather than drop if protectionist forces carry the day.

Throughout this year, the Organization has worked hard and well. We have set all its structures in place; it has gradually got down to concrete issues - witness in particular the growing number of cases submitted to dispute settlement, the cornerstone of our Organization. It is here, within our Organization and under the procedures we have set for ourselves that our disputes must be dealt with, and not by threat or imposition of unilateral sanctions. The membership of the appellate body has caused some problems; they will have to be solved. We can now trust only that its work will be equal to our expectations of so important a body.

I do not intend to review the report in detail. But I would like to raise one or two of the problems we have all come up against during the past year.

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First, great importance must be attached to the work of notifications. In the Community's view, this is an essential element of the Agreement which we must all respect. Only by transparency can we build trust while fully observing the obligations we have undertaken. The table provided by the Secretariat suggests that much remains to be done in this area, even by the major partners. Once we have the notifications, we will still have to examine them carefully.

My second remark concerns the Organization's universality. Twenty-eight countries have applied to join it. The Community attaches the utmost importance to the success of the accession negotiations; they must be concluded in compliance with the fundamental principles of the Organization.

But there is also another matter: the credibility of the WTO. Many developing countries, often among the least developed, are unable to take full advantage of their membership of a multilateral system. Undoubtedly, responsibility for greater participation lies first and foremost with them. But the WTO must help them attain that objective. In this connection, the Community has recently released substantial funds, which it has placed at the Secretariat's disposal, to finance seminars in African, Caribbean and Pacific countries. We hope that our main trading partners will engage in similar efforts.

In the area of services, there are two immediate objectives requiring the efforts of all members of the Organization: first, the negotiations on basic telecommunications for maritime transport. Our aim is to obtain substantial market access and national treatment commitments, on an MFN basis. As regards financial services, the WTO must aim to extend geographical coverage and improve the package of commitments in this sector by the time the interim agreement expires.

Then there is the problem of regional integration. Last Spring, the Secretariat presented an excellent report showing that regional integration and multilateralism could strengthen each other in certain conditions. It is our duty to ensure that the conditions laid down in the General Agreement are scrupulously fulfilled. In this context, the Community supports the idea of setting up a Committee to deal with regional integration issues.

The Singapore Conference will be a test of our ability to adapt the WTO to a rapidly changing world. The date is fast approaching. Some matters concerning the Conference have been discussed in several places. I realize that such seminars or informal meetings have been useful, but they must not make us forget that it is at the WTO, in Geneva, that the preparation for Singapore must be done. In this connection, we welcome the initiative taken last week by the Chairman of the General Council and the Director-General of holding an informal meeting of Heads of Delegations.

Singapore will be the first Conference in the life of the WTO; there will doubtless be others, since our Ministers will now be meeting every two years.

It will nevertheless have repercussions which should not be under-estimated. Public opinion will judge us not only on our capacity to implement the results of the Uruguay Round but also our capacity to manage the future. Accordingly, we need an ambitious agenda which will meet the needs of the world economy and its different components.