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1. Introduction

As we take stock of 50 years of existence of the multilateral trading system, we have to recognize three things: open trade has been a powerful vehicle for economic development and prosperity; GATT and the WTO have made their mark as essential instruments of international economic cooperation; and the strong trade links established by the system have fostered mutual respect for law, which is the foundation stone of political stability and peace.

This may be described as a remarkable set of achievements, further bolstered by the major successes achieved last year, with the agreements on information technology, telecommunications and financial services.

Despite these undeniable successes, some recent developments have been a source of concern to the general public:

- The costs of the social and economic adjustments associated with the internationalization of economic activities and the international division of labour;
- the possible consequences of the Asian crisis; and
- the still glaring lack of coherence among international policies in the trade, monetary, financial and environmental areas.

The WTO's position on the international scene makes it directly vulnerable to the criticism aroused by the shortcomings of international cooperation. It is therefore essential that we reaffirm our determination to take up the new challenges at both national and international level. For today, more than ever, these two levels of action are inseparable.

- At the national level, the effort made to improve the functioning of domestic markets must be pursued and strengthened. Particular attention must be paid to enhancing the skills of the labour force through an active education policy that is in keeping with the increasingly demanding needs of the job market.
- At the international level, we must aim at the comprehensive implementation and progressive development of the WTO Agreements, as well as at intensifying our cooperation within an open multilateral trading system.

2. Implementation

Implementation of the WTO Agreements remains the highest priority. The credibility of the multilateral trading system is at stake. The achievements so far are encouraging and bear witness to the resolve of governments to live up to the obligations they have entered into. In the case of Switzerland, doing so has called for many adjustments to Swiss legislation.

The WTO dispute settlement system has worked satisfactorily so far. It will be important to ensure, by complying strictly with the system, that it continues to reflect our unwavering commitment to the WTO rights and obligations.

This positive balance sheet should not disguise the difficulties encountered by the least-developed countries. Already in Marrakesh we decided to support their efforts to become integrated into international trade. The plan of action adopted at Singapore and the recommendations of the High-Level Meeting on least-developed countries were further steps in this direction. What is important now is that these resolutions should be carried into reality, and this applies in particular to the implementation of the integrated framework for trade-related technical assistance and improved market access for products from the LDCs.

In this spirit, Switzerland thoroughly overhauled its tariff preference scheme. Under the new system which came into force on 1 March 1997, LDCs enjoy zero duties on all industrial goods and most agricultural products. Ninety-eight per cent of exports from LDCs now enter the Swiss market duty-free. Furthermore, Switzerland is pursuing a development cooperation policy aimed at promoting the participation of developing and transition economy countries in the multilateral trading system. It recently made available to Missions to the WTO the services of an international trade cooperation and information agency (A.C.I.C.I.), whose purpose is to help the least-developed countries to participate actively in the work of the WTO. Switzerland has also decided to make a contribution of Sw F 1.5 million to funding the technical assistance provided by the WTO, in particular to develop and strengthen activities on behalf of LDCs. It will also continue the support it has provided since 1991 in the form of Sw F 300,000 per year for training courses for Central European and East Asian countries that are candidates for WTO accession.

Implementation also covers the reviews of some WTO Agreements that are under way or already completed (in particular the Agreements on intellectual property, technical barriers to trade and preshipment inspection and the Dispute Settlement Understanding). Progress has certainly been made towards improving the working of these Agreements, but it remains insufficient and we should try to find more far-reaching solutions during the ongoing reviews.

Lastly, an additional effort of awareness-raising and information as to the *raison d'être* and significance of the multilateral trading system is necessary. This must be done by stepping up the dialogue between the public and the WTO and by improving the transparency of the Organization's work. The review of the procedures for the derestriction of WTO documents scheduled to begin in July will provide an opportunity for making real progress in this direction.

3. Future work

The WTO's future activities largely stem from the work programme built into the WTO Agreements, as supplemented by the decisions of the Marrakesh and Singapore Conferences. On this basis, we should launch a preparatory process to enable us at the next Ministerial Conference to decide on the structure and content of the coming trade negotiations. Our work should also focus on any new subject calling for WTO action owing to the new forms of economic interdependence linking us.

For Switzerland, the coming trade negotiations must respond to two needs:

- The need to strengthen the multilateral trading system as embodied by the WTO; and
- the need to guarantee balance among the interests of all WTO Members.

Switzerland considers that no subject can be excluded a priori from the future work. It is ready to work towards a consensus in an open-minded and constructive manner. It will strive to ensure that the multilateral trading system develops along both of its inseparable dimensions: improvement of market access and elaboration of rules and disciplines that are in keeping with contemporary economic realities.

Market access

Serious progress needs to be made to eliminate tariff and non-tariff barriers on industrial products. The broadening of liberalization of trade in information technology products and pharmaceutical products goes directly in this direction.

In agriculture, Switzerland is prepared to pursue the long-term reform process in accordance with the arrangements set out in Article 20 of the WTO Agreement on Agriculture. The choice of measures and pace of reform, however, must take fully into account the multifunctional character of agriculture.

It is also necessary to eliminate excessively complex customs procedures which are sometimes more costly than customs tariffs themselves. Determined action in this direction is all the more urgent in that it will directly benefit small and medium-sized enterprises and consumers.

Our work should also cover the latest technical developments in international trading. This is a major issue, because what is at stake is the extraordinary growth potential of digitally traded products. To preserve this potential, Switzerland is ready to envisage a tariff standstill for electronic trade.

Improved market access is also a matter of opening up government procurement. We must draft multilateral rules to improve, on a non-discriminatory basis, observance of government procurement procedures.

Switzerland will commit itself to pursuing the liberalization of trade in services. This implies improving market access commitments and reducing limitations on the national treatment principle. At the same time, it will be important to ensure that the scope of the commitments entered into on market access and national treatment is not limited by authorization procedures that are not in keeping with the criteria of transparency and proportionality. The rules of the General Agreement on Trade in Services will have to be supplemented where this proves necessary.

Investment and competition

Investment and trade are today closely linked and both require for their development a predictable and coherent framework. The WTO must shoulder its natural role in developing this framework. The work that has been carried out pursuant to the Singapore mandate are a good starting point. They pave the way for concrete action. The same is true of the interaction between trade and competition policy. In this area the aim must be to ensure that the expected benefits stemming from the dismantling of government obstacles to trade are not nullified by private obstacles. Extending the fundamental

principles of the multilateral trading system to investment and competition policies should be the starting point for WTO work in this area.

Coherence issues

The relationship between **trade and the environment** is one of Switzerland's priority concerns. The objective of sustainable development to which we are all committed calls for coherent practice in terms of trade policies and environmental conservation policies. We deeply regret the fact that the work carried out so far by the WTO has not produced concrete results. Tangible progress remains to be made, especially in order to ensure coherence between the WTO rules and trade provisions of international environmental agreements. Switzerland supports the proposal to hold a high-level meeting on interaction between trade and environment.

Cooperation between the Bretton Woods institutions and the WTO is off to a good start. Nevertheless, this cooperation must be strengthened in order to ensure coherence in **global economic policy making**.

In Singapore, for the first time in the multilateral trading system we proclaimed our commitment to observing **internationally recognized basic labour standards**. At the same time, we rejected the use of labour standards for protectionist purposes. Since then the International Labour Organization (ILO) has undertaken a major series of activities to promote application of these standards. It would now be useful to begin considering, in close cooperation with the ILO, what the WTO's contribution in this field could be.

Regionalism

The rapid development of regional cooperation is adding a new dimension to the management of modern trade relations. The scope and ambitiousness of recent regional initiatives must prompt us to ensure that they are complementary to the multilateral trading system. As a matter of priority we must ensure that regional arrangements do not compromise the rights and obligations of WTO Members.

4. Accessions

The WTO should have the broadest possible geographical base. Future accessions will strengthen the Organization's universal character and also buttress the reforms under way in candidate States. Switzerland will endeavour to ensure that the accession procedures are completed as rapidly as possible on terms that guarantee a balance between the rights and obligations accruing from the WTO.
