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## GUATEMALA

Statement by H.E. Mr Marco Antonio Ventura Mejia  
Minister of Economy

The regrettable events of 11 September have accentuated the trend towards a recession in the global economy, which could result in growth of less than 2 per cent in global trade. For countries such as Guatemala, this could mean a deterioration in its economic and social situation. Nevertheless, we harbour justified hopes that the combined efforts of the Members of the WTO will in the end outline the way in which just and fair trade can give renewed impetus to the global economy and once again boost growth.

This is crucial for Guatemala because the domestic conflict that lasted for over three decades discouraged investment, eroded the physical infrastructure and created problems for business. There has recently been a reconciliation, however, and we view the future with optimism, although we have not overcome all the sequels of the conflict so we hope that our trade partners will provide investment flows, open up markets, and meet multilateral commitments while at the same time we seek to ensure that prudent application of the rules will avoid jeopardizing Guatemala's economic interests.

Guatemala has made strenuous efforts to meet its commitments within the WTO and notes with satisfaction that this is also the position of the majority of countries that are seeking the comprehensive development of the world economy.

Compliance with the commitments will of course imply efforts and sacrifices on the part of all nations concerned by this effort but it will be even more difficult for countries such as Guatemala, which are facing problems exacerbated by natural phenomena and domestic or global political events. Nevertheless, we are convinced that this is the best way of improving the well-being of all the inhabitants of the globe. This is why we belong to the WTO.

In this connection, we share the view that by reducing tariff and non-tariff barriers and the distortions caused by subsidies we can move towards a free market. In order to achieve this, we have made efforts and sacrifices to open up trade, move ahead with economic deregulation and the elimination of distortionary elements in the hope that this will become the general position.

As members of the Cairns Group, we unite our efforts with those of other agricultural countries so that agriculture is placed on exactly the same level as other production sectors.

In Guatemala, employment, production and the generation of foreign exchange have been affected by the volatile prices for our main export products. These products still play a predominant role in our domestic production. Little by little, however, and consistently we have moved towards diversified, efficient and competitive agricultural production and we shall continue to do so.

In addition, the textiles and clothing produced by Guatemala are widely accepted in international markets. The importance of this sector for jobs and the generation of foreign currency, as well as the transfer of technology, fully justifies our membership of the International Textiles and Clothing Bureau.

Within the ITCB, we join with other textile and clothing exporting countries in calling for observance of the conditions laid down in the WTO for greater access to global markets by small-scale suppliers.

The extension of Article 27.4 of the Agreement on Subsidies is also in our interest so that countries such as Guatemala can be given instruments that no significant or distortionary effects on global trade flows but are indispensable in order to strengthen their economic and social development.

Guatemala also has much to offer in the services sector. Our tourism potential is well known throughout the world because of Guatemala's cultural and historical heritage, its sports and ecological opportunities and its scenery, among other natural attractions. Furthermore, our geographical situation encourages the development of transport because we are in the heart of the American continent and have coastlines on both the Atlantic and Pacific Oceans.

We are confident that the multilateral system will move in the direction of freer trade in services and we remind Members of the importance of giving developing countries the necessary flexibility.

In general terms, we agree with other small countries that have a low level of economic development that there is a need to set up a working group on the smallest economies so as to consider the equitable distribution of the benefits derived from the multilateral agreements reached in the WTO in such a way that our intrinsic weaknesses do not constitute an obstacle to the general spread of economic well-being over the world as a whole.

As far as intellectual property is concerned, Guatemala has met its commitments under the TRIPS Agreement, but it also expects just and fair treatment in this regard. We advocate maintaining the flexibility between public health and access to medicines contained in the TRIPS Agreement.

We hope that the understandings on investment will foster an environment that allows greater flows of capital and technology to strengthen the development of small economies, complemented by progress in the area of competition.

In conclusion, Guatemala supports the view that protectionism harmful to a free, fair and comprehensive market should rapidly disappear. It agrees that legitimate concerns relating to the environment, labour standards and food security should not be distorted in such a way that they are used as barriers to trade and that the precautionary principle in relation to the environment or health should not be utilized for disguised protectionist purposes.

Following on the proposal that this meeting should be called the development round, allow me to express my belief that it will see the initiation of renewed efforts to move towards global development that guarantees high standards of living for all the Members of the WTO.

Guatemala thanks the people and Government of Qatar for their hospitality and congratulates them on the organization of this Fourth Ministerial Conference, which will be a guarantee of its success.

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