

# WORLD TRADE ORGANIZATION

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## CZECH REPUBLIC

Statement by Mr. P. Palecka  
Minister Counsellor, Permanent Representative

Negotiators have shown wisdom in deciding on a temporary coexistence of the World Trade Organization and the General Agreement 1947. 112 accomplished ratification procedures are the best evidence of a smooth transition from the GATT to the WTO. We believe that the remaining GATT 1947 contracting parties will follow this example and that the global nature of the WTO will be further strengthened by the successful completion of 28 accession negotiations.

The first year of the WTO was of extreme importance as it paved the road to an effectively functioning organization. The overwhelming majority of the results achieved is positive and self-explanatory and, therefore, I only would like to comment briefly on some particular issues related to today's review.

### 1. Economic Environment

In 1995, after several years of decline, the economies of Central and Eastern Europe have embarked on the path of economic recovery thus contributing to the growth of world economy. As may be seen from the report of the Director-General, the trade performance of these countries in value terms is well above the world averages, both in respect of exports and even more in imports. It is a proof that our region offers tangible business opportunities and that these countries stand fully integrated into the world economy and trading system.

### 2. Notifications

In 1995 we have been faced with a broad range of notification requirements. This burden has been felt intensively by all Members and, in particular, by smaller trading nations. In spite of that the WTO family as a whole has shown its readiness to increase transparency and predictability in world trade. Although the notification process is of paramount importance, the existing overload should not be further intensified by requiring information which in some cases threatens to go beyond what we may qualify as a reasonable scope of the review process. Such an approach may generate additional data processing and translation costs while value added in terms of transparency remains limited.

In 1996, the flow of notifications will obtain new dimensions. In a number of areas the WTO members are required to provide information on implementation of their specific commitments. The practical implementation of the commitments should remain the main subject for the review process since a preliminary assessment of 1995 notifications revealed that in some key areas this implementation has not started as successfully and unconditionally as originally expected.

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3. Organization of work

We believe that the year 1996 will further improve the efficiency of our work in the WTO. Much is expected from recently adopted guidelines on the arrangements for scheduling of meetings of WTO bodies. We hope that this decision will help both delegations in Geneva and our colleagues in capitals in better organizing preparation and participation at the meetings.

The latest experience shows that especially in the second half of this year the overload caused by excessive frequency and simultaneity of substantial meetings has become almost unbearable. It may produce rather unhappy situations when well-prepared meetings are attended scarcely, with negative consequences and even degradation of work related to their preparation. An informal and highly constructive way in which the GATT 1947 has been working for years should be preserved in the WTO.

We feel that an overload to which delegations are increasingly exposed may make our sessions too formal, limited to reading official instructions or keeping silence since time for detailed preparation and a freer discussion is too restricted. In that respect, new guidelines and their smooth implementation should partially release tensions, reduce time-constraints and minimize unexpected changes in the dates of meetings.

4. Singapore agenda

In yesterday's intervention by the Director-General principal areas of pre-Singapore, Singapore and most probably also post-Singapore activities were highlighted. The Czech delegation may subscribe to all of them and would like to elaborate briefly on two items.

Mutual relationship between international trade and economic competition raises particular interest to us. Its importance continues to grow since traditional trade instruments are being replaced by domestic economic policies. The Czech Republic is of the view that contestability of the markets measures by reductions of tariff and non-tariff barriers and fair competition in those markets are fundamental objectives of the multilateral trading system and as such should be reflected in the WTO framework.

A very pertinent issue is also the creation of a broadly recognized international set of rules in the area of investment. The Czech delegation supports initiatives to start negotiations on a multilateral agreement on investment. We are of the opinion that the role of the WTO should be defined very carefully and should be sufficiently ambitious since it is finally in the WTO where attempts to create such a broad and far-reaching agreement should be multilateralized and should be closely interrelated to the similar commitments taken in the area of TRIMS or in services.