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## CZECH REPUBLIC

Statement Circulated by H.E. Dr. Karel Kühnl,  
Minister of Industry and Trade

The Czech Republic would like to thank the authorities of the Swiss Confederation and of the Republic and Canton of Geneva for hosting the Second Ministerial Conference of the World Trade Organization. It is important that the Ministerial is being held in a city of Geneva, a headquarters of the multilateral trading system in the year in which the 50th Anniversary of the founding of GATT is being commemorated.

Since the very beginning, the multilateral trading system, as embodied originally in the GATT and now in the WTO, has proved its worth in promoting economic prosperity and growth on a world-wide scale. It has provided an essential legal framework for trade in goods and recently also in services trade and in protection of intellectual property rights. The commemoration of the 50th Anniversary of the multilateral system is a very opportune moment for the WTO Members to renew their faith in global trade liberalization and to send a strong political message reaffirming their commitment to the rule-based trading system.

The Czech Republic has always been and remains an active supporter of an open multilateral trading system. For us, the membership in the WTO has got wider implications. The WTO participation has become increasingly interlinked with a substantial transformation of centrally-planned system to a market economy. Throughout the transition process, trade liberalization has played a crucial role in contributing to macroeconomic stabilization, fostering necessary structural adjustments, promoting more efficient allocation of resources and in increasing a freedom of choice both for businesses and consumers.

Simultaneously with the participation of the Czech Republic in the WTO activities, we are attaching utmost importance to the process of the country's accession to the European Union which constitutes a key policy objective for the years to come.

WTO Ministers came to Geneva to take stock of the implementation of the work programme and to consider future activities of the WTO. On this basis, the Ministers should endorse appropriate preparatory process that would allow them, when they meet again at the Third Ministerial in 1999, to take important decisions concerning future negotiations in the WTO.

In the view of the Czech Republic, the WTO Members have succeeded in implementing Uruguay Round Agreements and Decisions and the results of the First Ministerial Conference in Singapore, although there is still some room for further improvements. Full, faithful and timely implementation of the commitments undertaken by all WTO Member underpins and strengthens the credibility of the multilateral trading system. Smooth implementation undoubtedly increases the willingness of the

governments to enter into new contractual obligations. Full implementation of WTO Agreements has also been secured through the use of the dispute settlement system which proved to be highly viable.

Since the Singapore Ministerial, the WTO has been successful in pursuing its trade liberalization mission through timely conclusion of negotiations on information technology products, basic telecommunications services and financial services. Comprehensive and meaningful Agreements in these important areas, to which the Czech Republic is a signatory, have enabled the WTO to look with confidence into the 21st century. At the same time, they have confirmed the WTO's efficient role as a forum for negotiations. We hope that in Financial Services Agreement a final and timely step shall be taken by the participants to complete respective domestic approval procedures and to ensure its entering into force within the set timetable.

Rather modest progress has been made in integrating new countries and territories into the WTO system of trade rules and disciplines. The multilateral trading system will never be truly global unless the accession process of the countries aspiring to become WTO Members is completed. An early finalization depends very much on the ability of the countries concerned to accommodate their trade and economic regimes to the WTO norms and to establish commercially viable relations with existing Members.

The WTO has continued its efforts aiming at broader integration of the least-developed countries into the multilateral trading system. The key objective is to enable these countries to benefit from the vast opportunities of trade liberalization and from the opening of world markets.

With respect to future work, the WTO Members should continue to pursue built-in agenda which provide for constant review, negotiations and further liberalization of the Uruguay Round Agreements. It is our firm belief that the time-frames derived from respective Agreements and the commitments to undertake negotiations already scheduled have to be fully respected.

The work on so-called new issues arising from the Singapore Ministerial has to be continued in an expedite manner to reach a phase in which decisions concerning the next steps could be taken. The world of trade and investment underwent dynamic changes which require more coherent multilateral policy responses. A need to secure mutually supportive approach increased also in the area of trade and competition policies which overlap in many aspects. Business community expects that trade and trade-related procedures will be simplified and that the WTO will contribute to this process significantly.

Discussion should develop how to complement already existing mandates while preserving the balance of rights and obligations which emerged from the Uruguay Round and the Singapore Conference. The Czech Republic is of the view that the WTO agenda should be comprehensive enough to facilitate progress across the board and to allow the participants to keep a required balance of interests in different areas.

The WTO should also launch the work on the trade-related aspects of global electronic commerce with a view to maximize enormous opportunities resulting from new ways to conduct commercial transactions.

The WTO future programme must be sufficiently ambitious to maintain the liberalization momentum. The process of trade liberalization has to be as transparent and accessible to the public as possible so as to generate increased public support. The governments should be instrumental in explaining to their citizens that open trade is essential for growth and the job creation. We have to be determined in resisting to any attempts towards unfounded protectionist measures. Protectionism is not the right answer to concerns about possible negative implications of increasing trade flows on labour markets.

The programme has to be realistic as well and not to be overwhelmed by too many policy issues going beyond the objectives for which the WTO has been established. It should deal in particular with trade and trade-related issues. Other areas should be discussed in the WTO only if there is a consensus among the WTO Members.

In conclusion, the Czech Republic stands ready to participate actively and constructively in a broad-based preparatory process for the Third Ministerial Conference to be established at this Session. This process is to be launched in the second half of 1998 to allow sufficient time for balanced and detailed consideration of all aspects relevant both to the implementation and future programme in the WTO. The Czech Republic believes that the process set up here in Geneva will lead the WTO Members to comprehensive multilateral negotiations.

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