

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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Group of Negotiations on Goods (GATT)
Negotiating Group on Functioning
of the GATT system

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COMMUNICATION FROM SWITZERLAND

The following communication, dated 16 June 1987, has been received from the delegation of Switzerland with the request that it be circulated to members of the Group.

CONTRIBUTION OF THE GATT TO ACHIEVING GREATER COHERENCE
IN GLOBAL ECONOMIC POLICY-MAKING

1. In accordance with the Negotiating Plan of the Group on Functioning of the GATT System, the delegation of Switzerland wishes to advance the following preliminary proposals with a view to the attainment of the objective set out in paragraph (iii) of the Group's negotiating objectives ("to increase the contribution of the GATT to achieving greater coherence in global economic policy-making through strengthening its relationship with other international organizations responsible for monetary and financial matters").
2. Whereas objectives (i) and (ii) address the internal functioning of the GATT, negotiating objective (iii), as formulated in the Punta del Este Declaration of 20 September 1986, concerns the functioning of the GATT in relation to the exterior, or in other words, the action of the GATT in the direction of greater coherence in global economic policy-making.
3. GATT action in this direction implies that it should have appropriate institutional means and machinery; these should be defined in the understanding or arrangement envisaged in the Punta del Este Declaration.
4. In the view of the Swiss delegation, the rôle of the GATT in efforts to enhance the global coherence of economic policies has three levels:
 - (i) strengthening of technical co-operation between the secretariats of the GATT and of the international organizations responsible for financial and monetary matters, keeping the CONTRACTING PARTIES informed about such co-operation;
 - (ii) setting up of a "Trade Policy Committee" which, in addition to monitoring trade policies of contracting parties pursuant to

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paragraph (i) of the negotiating objectives of the Group on Functioning of the GATT System¹, would conduct a general exchange of views at least once a year on trade policy trends in the global economic context. The secretariat would prepare background documentation for this purpose;

(iii) at the ministerial level, establishment of a body similar to the CG.18, which would enable Trade Ministers to meet in the framework of the GATT for the purposes of evaluating the situation and trends of international trade policy, as well as of studying the interaction and coherence of trade, financial and monetary policies.

5. Specifically, the Swiss delegation proposes the following:

(i) strengthening of co-operation between the secretariats of the GATT, the IMF and the World Bank. The secretariat is invited to put its suggestions before the Group in this connection;

(ii) drafting of terms of reference for a "Trade Policy Committee" as outlined in paragraph 4(ii) above;

(iii) creation of an institutional framework enabling Trade Ministers to meet in the framework of the GATT in order to conduct the evaluation and study outlined in paragraph 4(iii) above.

¹This was the subject of communication MTN.GNG/NG14/W/1 of 3 April 1987 from Australia.