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GUATEMALA

Statement by H.E. Mr. José Guillermo Castillo Minister of Economy

Guatemala has come to this Third Ministerial Conference of the World Trade Organization to reaffirm its commitment to a multilateral trading system built on rules, even though we regret that the liberalization of sectors of interest to developing countries has not moved ahead as we would have wished and there are no practical measures to bring about the full integration of small developing economies.

Guatemala has formally joined the Cairns Group because it fully shares the Group's vision. We wish to achieve fair trade in agricultural products governed by market laws. It is vital that the forthcoming agricultural negotiations within the WTO should lead to radical reform that places trade in agricultural products on an equal footing with trade in other goods, eliminating export subsidies, domestic support and tariff peaks in order to gain market access. Ambiguous concepts such as "multifunctionality" have no place in our regulations because anyone can see that they would be the pretext for new distortions of trade.

As far as trade in services is concerned, we hope that increased participation by developing countries will be facilitated. As is the case in the other sectors, we are seeking full participation on an equal footing so we need to strengthen our capacity, efficiency and competitiveness.

Guatemala supports the action being taken by the International Textiles and Clothing Bureau (ITCB), to which it belongs. Although Guatemala has made strenuous efforts to develop its textile industry, we believe that it cannot realize its true potential in this sector until there is full integration and there are real possibilities for market access.

In order to allow small developing economies such as that of Guatemala to become fully integrated within the multilateral trading system, all the WTO's Members should support the initiative put forward by a number of countries to include within the WTO a programme of work that will help to identify the trade problems we are facing. If the efforts we have made to meet all our commitments are not recognized, the task will become increasingly difficult.

Regarding the dispute settlement system, it cannot be denied that any Member country making a complaint seeks to recover the rights that have been violated, but it also wishes to see the dispute settlement system give the multilateral trading system real security and predictability.

Consequently, strengthening of this system depends on the willingness of all its Members to implement the recommendations and resolutions adopted by the Dispute Settlement Body. The dispute regarding bananas therefore contains important lessons for us all. If the European Union continues to propose inappropriate solutions for bringing its import regime into compliance with the WTO, the hopes of the Organization's Members as a whole will be disappointed. The

European Union has the floor and should demonstrate the political will needed to restore the credibility of the system.

For Guatemala, the proposal to link trade and labour issues is a matter of great concern. Time and again we have been obliged to protest against the proposal to deal with labour standards in the WTO because, in our view, they should be dealt with in other forums.

Regarding the environment, Guatemala considers that the WTO already has principles that have been duly agreed, so there is no need to formalize them and erect new barriers to trade, particularly against developing countries.

The pressure to which we have been subject over the last few days comes from groups which ignore the importance of the WTO for the future of our countries. We are very clear about our task and, although we are responsive to constructive proposals, we will not allow our work and the seriousness of this forum to be compromised. It is our responsibility to take a proactive approach and distribute the benefits which trade liberalization has bestowed and continues to bestow.

Guatemala takes the view that the proposal to hold new negotiations is no guarantee in itself that in the future there will be a fair and equitable trade environment. It is essential that the negotiating process be genuinely transparent and that **ALL MEMBERS WITHOUT EXCEPTION** should be able to participate and be fully informed of what is happening in the Organization.

Guatemala is strengthening peace and democracy through a fair and sustainable development system based on trade liberalization. The openness process followed by Guatemala has a high cost which we can only justify if the system is able to give us better terms of trade with our trade partners that will allow us to benefit from global openness. The responsibility for moving ahead with this work is ours; Guatemala will not shirk it.
