

**Australia and the EU in the Multilateral Round:
Defining the Common Ground**

A Speech by The Hon. Mark Vaile
Australian Minister for Trade

Presented at the National Europe Centre,
Australian National University,
12 December 2002

National Europe Centre Paper No. 54

Introduction

Thank you Don [Don Kenyon, Chair], members of the diplomatic community, ladies and gentlemen.

Thank you for the invitation to the National Europe Centre this morning.

This morning's discussion is very timely particularly as it comes just after the very successful WTO informal ministerial in Sydney last month.

Indeed the meeting of 25 trade ministers, including the European Commissioner for Trade, Pascal Lamy, delivered a strong and positive injection of political momentum into the Doha round – it is clear that the EU and Australia have many common goals.

I have had the opportunity on two recent occasions to pursue these areas of common interest with Commissioner Lamy during his visits to Australia this year.

Pascal and I discussed the way ahead with the WTO's Doha Development Agenda and how we can best cooperate to meet the deadline of 1 January 2005 to complete the negotiations.

We agreed that, while obviously there are some aspects of the multilateral trade agenda that we are bound to differ on, we also have many shared interests on which we can work together very successfully.

Key among these is the development of a strong multilateral trading system, and a timely and successful conclusion to the Doha round.

Indeed we share a clear commitment to move forward on each issue of the Doha negotiations.

Market access and reform of trade distorting measures

Encouragingly, all participants in the Sydney meeting stated their commitment to meet the deadlines set out in the Doha declarations for modalities on market access - including services, agriculture, and industrial goods.

Indeed increased market access is the core business of the WTO.

It is also Australia's highest priority.

The EU and Australia have shared interests in successful services negotiations - negotiations which present opportunities for significant market access gains. Indeed high-quality services underpin the success of our economies and our export efforts.

That's why stronger international trade rules in sectors such as financial services, telecommunications and legal services are critically important to us.

To achieve improved access for services trade, Australia and the EU should work together to encourage all members to participate actively in the services request/offer negotiations.

We also share similar concerns in relation to the promotion of cultural policy objectives through audiovisual services.

Both the EU and Australia want to ensure that negotiations in the audiovisual sector take into account cultural objectives aimed at defining our identity at home and our image abroad – as do most countries.

There is clearly scope for Australia to work with the EU delegation in Geneva to build momentum in the services negotiations on a range of sub-sectors.

Similarly, we share a commitment to a substantive outcome in the negotiations on market access in non-agricultural, or industrial, products.

And we are both keen to meet the upcoming deadlines for agreement on the modalities of those negotiations so that substantive market access discussions on industrials can move in tandem with those for services and agriculture.

Ladies and gentlemen,

There are some commentators who say that we concentrate too much on agriculture -- that the international trade agenda is a broad one, and that agriculture shouldn't be allowed to hold back other negotiations.

I would remind these commentators that there can be no outcome from the Doha Development Agenda without a successful outcome on agriculture, which meets the mandate we all agreed on last year.

And, of course, if we do not open our markets comprehensively to developing countries, then they will walk away – justifiably – from our best opportunity yet to ensure open and non-discriminatory global trade.

It is well known that Australia and the EU have been at opposite ends of the agricultural trade reform debate for many years.

But our dialogue on these issues is vigorous – we take every opportunity to press Australia's national interest with the EU, just as they do so with us.

During this year I have had a number of frank and useful discussions with Commissioners Fischler and Lamy.

And our officials have met regularly in Canberra, Brussels and Geneva to develop a better appreciation of each other's positions on agricultural issues from wine to food aid.

We have been working constructively to reach a resolution on the outstanding issues under our bilateral wine agreement with the EU and aim to conclude by the middle of 2003.

And, we are look forward to the EU's comprehensive proposal on agriculture, which we hope will soon be circulated.

The development agenda

The Doha round rightly emphasises trade and investment rights and opportunities for developing countries.

Today, developing countries recognise that it is trade and investment, not just aid, that is the real driver of development.

A recent study by the UK NGO Oxfam concluded that increasing the share of world trade by developing countries by just five percent would generate an extra \$US350 billion, or \$A640 billion, in revenue – seven times what they receive in aid.

The mini-ministerial in Sydney was a success because it showed that developed economies such as the EU and Australia were prepared to work together to address issues of concern to developing economies.

We share the EU's view that technical assistance and capacity building will remain important issues for developing countries in the round.

Indeed helping to ensure that developing country WTO members are able to participate in the multilateral trading system is not just a gesture.

It is in Australia's and the EU's interests, for two basic reasons.

First, because the more countries that trade, the more wealth there is to go around.

Second, because we share strategic interests in the global trade negotiations with many countries that have yet to fulfil their potential in participating in the system.

That's why Australia has taken a lead in helping developing countries participate in the multilateral trading system, and the Doha Round more specifically.

In October this year, Australia announced that it will grant duty-free and quota-free access to all products produced in the 49 least developed countries, as well as East Timor, which is yet to be officially classified as an LDC.

This market access package will be effective for all goods in all sectors, from 1 July 2003.

Furthermore, I announced last month a \$3 million Regional WTO Capacity Building Project for developing countries in the Asia-Pacific in key areas of trade policy development; WTO market access negotiations, and the implications of trade liberalisation.

Other areas of cooperation

The Doha round will also provide an opportunity for Australia and the EU to work together on a number of the trade-linked or so-called “Singapore issues”, including investment, competition and trade facilitation.

Australia's priority is to work towards a balanced framework of multilateral rules on competition. The EU has taken a strong stance on this issue, of which we are very supportive.

Australia, like the EU, sees some merit in a strong and comprehensive framework for international investment that would enhance investment flows and contribute towards economic development, particularly amongst developing countries.

Australia and the EU are also active participants in the negotiations for the review of the Dispute Settlement Understanding.

Again, there is scope for us to cooperate, particularly in addressing anomalies in the current dispute settlement timeframes for safeguards.

Conclusion

Ladies and gentlemen,

There is much in common between the EU and Australia in the multilateral round. In fact we agree on far more issues than we disagree on. Indeed we are both deeply committed to an open and transparent multilateral trading system – in which all WTO members can participate and from which all can benefit.

We have common interests in mobilising support for the Doha round, and we want to work together towards that end.

The Doha Round gives us the chance to work with Europe on services, industrials, the dispute settlement understanding, and a range of proposals to assist developing countries.

Even on the topic of agriculture where our views diverge, we have a productive and frank dialogue. Because, fundamentally, our differences on issues like agriculture are set against the backdrop of historic ties and pragmatic cooperation that characterises Australian relations with the EU.

I am confident that, together, we can help chart a path to the successful conclusion of the Doha Round of trade negotiations at the WTO.

Thank you.