

# WORLD TRADE ORGANIZATION

WT/MIN(96)/ST/109

12 December 1996

(96-5278)

MINISTERIAL CONFERENCE  
Singapore, 9-13 December 1996

Original: French

## SWITZERLAND

Statement by H.E. Mr. Jean-Pascal Delamuraz  
President of the Confederation

The holding of this first Ministerial Conference of the World Trade Organization in Singapore is replete with symbols. Singapore's exceptional development is the fruit of a trade policy that is determinedly open to the world. It is also the consequence of successful adaptation to the **imperatives of the globalization** of the world economy.

The establishment of the WTO is the international community's response to the challenges raised by these changes. This response marks not only a conclusion but also a beginning.

The establishment of the WTO concludes the cooperation initiated in 1947 in order **to prevent any return to the protectionist trends** of the 1930s, to underpin the efforts made to rebuild economies destroyed by the Second World War, and to assist countries emerging from colonialism to become integrated in the global economy. Its creation also marks the beginning of multilateral cooperation in a world no longer dominated by bipolarity as well as the start of multilateral cooperation that goes beyond trade in goods alone; it announces the dawning of an era in which governments have to manage economies that are **no longer delimited by political frontiers**.

Today, action by the trade community must focus on three areas: strengthening, further developing and widening the achievements of the World Trade Organization.

### **Strengthening**

Implementation of the WTO Agreements has called for major efforts by each and every one of us, more especially by developing countries, and continues to do so.

One of the main objectives of the Uruguay Round was to integrate developing countries in the multilateral system. At the institutional level, this is coming about, as we can see at this first Ministerial Conference of the WTO. However, institutional integration must lead to **increased participation in world trade**, especially for the least-developed countries. It is vitally necessary to support the adjustment efforts made by these countries. The WTO Plan of Action for the Least-Developed Countries is a first step in this direction. It should be implemented as soon as possible through measures that **genuinely improve the export outlets** of the least-developed countries. We realize that the technical cooperation needs of developing countries greatly exceed the capacity of the WTO, therefore, **development agencies must combine their efforts**. I place great hopes in the coordination meeting to be held in Geneva in 1997.

We must make greater efforts in the services sector as well. The objectives set at Marrakesh have only been achieved in part. Switzerland regrets this and will make every effort to ensure that the negotiations are successfully concluded within the time-limits fixed. More substantial commitments based on the most-favoured-nation clause will also have to be undertaken in the financial services sector.

./.

Basic telecommunications play a growing role in the economy, and consequently the conclusion of the ongoing negotiations is of major importance. Switzerland is currently making far-reaching changes to its legislation in this area **so that it will have the required legal basis to make a significant improvement in its offer.**

### **Secondly, the need for further development**

First of all, the relationship between trade and environment must be developed further. The work undertaken has highlighted the complexity of the issue, but **I regret that more concrete results were not achieved.** One priority must be to ensure the consistency of the WTO's rules with multilateral environmental agreements. Consistency also means closer coordination among those responsible for trade and environmental policies. We must see to this at both the national and international levels.

The GATT's major achievement was the improvement of market access. This must remain on the WTO's agenda, while at the same time the balances agreed upon must be respected. Switzerland welcomes the prospects for further liberalization of trade in **information technology products and pharmaceuticals** and will play its part. Another welcome development would be multilateral disciplines on transparency and respect for government procurement procedures.

### **Lastly, the need to widen**

One preliminary observation is that during this decade foreign investment has increased more rapidly than global exports. Investment and trade are now closely linked. In order to develop, they both require a predictable and consistent multilateral framework and the WTO must play its natural role **in establishing such a framework.**

Furthermore, many barriers to trade erected by governments have been dismantled over the past decade. We must ensure that the positive effects of this process are not nullified by extra-governmental obstacles to trade. Consequently, **the relationship between competition policies and trade** is another subject which the WTO should examine more closely.

Lastly, I wish to refer to the relationship between trade and internationally recognized labour standards. This issue goes beyond the strict boundaries of trade so it is hardly surprising if it is the subject of lively discussion. Nevertheless, we agree on three points: our undertaking to respect core labour standards, rejection of the use of protectionist measures to impose respect for these standards, and the leading role of the ILO in drafting and implementing such standards. **It would be desirable to begin to reflect on this issue in close cooperation with the ILO.**

Globalization of the economy is not a policy. It is the consequence of many policies and developments. For the main part, it is a fact. As political leaders, it is our duty to ensure that globalization is advantageous to all. We must therefore meet the challenges facing us: malnutrition, poverty, unemployment. Responding to these by giving in to the temptation of protectionism could only worsen the situation. On the contrary, without faltering we must follow the path we opened up by establishing the WTO. Only a strong multilateral trading system based on rules adapted to the current economic situation will allow all of us to make the most of globalization.

I sincerely hope that we remember this when difficulties or even crises arise, as they do in any negotiation.

I would not like to conclude without expressing my gratitude to the Government of Singapore for the excellent organization of this Ministerial Conference and for its warm hospitality. My thanks also go to the Director-General, Renato Ruggiero, and to the staff of the WTO Secretariat for their contribution to the success of this first Ministerial Conference of the WTO.