## GENERAL AGREEMENT ON

## TARIFFS AND TRADE

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CONTRACTING PARTIES Forty-Third Session

## AUSTRIA

## Statement by Mr. Gerhard Waas Director-General, Federal Ministry of Economic Affairs

This Forty-Third Session of the CONTRACTING PARTIES to the General Agreement on Tariffs and Trade coincides with the 40th anniversary of GATT. Let me, therefore, say a few words on this occasion.

I would like to express the appreciation of my Government for the important contribution of the General Agreement in promoting world trade over the past forty years; we strongly hope that GATT will also in future contribute to overall economic growth by expanding international trade.

GATT was established in 1947, in an extremely difficult economic situation "with a view to raising standards of living, ensuring full employment and a large and steadily growing volume of real income and effective demand, developing the full use of the resources of the world and expanding the production and exchange of goods".

As the anniversary programme is subtitled by "a critical celebration" we should compare these words of the preamble with the real development of GATT in the past forty years.

I will refrain from going back too much into historical details, but will just state that GATT has proved its value. When we are discovering some shortcomings, failures and disappointments, then we must adapt the system to the changing economic environment in order to maintain its proper rôle in international trade.

Therefore, my Government attaches paramount importance to the multilateral trade negotiations in the Uruguay Round. The negotiating programme is a comprehensive one and the results to be achieved should contribute to strengthening multilateral discipline. We hope that the positive results of these negotiations will contribute, by creating new trading opportunities, to a solution to the major problems we are confronted with in our economic environment, such as heavy imbalances in international trade, low growth, high rates of unemployment and indebtedness. SR.43/ST/26 Page 2

Among the traditional areas of special importance to my country, in the Uruguay Round, I would like to mention a comprehensive safeguard arrangement taking also into account grey-area measures and improved dispute settlement procedures to be fully respected by all contracting parties. In our view, the dispute settlement procedure has not always functioned satisfactorily, and an improvement is necessary in order to secure the credibility of GATT.

Agriculture is also one of the major issues where solutions for the main problems such as overproduction and trade distorting subsidization can only be found by new strategies.

Since the establishment of GATT, new sectors have attained growing importance in the conduct of international trade. If GATT is to maintain its importance as a dynamic institution dealing with international trade in its entirety, it will have to address successfully these new areas also. We attach great importance to the establishment of a multilateral framework of rules and principles for services, trade-related investment and traderelated aspects of intellectual property rights, which would provide also a safety net for all participants concerned, both developed and developing countries alike.

We are concerned about increasing trends to strive for solutions to existing trade problems on a purely bilateral basis. Such bilateral arrangements would clearly not be in line with the letter and spirit of GATT and, therefore, contracting parties concerned should revert to the multilateral approach.

Let me also say a few words about the geographical development of GATT.

GATT was created by 10 signatories and counts today 95 full members. In this donnection I would like to express the satisfaction of my Government with the recent accession of a number of developing countries to GATT. It proves that these countries recognize the importance of GATT also for themselves, and we take that fact as a positive indication of preparedness to share their responsibility under the GATT system with the other contracting parties.

As to the GATT activities since the Forty-Second Session of the CONTRACTING PARTIPS last year of would like to express satisfaction about the work which the theory does not the initial phase of the Uruguay Round negotiations. A coordinate the proposals have been put on the table, which should enable as to enter into the east stage of the negotiating process. We could imagine that it the end of mention tropical products - the only area to which the Ministerial becommation has attributed priority - a safeguard agreement and rates of a well-functioning dispute settlement procedure.

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Finally, I would like to refer to the traditional GATT activities. It seems to us that good work has been done. We recognize in particular the consultations and negotiations in connection with the introduction of the Harmonized System concerning Tariff Nomenclature. My country will apply this System by 1 January 1988, and we hope that as many other contracting parties as possible, in particular the major ones, will act alike.