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

At the outset I would like to thank you for your efficient engagement as Chairman of the CONTRACTING PARTIES since our last session. The manifold activities since the forty-third session of GATT in its current work, as described in the report of the GATT Council and the Committee on Trade and Development, is evidence of the universally acknowledged value of this organization. This is also confirmed by the growing number of contracting parties as well as the interest expressed by a number of countries to accede to the GATT.

Since our last session, the secretariat has drawn up the very instructive report "International Trade 1986-87" which gives us a clear picture of the trade development. We see a remarkable increase in world trade, in which the developing countries -- and I say this with satisfaction -- have a growing share. The report gives also a positive outlook for 1988. Nevertheless, we are all aware of the still-existing heavy imbalances in trade and of the yet unresolved problem of indebtedness.

There are two other aspects to which I would like to refer because of their importance for multilateral co-operation, namely the remarkable number of dispute-settlement cases - a matter which has also been discussed in our meeting yesterday and today - and certain trade policy measures, such as bilateral arrangements and unilateral actions which are used for resolving particular sectoral problems.

As regards dispute settlement, a large number of panel reports which have been submitted have not yet been adopted. Without judging the report as such in substance and without going into further details, my delegation noted a certain lack of consensus in respect of the adoption, and expects that in the relevant Negotiating Group of the Uruguay Round, it will be possible to bring about the necessary improvements in dispute-settlement procedures.

The report on developments in the trading system gives a very comprehensive overview of different measures affecting trade taken by contracting parties. My delegation is concerned about a still-existing tendency to solve trade problems by means of arrangements which are applied only bilaterally and which might infringe upon multilateral obligations. This type of bilateralism, and even resort to unilateral arbitrary measures, are adversely affecting the open multilateral trading system. We therefore hope that as one of the effects of the Uruguay Round, these practices will be discontinued and that adherence to the multilateral disciplines will be fully restored.

As to the mid-term review of the Uruguay Round in Montreal, we feel that all participants concerned have made co-operative efforts in the preparation of that important meeting. My delegation expects from the mid-term review not only a stock-taking of the negotiations, but primarily the necessary political impetus for the next phase of the negotiations and essential progress in some of the items under negotiation. With this in mind, possible arrangements in certain sectors, e.g., on tropical products could be implemented on a provisional basis prior to the formal conclusion of the negotiations.