

WORLD TRADE ORGANIZATION

WT/MIN(03)/ST/2
10 September 2003

(03-4737)

MINISTERIAL CONFERENCE
Fifth Session
Cancún, 10 - 14 September 2003

Original: French

SWITZERLAND

Statement by H.E. Mr Joseph Deiss
Federal Counsellor
Head of the Federal Department of Economic Affairs

The world economy needs a positive signal. The poor countries are anxious for a boost to their development. The most advanced countries impatiently await a recovery. The Cancún Conference thus comes at a crucial point in time.

Decisive progress is necessary in our negotiations so as to place the Doha Round on the road to success.

Our main lines of action are the following:

- Gradual liberalization of trade in goods and services;
- strengthening of the multilateral system and of links with other international institutions;
- adjustment by the WTO to the increasingly diverse situations of its Members.

The state of the negotiations prompts me to make a qualified assessment of progress.

First of all, I welcome the agreement reached on facilitating the import of generic medicines by certain poor countries.

I also welcome with satisfaction the maintenance of the level of ambition agreed at Doha with regard to market access.

On the other hand, I regret the fact that neither the negotiations on rules nor those on issues of harmonization such as the environment meet our expectations.

We shall have to redouble our efforts in these fields in order to achieve the ambitious objectives that we set for ourselves in Doha.

Three topics are of particular importance to Switzerland, agriculture, industrial products and the Singapore issues.

On the agricultural question, our aim continues to be the establishment of a legal and economic order that allows types of agriculture that have different objectives and structures to co-exist.

We have all made a commitment to the gradual opening up of agricultural markets, the lowering of domestic support levels and a sharp reduction in export subsidies.

However, the agricultural restructuring that emerges from this Round must be socially acceptable.

Switzerland is prepared to make substantial concessions in order to attain the level of ambition agreed at Doha.

With regard to export subsidies, we can even go beyond the provisions of the draft Ministerial Text.

I now turn to the crux of the problem as we see it, and for that reason I shall speak in English. Although Switzerland is ready to pursue agricultural reform, the proposed Text goes too far with regard to market access. We will therefore ask for modifications of the Text in order to establish the necessary balance between the concessions made by the different participants. We will focus on two essential issues here in Cancún: first of all on the capping of tariffs, because such capping will have exorbitant consequences for my country. Furthermore, we will focus on tariff rate quotas where we face similar difficulties. The points we are raising are of paramount importance to us and we need an acceptable result for this Conference to be a success.

In our view, adequate border measures are necessary – both in developing and industrialized countries – in order to achieve the non-trade objectives included in the WTO Agreements. To our mind, this is a matter of honouring our constitutional mandate on multi-functionality.

Indeed, the great diversity of agricultural situations, their specific features and the needs and expectations of consumers cannot be ignored.

In this connection, geographical indications and product labelling are instruments of paramount importance. It is for this reason that Switzerland is calling for the extension of the more effective protection afforded by geographical indications to all products.

I now turn to industrial products. In this field, market liberalization must be continued.

Switzerland advocates a substantial reduction in customs duties, their comprehensive binding and sectoral initiatives in which all Members participate.

This negotiation should also contribute to reducing the significant disparities between Members at the same level of development.

The reduction of protection in the most closed markets will also help to stimulate south-south trade.

Switzerland considers the present Text to be a bare minimum. It is essential that we define the basic parameters of this negotiation here in Cancún, so that it can be successfully concluded as quickly as possible.

I should now like to deal with the Singapore issues.

Among these issues, priority should be given to the decision to launch negotiations on investment.

A multilateral agreement on investment does not solely benefit the industrialized countries.

On the contrary, such an agreement is of particular importance to the developing and newly industrialized countries. The level of security for investors is greater than with innumerable bilateral agreements.

The Singapore issues have been on the WTO agenda since 1997. Nothing more needs to be said about the preliminaries. It is now time to launch the negotiations.

Our Conference must lay down clear guidelines by:

- Confirming our commitment to continue opening up the markets for goods and services on an ambitious, balanced and reasonable basis;
- redefining our approach to special and differential treatment in order to meet the specific needs and situations of developing countries;
- completing and modernizing the WTO rules so as to consolidate the foundations of our Organization and adapt it to contemporary economic realities.

In this connection, we must all work together to find a solution to the problem raised by the African countries regarding cotton.

Lastly, I sincerely thank President Vicente Fox and yourself, Mr Chairman, for your warm welcome and I also thank your authorities and the Secretariat for their excellent work in preparing for this Conference.
