SUMMARY
Trade Committee Meeting, 13-14 February 2001
130th Session

On the eve of the 130th session of the Trade Committee, Delegates held an informal dinner with Mr. Maxim Medvedkov, Deputy Minister, Ministry of Economic Development and Trade and Russia's WTO Chief Negotiator. The Dinner provided a welcome opportunity to hear about progress in trade and broader economic reform in Russia and to exchange views on the process of Russia's WTO accession and the disciplines to which accession will give rise.

The Trade Committee elected Mr Luzius Wasescha, Ambassador, Delegate for Trade Agreements of the Federal Council of Switzerland and Director-General for World Trade in the State Secretariat for Economic Affairs.

The 130th Session of the OECD Trade Committee also afforded the opportunity for a wide-ranging exchange between senior trade policy officials and members of the business community as represented by the Business and Industry Advisory Committee to the OECD [BIAC]. Members of BIAC variously stressed their interest in a new round of multilateral trade negotiations – including rules on investment, their preference for a short round and the mutually reinforcing nature of trade and investment in fostering innovation, productivity and growth. A BIAC representative also emphasised the need for a science-based approach to risk assessment if distortions to trade are to be avoided. Members of the Trade Committee observed that in building momentum for broad-based multilateral trade negotiations, a less passive role on the part of business will be needed. A BIAC spokesman responded by re-affirming BIAC engagement, while observing that if business is too far in the front it risks becoming the target. Participants widely acknowledged the need to take full account of the interests and concerns of the wider community and of developing countries – while also differentiating among the diverse components of those developing country concerns.

The discussions with BIAC helped in scene-setting for an exchange among Trade Committee Delegates on the possible scope and modalities of further trade liberalisation. A number of delegates referred to a welcome process of maturation in Geneva and to the constructive progress that is being made in the areas of services and agriculture under the built-in-agenda. At the same time, it was broadly agreed that results in each of services and agriculture will depend on liberalisation commitments in other fields. It was also agreed that while regional trade initiatives can usefully complement the multilateral trading system, the dangers of regionalism are that much greater if the pace of multilateral liberalisation is not maintained. It was therefore suggested that a minimalist multilateral approach cannot be contemplated. For example, developing country concerns about implementation of Uruguay Round undertakings can only be effectively addressed in the framework of wider negotiations on WTO rules. At the same time, care will be needed in not setting the level of ambition – and of rhetoric – too high. This will require, some suggested, very careful consideration of what might reasonably be expected of WTO Ministerial Meetings, including the forthcoming meeting in Qatar, as opposed to the continuing business being conducted as part of the WTO's ongoing activities and the steady pursuit of a common vision of what broader negotiations might encompass. In reflecting on the broad-ranging discussion of some of the more sensitive issues, such as investment, competition, environment and core labour standards, and the degree of ambition attached to each, the chairman suggested that a distinction needs to be drawn between: those issues for which existing WTO rules or liberalisation commitments are already in place; those issues which may call for new rule-making or negotiations; and those issues which it may not be appropriate for the multilateral trading system to address. Finally under this item, appreciation was expressed for the contribution which work at OECD had made - for example on trade in services – in helping the process in Geneva. It was agreed that it would be useful for the Committee to undertake some empirical work on the impact of regionalism on the multilateral trading system.

An important focus of the 130th session of the Trade Committee was the development dimension of international trade and investment. Delegates had for discussion a further revision of a major study "Trade and Development Issues in non-OECD Countries". They agreed that given the wide audience that is anticipated for this study, particular attention will need to be devoted to the tone and balance of the document. In particular, it was agreed that commonly shared interests, of developed and developing countries alike, should be given more emphasis.

Trade Delegates agreed that while trade is an important tool for development it is not a panacea. Another important element will be DAC Guidelines on "Capacity Development for Trade in a New Global Context". The Trade Committee heard a presentation on the current state of preparation of those Guidelines, as well as on the development of a Checklist on Policy Coherence as called for by the OECD Ministerial Council Meeting of 2000.

A major element of the 2001 OECD Council Meeting at Ministerial Level will be reports on Sustainable Development. As part of the preparation for that meeting, Trade Delegates discussed the chapter of the analytic report dealing with Trade, Investment and Sustainable Development and the relationship between that chapter and an accompanying policy report on sustainable development.

Part of the meeting was devoted to an exchange of information on Good Practices in Domestic Consultations with NGOs. This sort of discussion reinforces the viewpoint expressed over time in the Committee that while consultation with NGOs at the international level is valuable and important, it is no substitute for a viable and productive dialogue domestically. Delegates agreed that this exchange of information would provide useful background for the consultations with NGOs to be held at the October meeting of the Committee.

Finally, Delegates were informed of the current state of planning for two major outreach events: an OECD Global Forum for Trade: "Trade Policy Issues – the Labour, Environment and Competition Dimensions: to be held in Paris on 8-9 March 2001; and a proposed Global Forum for Trade to focus on the study "Trade and Development Issues in non-OECD Countries".

The Trade Committee will hold its next meeting on 23-24 April 2001.