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SWITZERLAND

Statement by H.E. Mr. Pascal Couchepin Federal Minister of the Economy

The Conference which has brought us together in Seattle today has come at a crucial time. The far-reaching changes in international economic relations to which we responded by creating the World Trade Organization (WTO), far from coming to a halt, have continued at a steady pace. The constraints resulting from the integration of global economic activities are exerting tremendous pressure on governments, enterprises and individuals and oblige them to make constant adjustments to their policies, strategies and action. The dividing line between national and international policy is disappearing. More than ever, governments are being called upon to carry out their responsibilities jointly within a World Trade Organization adapted to modern economic and social realities. An Organization that is strong enough to ensure that these extraordinary developments take place in an orderly fashion, to the benefit of the people of all our countries.

An evaluation of the first five years of the WTO's existence shows both its strengths and its weaknesses.

The Organization must be credited with the fact that the trading system managed to withstand the recent international financial crisis, limit its negative effects and facilitate economic recovery in the countries affected. In general, the WTO's dispute settlement mechanism has functioned satisfactorily and has fulfilled its task of underpinning the system. Important negotiations on financial services, telecommunications and information technology have come to a successful conclusion. These strengths are the WTO's attraction, as shown by the many accession procedures currently under way. I take this opportunity to welcome those countries that have acceded to the WTO since the last Ministerial Conference in Geneva: the Kyrgyz Republic, the Republic of Lithuania and the Republic of Estonia.

The WTO's first five years have also highlighted weaknesses which we must address. I am thinking in particular of the problem of integrating developing countries and countries in transition in the global economy. In this regard, I wish to emphasize that integration necessarily implies more consistency between national and international economic policies in the commercial, financial and monetary spheres. Otherwise, development strategies will not meet with success.

Furthermore, the WTO Agreements do not currently cover areas closely linked to international trade such as direct investment and competition. Admittedly, some progress was made when environmental issues were included in the Marrakesh Agreements, but it is not sufficient. Consistency between WTO rules and environmental protection measures must be strengthened.

Lastly, the consensus in our societies in favour of an open trading system is being undermined by concerns regarding the rapidity of structural changes and their impact on individuals and communities.

This situation calls for a clear, decisive response on our part: we must continue the gradual liberalization of trade, develop the accompanying regulatory framework, and promote consistent global policies.

Switzerland is ready to undertake this task. It attaches special importance to the continued liberalization of trade in services and industrial products. It will contribute to the long-term process of reforming trade in agricultural products based on Article 20 of the Agreement on Agriculture. Naturally, the instruments and pace of reform will have to take full account of the multifunctional nature of agriculture, respecting environmental, land-use planning and other non-trade-related concerns. Switzerland would also like to see the elaboration of rules on investment and competition and include government procurement in a multilateral framework.

As to immediate action, sufficient financial resources should forthwith be included in the WTO's regular budget to allow it to respond better to the technical cooperation needs of developing countries. Switzerland will also support any decision that substantially improves market access for products from least-developed countries. It endorses an extension of the moratorium on the imposition of customs duties on electronic commerce. Switzerland is also in favour of clarifying the dispute settlement procedures.

The WTO is presently the subject of unprecedented attention. This should be welcomed. But it means intensifying the dialogue with the public and non-governmental organizations, if only to clarify the many misunderstandings surrounding the multilateral trading system. This applies in particular to the legitimate concerns of consumers and the relationship between core labour standards and trade. On this last point, Switzerland welcomes the outcome of the work carried out by the International Labour Organization (ILO) since the Singapore Ministerial Conference. Switzerland supports significant strengthening and broadening of the collaboration between the ILO and the WTO in accordance with the commitment made in Singapore.

My delegation is pleased to cooperate actively over the next few days so as to make the Seattle Conference a success. This success will involve launching negotiations to fine-tune the system established in Marrakesh, and to make further progress towards the opening up of markets and the strengthening of our trade cooperation framework.
