

December 13, 1996  
No. 74/96

411.7

**THE OUTCOME OF THE WTO MINISTERIAL IN SINGAPORE**  
Statement by Sir Leon Brittan, European Commission Vice President

European Commission Vice President Sir Leon Brittan today made the following statement:

"This Conference has been a huge international success, giving a vital boost to the strength and profile of the World Trade Organization (WTO). The Singapore Government and the WTO Secretariat deserve credit for making such a success possible.

The Commission's call to chart a course towards a Millennium Round has received wide support from developed and developing countries. A clear objective for WTO has been set this week. We have a well-defined road map for continuing liberalization of trade and a broadening work program to keep WTO up-to-date with a fast-changing world economy.

On **Information Technology Agreement (ITA)**, we have achieved the biggest tariff-busting deal since the Uruguay Round. Already, 13 (EU as one) countries, accounting for 82 percent of world IT trade, have joined the Agreement. By March 15, I am confident that we will have passed the 90 percent threshold for entry into force of the ITA, and that we will settle the technical details of staging with little difficulty, so that the EU can join Japan and the US in the Semiconductor Industry Council.

On **telecommunications**, we have clear indications that a dozen more key players - Barbados, Egypt, Jamaica, South Africa, Indonesia, Australia, Canada, Hong Kong, Korea, Poland, Switzerland, Singapore and the Slovak Republic - will table in the coming weeks the sort of improved offers that justify growing confidence in a successful conclusion by February 15. We are not yet there, but we are well on the way.

Further liberalization was also achieved by a sub-Quad deal, which we hope Japan and others will soon join, to accelerate **Uruguay tariff cuts** on brown spirits and to extend the Uruguay Round zero deals to white spirits and liqueurs. This is a package covering trade with the US worth over \$125 billion already for EU exporters, freeing EU drinks companies from \$35 million of duties a year.

On **new accessions**, I met Ministers from many of the candidate countries. Europe supports all these candidates, although each accession will progress independently on its merits. On **China**, my officials had a useful discussion with the Chinese negotiators, and I compared notes with my Quad colleagues: I believe we see very much eye to eye. We all want to secure Chinese membership of the WTO as quickly as possible and intend to intensify our bilateral as well as Geneva-based talks in the months ahead. Speed of progress depends not only on us but also on China's ability to produce new, more detailed and more ambitious proposals. I call on our Chinese partners to join us in a major effort in the months ahead. If China produces a commercially meaningful overall package, we would be ready to see it implemented over a transitional period.

On the **future work program**, we confirmed our commitment to meet the end-1997 deadline for WTO agreements both on financial services and on accountancy services.

We also agreed to work rapidly and effectively in 1997 for the **least developed countries** (LDCs), agreeing to a plan of action to help LDCs improve their capacity to respond to the opportunities offered by the trading system. This was almost a forgotten issue, but Europe pushed till the end. We now have agreement that all should do more, and commit to giving operational content to the Plan of Action, in particular by providing predictable and favorable market access conditions for LDCs' products, fostering the expansion and diversification of their exports and investment. Next year's objective must be to grant to the LLDCs duty-free access to the markets of all developed and more advanced developing countries, and, as appropriate, to other developing country markets.

We have agreed to a study on transparency in **government procurement**. Europe is determined to see the proposed study forming the basis of a wider multilateral agreement providing for non-discrimination in government procurement.

On **environment**, we have agreed that the WTO Committee on Trade and Environment will actively continue the useful work that it has already begun. We must ensure that WTO rules and environmental protection are mutually supportive. There is widespread concern at the lack of concrete results so far, and Europe will certainly want to see a renewed effort.

On the **new issues**, Europe's key priorities were:

On **investment**, the most important theme of all for the future of the world economy, we have at last put WTO on the map. Investment indeed seems to me the top priority for WTO in the years ahead. Investment brings benefits to all. With 60 percent of foreign direct investment (FDI) flows from the EU and the rest of the Organization for Economic Cooperation and Development (OECD) going to non-OECD countries, and with non-OECD countries providing 30 percent of the world's new FDI each year, this above all issues will help bridge the gap between developed and developing members of the WTO.

It is also an issue which is primarily for the WTO because it involves the development of an appropriate framework of binding rules. We should be under no illusion that all firms, whatever their size, prefer to invest in large and secure markets. Bigger countries have no problem attracting funds. But many small and medium-sized countries need a secure legal environment to attract their fair share of investment capital. WTO rules will help provide the necessary underpinning.

On **competition**, I welcome the recognition of developed and developing countries alike that better competition rules are essential to a prosperous world economy. Like the rules-based system of WTO itself, good competition rules protect the weak against the abuse of the strong. In the long run they will benefit us all. I hope that the work of our experts in Geneva will pave the way for the first steps on the very long road ahead on this issue.

On **labor standards**, the European Commission and Europe's member states have made clear since before the end of the Uruguay Round that this key issue merits more attention world-wide. We have also made clear that we fully respect the comparative advantage of low labor costs in developing countries: there is no social dumping. We seek no protectionist trade-reducing remedies to social

problems. We want only to operate by consensus. We respect the competence of the International Labor Organization (ILO) to set and deal with labor standards. But we have made equally clear that we regard core internationally recognized labor standards as essential human rights, and we therefore welcome the new consensus reached in Singapore after many hours of careful political debate and reflected in the Singapore Declaration. The European Commission believes that this agreement marks a breakthrough in world-wide dialogue on this delicate but vital subject. That dialogue must now be taken further so that we can promote, as we are all committed to do, greater respect of core labor rights in all our countries."

**Press Contacts: Ella Krucoff**  
**Tel: (202) 862-9540**

**Maeve O'Beirne**  
**Tel: (202) 862-9549**

