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NICARAGUA

Statement by H.E. Mrs. Azucena Castillo Minister of Development, Industry and Trade

Nicaragua has come to this Third Conference with the intention of supporting a new round of negotiations that will level the playing field in which we have been operating since 1950.

I should like to make some remarks on the need to achieve palpable results in this new stage of negotiations that will lead to (a) an improvement of the conditions of access of the goods and services of the small economies, (b) an extension of special and differential treatment and (c) strengthening of the dispute settlement system.

Market access

Nicaragua fully participated in the multilateral negotiations held as part of the Uruguay Round and has fully carried out all its commitments. Placing its confidence in free trade and viewing the WTO as a central pillar of that system, Nicaragua has carried out substantial reforms in its trade policy, including unilateral tariff reductions and the granting of greater access in the services sector, but we are still waiting for all the Members of the WTO to make similar efforts.

The concrete results that Nicaragua expects to obtain from a new round of negotiations on market access are: significant access for agricultural products, and the elimination of subsidies, accompanied by a general review of all disciplines, in particular those relating to tariff quota allocation and administration.

Relationship between the foreign debt and market access

My Government firmly believes that a lasting solution to the foreign debt problem facing highly indebted poor countries such as Nicaragua cannot be separated from the question of access to the world's largest markets. As my Government stated during our first trade policy review a few weeks ago we cannot ignore the fact that to a large extent the origin of the debt problem lay in the lack of export opportunities. It is for this reason that Nicaragua considers it to be of vital importance that this Third Ministerial Meeting of the WTO show an awareness of the significance of substantial and preferential access for the highly indebted poor countries, so that they can meet the compliance expectations of implementation on the part of the developed countries, which are now advocating new measures that would operate to the detriment of our competitive advantages.

I should like to take this opportunity to express our sincerest gratitude to the countries that have recently supported Nicaragua's eligibility for the Highly Indebted Poor Country Initiative, to the Group of Seven for its decision to broaden the scope of that Initiative and to the governments that have subsequently put forward proposals for a definitive and lasting solution to our debt problem. To those same countries that are present here we are requesting a similar set of policies within the WTO.

Accordingly, at the new WTO negotiations, it is vitally important to achieve greater cooperation and interaction between the World Trade Organization and the international financial agencies such as the International Monetary Fund and the World Bank, so as to avoid coming into conflict with the conditions laid down by the adjustment and structural reform programmes that restrict the implementation of commitments made within the WTO.

Special and differential treatment: fair and equitable treatment

- Inadequacies of the current special and differential treatment

Nicaragua, as a small developing economy subject to the strict disciplines imposed by severe structural adjustment, is requesting, as a significant means of helping towards the development of the small economies, an extension of special and differential treatment.

The so-called special and differential treatment resulting from the Uruguay Round has not been sufficient to guarantee better access conditions for the small economies. Moreover, the reduction in the MFN tariffs after the Uruguay Round has contributed towards the erosion of the Generalized System of Preferences (GSP) to the detriment of the competitiveness of the developing countries.

Furthermore, the distortions introduced into trade in agriculture by the developed countries that can pay domestic subsidies are increasing, thereby undermining the very limited participation by the small economies in international markets and causing serious social repercussions by endangering one of their few areas of participation in world trade.

The current fall in the world prices of basic agricultural products has clearly revealed the vulnerability of the economies of countries such as Nicaragua. The WTO has an obligation to carry out an urgent review of the agricultural trade policy on agriculture approved in the Uruguay Round, so that the developing countries can also share in the benefits and opportunities of a balanced liberalization of trade that takes account of each country's productive structures and its influence in the international system of supply and demand.

The principle that trade is a means of raising the standard of living of our peoples, and not an end in itself, must prevail in this forum so that we all – all the countries taking part – achieve positive results. Consequently, we are calling for a fair system in the WTO that will ensure access for our agriculture under transparent and competitive conditions.

There are reasons for this. It needs to be repeated that the obstacles facing the developing countries are many, low levels of industrialization, a lack of access to new technologies, excessive dependency on the trade in primary products and a high degree of exposure to the volatility of international prices, a lack of capacity for establishing the necessary technical norms and standards as rapidly as the developed countries, difficulties in preventing the theft of traditional and indigenous technologies, and the struggle to achieve food security. It is for that reason that the World Trade Organization is under an obligation to ensure that a new round of negotiations achieves an extension of special and differential treatment that finds real expression in fair and equitable treatment guaranteeing greater and better conditions of access to goods and services markets.

Services

In this field Nicaragua also supports a legally binding liberalization of trade in services through the inclusion of all sectors and modes of supply.

Dispute settlement

Similarly, we are in favour of strengthening the dispute settlement system and ensuring respect for the legal framework already established and hope to see effective use of the dispute settlement mechanisms on the part of the developing and least-developed countries.

Consequently, we support the establishment of an Advisory Centre on WTO Law for the developing countries so as to give us greater opportunities to exercise our full rights in the panels and arbitration systems that are at present beyond the reach of the small economies.

Employment and environmental issues

On behalf of my country I should like to reiterate the position expressed at the Second WTO Ministerial Conference in Geneva on the need to take up labour topics in the proper forum: the International Labour Organization. Nicaragua is a signatory to and has always shown respect for the seven basic agreements of that Organization and has sought to ensure their fulfilment. We are a responsible country committed to social welfare and sustainable development. However, we are opposed to the use of employment or environmental conditions so as to block access to a specific market.

Figures and statistics on trade and employment, far from representing a threat to the industrialized countries, are in their favour and show a significant gap with the developing countries, which are facing high levels of unemployment and a worrying situation of social unrest. It needs to be said that there was clear evidence of the power of manipulation of powerful sectors yesterday, Tuesday, 30 November, here in Seattle, but there are also millions of workers and peasant farmers in the developing countries that are silently asking, without being present here in Seattle, for the creation of jobs and the reduction of poverty so as to be able to meet their basic needs. As responsible governments and countries we cannot allow large trade unions with the power to organize demonstrations to drown out those voices that we silently hear in our consciences.

We feel sure that our hard work in the new trade negotiations will help to raise the standard of living of our peoples, thereby reflecting the fairness and transparency that we must show in the conduct of our global relations.
