

O P E N I N G S T A T E M E N T

by Federal Councillor E. Brugger

Co-Chairman of the Swiss-Saudi-Arabian Joint Commission
for Economic Cooperation

Berne, November 14, 1977

Excellency,

Gentlemen,

It is indeed a great pleasure for me to welcome you warmly to Switzerland on behalf of the Swiss Federal Council. I am happy to be able to examine jointly with you the state of economic relations between our two countries and to review the progress made since the first meeting of this Joint Commission in Riyadh eighteen months ago.

Before doing so, however, I should like to dwell for a very short moment on the global economic environment. Indeed much uncertainty still surrounds the full recovery of the economies of many countries from the recession which we went through in 1974/75. Inflation, unemployment and balance of payments problems still beset many economies and

great efforts are still required to find a new equilibrium in world trade as well as a more orderly and more stable evolution of the international monetary system.

Energy, too, is a field where particularly the industrialized consumer countries are still in the difficult process of adjusting their policies to new realities and in particular to the need of progressively reducing the excessive dependence of their economies on non-renewable energy sources.

It is particularly gratifying for me to welcome you as the representative of a country which shares our own interest in a more stable world economy. Saudi-Arabia today plays not only an increasingly important role within this context but it has also shown its firm determination to contribute its share and to join in the efforts of bringing about this increased stability.

Our respective forms of government may differ, but both our countries adhere to the principles of a free market economy. We share the conviction that this system is best able to stimulate man's creative capacities and to bring about the

kind of prosperity which our people have a right to expect and to strive for. We are both aware that political systems based on coercion and totalitarian control will not achieve such progress.

Let us now take a look at how this partnership has fared over the last eighteen months and what are the prospects of further developing our cooperation.

I hope you will share my assessment that a good beginning has been made. In a whole range of fields interesting projects have been initiated in collaboration between Swiss and Saudi-Arabian companies. The results show that the type of technology which Swiss industry is in a position to provide is suitable to the infrastructural and industrial needs of Saudi-Arabia. Within this process Swiss exports to Saudi-Arabia have risen by 111 percent to 600 million Swiss francs in 1976, and, during the first nine months of 1977, they have already reached 590 million, almost the same amount as for the entire previous year, thus making Saudi-Arabia by far our most important trading partner in the Arab world.

Imports from Saudi-Arabia are of course, almost exclusively made up of the one commodity extracted from your sub-soil which has become the life blood to modern industry. Figures are, however, difficult to make up since Saudi-Arabian oil reaches us mainly via EEC countries in the form of petroleum products.

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The Swiss contribution to the development of the Saudi-Arabian economy is a highly diversified one. No less than 130 Swiss firms are active in the Kingdom and over one thousand Swiss nationals are participating on the spot in this effort. Their activity ranges from electricity supply to road construction, the housing sector and other construction activities.

The Swiss are equipping the Ministry for Youth and Sport with modern Omega time measuring appliances. They are active in hotel construction and in the teaching of know-how in catering as well as in other fields of vocational training.

My countrymen cooperate in the setting up of silos and in the fitting of facilities to discharge boats in Saudi-Arabian ports which have become so essential to your economy. They are also active in the construction of desalination plants.

The Swiss participation in the construction of the Islamic Development Bank foreshadows, I hope, a closer collaboration in the field of banking, a field where, no doubt, many common interests exist.

In the field of social policy it is particularly gratifying to hear about the joint venture between a Swiss food processing company and the Saudi Arabian Authorities aiming at providing by 1980 or 81 six hundred thousand meals per day to Saudi Arabian school children.

Health is another potentially very important area of cooperation, be it in the field of hospital construction and equipment or in the field of pharmaceuticals. An interesting project is concerned with the fight against insects and vermins which undermine health and destroy the provisions stored by man for future use.

The Swiss have also discovered the Saudi taste for Swiss soft drinks and food preserves, not to mention little luxuries such as chocolates to sweeten the day. Indeed the high standard of living which already large parts of the Saudi population enjoy, should increasingly create a market for typical high quality Swiss products such as fashion fabrics, watches and jewellery designed by Swiss craftsmen.

Finally I take particular pride in mentioning that Swiss engineers have been entrusted with the construction of the tunnel through the mountains surrounding the holy city of Mecca which will ease the pilgrimage of the faithful to the central place of worship of Islam.

Mr. Chairman,

This list is by no means exhaustive. But it shows, I hope, that our two countries have engaged on a course of close and fruitful cooperation. This is a long range endeavour. This Joint Commission will have the task to determine the scope and

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the form of further developments in this cooperation. We are, of course, particularly eager to listen to your own assessment, to your suggestions and also to your critical remarks.

To-day, under your and my own co-chairmanship we can undertake a general assessment. More detailed discussions are scheduled for to-morrow in Zurich. I understand that representatives of the Swiss economy will also participate in this work on particular topics.

I have said that this was an endeavour that has only begun and which will have to be monitored by this Commission over the years to come. I regret very much, therefore, that I shall not myself be able to sit at this table next time. Time has come for me to step down and make room for a successor. Whoever he will be, I am sure he will take the same keen and personal interest as I did in seeing to it that economic cooperation with Saudi-Arabia will continue to develop. Continuity will by no means be lost since Ambassador Jolles, who performs for the Swiss Government the tasks which in all other countries accrue to a Minister of Trade, will continue to take a personal interest in Swiss-Saudi relations. And of course Ambassador Bettschart, too, within whose particular responsibility this Commission lies, will also be around to take care of our relations and see to it that further progress can be achieved in this promising field of common endeavour.
