

## Statement

# economiesuisse call for opening negotiations on a bilateral Economic Partnership Agreement (EPA) between Switzerland and Japan

**economiesuisse strongly supports the opening negotiations on an Economic Partnership Agreement (EPA) between Switzerland and Japan. Such an agreement means new opportunities for companies in both countries. In business, time means money. Therefore, the current opportunity should be seized without delay.**

Switzerland is particularly globally oriented. In comparison to many other OECD states, the share of Swiss trade with countries in other continents is one of the highest ones. Swiss business has a long standing tradition of exchanging goods and services, as well as of direct investments in far away countries. Swiss business was always aware of the importance of open markets for its exports and imports. Switzerland can be considered as an example of a free-trade nation. Japan plays traditionally a crucial role for Swiss business as a trading partner. The close ties with Japan go back to the 19<sup>th</sup> century when the first trade agreement with this important partner has been concluded. Ever since then, Swiss companies have been active in Japan. Switzerland is also an important customer of Japanese goods and services and the home to many Japanese companies.

Considering this ever closer economic relationship and the absence of substantial progress in WTO, economiesuisse as the representative of Swiss business, supports strongly the conclusion of a new economic treaty with Japan. A joint study group of the Swiss and Japanese governments is about to finalise a feasibility study to be submitted to the respective authorities in the weeks to come. The study identifies significant benefits of, and therefore the mutual interest in a free trade agreement between the two partners. In the opinion of economiesuisse the time has come for the two governments to take a rapid decision on opening negotiations on a so called Economic Partnership Agreement.

This new agreement should cover all essential elements including trade in goods and services, direct investments and intellectual property rights as well as other measures to further improve the business environment in both countries.

Regarding goods economiesuisse pleads for a rapid abolishment of all tariffs in the non-agricultural sectors. economiesuisse is deeply convinced that such a step would further stimulate trade between the two nations. The market opening should be accompanied by a harmonisation of regulations on the basis of international standards as well as of mutual recognition of national standards. Trade facilitation is another request of business. Equally, the rules of origin should be as simple and as easy as possible. For businesses, complicated requirements in this field can be a barrier to trade.

As to services economiesuisse sees a lot of room for manoeuvre. The exchange of all kinds of services should be further liberalised. Trade in financial services is of particular importance for the two countries.

A further element of relevance should be the promotion of direct investments. Both Swiss and Japanese companies have important capital stocks in the respective countries.

In order to promote innovation, Switzerland is a strong supporter of intellectual property rights. In Switzerland there are a number of industries depending on clear and reliable rules in this area. Swiss business therefore is in favour of going a step further than in WTO by agreeing on a TRIPS plus approach.

Finally, Swiss business would be interested to address such items as facilitating the establishment of key personnel and trainees, eliminating double payments in the field of social security and avoiding double taxation.

With the recent suspension of the Doha Round in the framework of WTO the worldwide environment for foreign economic policies has changed significantly. More and more governments tend to find ways and means for additional trade openings through bilateral free trade agreements. This approach should be seen as a complement to the existing WTO rules and not as an alternative to the multilateral approach.

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economiesuisse is the largest Swiss business organisation. Its membership includes business associations of all the relevant sectors, the local chambers of commerce and a number of individual companies. Both manufacturing and service industries are represented by economiesuisse such as advertising, advisory services, banking, cement, chemicals and pharmaceuticals, communication and media, construction, energy, engineering, food products, hotels and tourism, information technology, insurance, machinery, electrical and metalworking industries, packaging, paper and cardboard, plastics, telecommunications, textile and clothing, tobacco, trading, transportation and distribution and watchmaking.

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Zurich, 30 November 2006