

PREPARATIONS FOR THE 1999 MINISTERIAL CONFERENCE

Elements of a Ministerial Declaration on a Programme for Trade Negotiations

Communication from Switzerland

The following communication, dated 20 July 1999, has been received from the Permanent Mission of Switzerland.

1. The attached document sets out Switzerland's views on the overall structure and, for a number of issues, on the substantive content of a Declaration on a Programme for Trade Negotiations to be adopted by the third WTO Ministerial Conference.
2. This communication is also designed as a contribution to the transition towards the third (drafting) phase of the preparatory process which will commence in September.
3. In this connection, Switzerland proposes:
 - (i) To stand back from the details of the preparations for Seattle in order to figure out how the outcome of the General Council's work on future negotiations can be arranged in a coherent structure.
 - (ii) To focus the debate on the drafting of recommendations to be addressed to Ministers regarding the objectives, general principles, mandates and organisational arrangements for the upcoming negotiations.
4. Switzerland wishes to stress that the attached document does not cover the full scope of the future WTO's work programme as it may flow out of the May 1998 Ministerial Declaration. Nor does this document address other decisions that Ministers may also take at Seattle. It only deals with the next round of trade negotiations.
5. For most of the substantive elements, the attached document recapitulates negotiating mandates submitted by Switzerland in separate communications. Those mandates are structured in three clusters reflecting, in Switzerland's view, the main thrusts of the forthcoming negotiations: market access, responsiveness of the system and issues of coherence. The elements relating to the objectives and general principles governing negotiations consist of headings illustrated by ideas expressed in telegraphic style. The remaining elements of the proposed structure are only presented in the form of headings referring to matters upon which Members should act.
6. As indicated in the document, Switzerland does not consider the list of subjects for negotiation enumerated in each cluster to be exhaustive. For instance, it does not include those issues

relating to implementation which may have to be dealt with in the framework of future negotiations. The complete inventory of subjects for negotiations will of course be drawn up during the third phase of the preparatory process. The proposed structure provides for the necessary flexibility in this regard.

7. It is understood that, in addition to a declaration on a programme for negotiations, the Seattle Conference will decide on other aspects of the future WTO work programme. Such aspects may cover, *inter alia*, follow-up activities to the High-Level Meeting on Least-Developed Countries as well as those issues relating to implementation that require no negotiations but can be handled in the course of the customary activities of WTO bodies, through the provision of technical assistance or by clarifying or interpreting existing agreements.

ELEMENTS OF A MINISTERIAL DECLARATION ON A PROGRAMME FOR NEGOTIATIONS

1. Preamble

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2. Objectives

Negotiations shall aim to:

- foster economic growth through further trade liberalization;
- promote sustainable development;
- strengthen the rules-based WTO system;
- increase the responsiveness of the WTO system to the global economic evolution;
- better integrate developing countries and countries in transition;
- foster coherence at the national and international level between trade policies and other policies interacting with trade.

3. General principles governing negotiations

- Conduct of negotiations in an open manner so as to ensure the effective participation of all Members.
- Single undertaking.
- As part of the single undertaking, possibility to apply early results provisionally until the conclusion of negotiations.
- Take into account the particular situation of least developed countries.
- Principle of differential and more favourable treatment for developing countries.
- Recognition of autonomous trade liberalisation measures.
- Duration [3 years].

4. Standstill

...

5. Substantive issues

(a) Market access

(i) *Agriculture*

Negotiations shall aim, based on Article 20 of the WTO Agreement on Agriculture, to continue the process of reform of trade in agriculture through further reductions of export subsidies and domestic support, as well as further market access commitments, with the long-term objective to establish a fair and market-oriented agricultural trading system, fully recognizing the multifunctional character of agriculture.

(ii) *Services*

Negotiations shall aim, based on Article XIX of the General Agreement on Trade in Services, to achieve a higher level of liberalization of trade in services. Such negotiations shall be directed to the reduction or elimination of the adverse effects on trade in services of measures as a means of providing effective market access. The negotiations shall take place with a view to promoting the interests of all participants on a mutually advantageous basis and to securing an overall balance of rights and obligations.

(iii) *Industrial tariffs and non-tariff measures*

Negotiations shall aim to eliminate tariffs for at least [X%] of tariff lines in the industrial sector and to substantially reduce tariffs for the remaining tariff lines, including the elimination or substantial reduction of tariff peaks, tariff escalation and the gap between bound and applied tariffs. The scope of tariff bindings shall significantly be expanded among all Members. In addition, the initial negotiating rights concept shall be reviewed. Negotiations shall also aim to undertake a further step in the progressive elimination of non-tariff measures.

(iv) *Trade facilitation*

Negotiations shall aim to set up an effective and adequate multilateral framework of guidelines, rules and disciplines based on the existing WTO fundamental principles, in order to optimize the trade benefits achieved by lowering customs duties and to reduce the distortions and impediments to international trade generated by diverging and less efficient procedures and requirements in trade in goods and related services. Such negotiations shall duly take into account the work already undertaken on trade facilitation in relevant WTO bodies and in other international fora.

(v) *[Public procurement]*

[...]

(b) Responsiveness of the system

(i) *Trade and investment*

Negotiations shall aim to establish a multilateral framework of principles, rules and disciplines for international investment with the overall objective to increase legal security and predictability for governments and investors, as well as to favour international flows of investment, taking into account the work already undertaken in the WTO Working Party on the Relationship between Trade and Investment. Due consideration shall be given to the WTO Agreement on Trade-Related Investment Measures with a view to supplement the list of measures which are inconsistent

with WTO rules. The negotiations shall also ensure the coherence between the multilateral framework on investment and the relevant WTO agreements like the General Agreement on Trade in Services (GATS Agreement).

(ii) *Trade and competition*

[...]

(c) Issues of coherence

(i) *Trade and environment*

Negotiations shall aim to strengthen the coherence between trade and environmental policies (i) by clarifying the relationship between the multilateral trading system and multilateral environmental agreements through the establishment of appropriate principles, rules or procedures and (ii) by elaborating instruments to take better account of basic principles of environmental protection and of current issues stemming from the interdependencies between trade and environment.

(ii) *Trade and finance*

Negotiations shall aim to further develop understandings and arrangements to enhance the contribution of the WTO to achieving greater coherence of global economic policy making in the context of the evolving international financial architecture.

(iii) *Trade and Development*

(iv) *Transparency*

[...]

6. Organizations of the negotiations

7. Participation
