

MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND

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Statement by Switzerland

The Uruguay Round must create a framework of stable, foreseeable and durable conditions for international trade in agricultural products, which will in particular allow market forces to make themselves felt to a greater extent in this sector. The guidelines for such a solution therefore need to be established in Montreal. Agriculture touches on the fundamental interests of participants in the negotiations, whether they are net importers or net exporters. This means that the final outcome of the negotiations must be applicable to all and by all.

In view of the developments in our work, Montreal could lead us to a framework agreement comprising the following elements:

- (1) negotiating objectives;
- (2) short-term measures;
- (3) linkage between these two elements.

1. Negotiating objectives

For Switzerland, the overriding objective of these negotiations must continue to be to define a long-term solution to the problems of international trade in agricultural products. The negotiations should aim at the elaboration of rules governing international trade in agricultural products. These rules should ensure greater liberalization of agricultural trade taking into account the partly non-economic objectives pursued by agricultural policies in some of our countries. Only rules that are valid for all parties will be able to ensure on a lasting basis both the progressive liberalization of agricultural trade and the maintenance of national agricultural policies adapted to the specific situation of each country.

Switzerland would be unable to subscribe to short-term measures without obtaining guarantees as to the establishment of a system of rules acceptable to all in the long term. The work to be undertaken in this connection concerns essentially five themes.

A. Stabilization measures

In order to broaden the range of short-term measures, so as gradually to turn production support measures into a set of supply stabilization measures, in 1989 work should focus on the definition of this type of measure, in particular direct payments.

B. Market access (Article XI)

It should be noted that the idea of food security is quite rightly anchored in Article XI. Switzerland considers that its content should be made more precise and its legal effects extended to importing countries. For Switzerland, a policy based on partly non-economic objectives as well as on food security requirements should not lead to self-sufficiency in normal times. It should, however, enable a sufficient potential for agricultural production to be maintained so as to be able to cope rapidly with a crisis situation.

In any event, it should be recalled that a thoroughgoing discussion of Article XI will have to be held in the Uruguay Round.

C. Subsidies and countervailing measures (Articles VI and XVI)

In connection with the work of the Negotiating Group on Subsidies and Countervailing Measures, Switzerland has made a proposal aimed at improving GATT disciplines concerning subsidies and countervailing measures affecting international trade (MTN.GNG/NG10/W/17). In principle, the system proposed by Switzerland could cover all subsidies.

D. Safeguards (Article XIX)

As with any other liberalization, the liberalization of agriculture cannot be imagined without the ongoing negotiations on safeguards being successfully concluded in accordance with the Punta del Este Declaration.

E. Sanitary and phytosanitary measures

Sanitary and phytosanitary measures and technical specifications should not be used as disguised restrictions on trade. In addition, there is an urgent need to work towards their harmonization at the international level, on the basis of the principle that national requirements do not have to be identical but equivalent in value.

2. Short term

The priority for short-term measures must be to address the most pressing problems, pending the establishment of a definitive régime. Disciplines that could be rapidly brought into operation could concern, inter alia:

- (a) a more concrete embodiment of the Punta del Este standstill commitment, possibly in the form of a contractual undertaking whose coverage, date of entry into force, duration and modalities of application would have to be negotiated;
- (b) an undertaking by participants whose agriculture is extensively supported by policies that encourage production to take parallel action to limit supply.

Switzerland would have difficulty in subscribing to short-term undertakings that are not part of a long-term framework with the conditions set out above in Section 1 (negotiating objectives).