

GATT/1508  
16 April 1991

GUATEMALA SIGNS PROTOCOL OF ACCESSION

Guatemala's Protocol of Accession to GATT was signed today at GATT headquarters in Geneva by the country's Minister for Economy and Trade Dr. Juan Luis Miron Aguilar. Accession will take effect 30 days after ratification by Guatemala's Congress.

GATT membership, said Minister Miron, would reinforce Guatemala's new external economic policy, which provided for trade reforms, the diversification of its export base, and the strengthening of the Central American Common Market. "The imminent achievement of complete national reconciliation should lead to a redeployment of Guatemala's efforts and resources towards sustained development", he said. Minister Miron expressed the hope that upon accession, Guatemala would benefit from the whole range of opportunities that GATT presented to developing countries. He reaffirmed the importance Guatemala attached to the successful conclusion of the Uruguay Round.

The terms of the Protocol were negotiated in a working party whose report was adopted by the GATT Council on 6 February 1991. Following regular procedures, the decision to invite Guatemala to accede was put to a vote and the necessary two-thirds majority of GATT member states for its approval - 67 affirmative votes - was attained shortly thereafter.

Guatemala had pledged to bind most of its tariffs at ceiling rates of 45 and 50 per cent upon accession. It would continue removing import prohibitions, restrictive import licensing requirements and other quantitative measures with the goal of their complete elimination by 31 July 1994. It intended to adhere to the Tokyo Round Agreements on Customs Valuation, Anti-Dumping Practices, and Import Licensing Procedures.

On becoming a contracting party to the General Agreement, Guatemala will be able to participate fully in all GATT's work. It will benefit from all tariff concessions negotiated by the GATT contracting parties since the inception of the General Agreement in 1948 and will enjoy other benefits of GATT membership, including the possibility of recourse to dispute settlement procedures. Guatemala has been participating, since 1987, in the Uruguay Round multilateral trade negotiations.

Guatemala has a population of 9.3 million (1990 estimate). The main industrial products are agro-industrial goods and textiles. The chief crops

are coffee (one third of exports), sugar, bananas, cotton, corn and cut flowers. It has an estimated crude oil reserves of 500 million barrels and substantial deposits of nickel. Total exports amounted to US\$1.2 billion (United States, 50 per cent and Central American countries, 20 per cent) and imports reached \$1.5 billion (US, 40 per cent and CA countries, 8 per cent) in 1988.

NOTE TO EDITORS

Two other Central American Common Market members are in the process of acceding to the GATT. El Salvador signed its Protocol of Accession to the GATT in December 1990 and will become a GATT member 30 days after the legislative body ratifies the Protocol. Honduras is in the initial stages of the accession negotiations. Nicaragua (1950) and Costa Rica (1990) are already GATT members.

GATT membership still stands at 101 contracting parties. Guatemala is not yet a contracting party. El Salvador and Guatemala could become the 102nd and 103rd GATT members, respectively, but only 30 days after ratification of the Protocols by their respective legislative bodies.

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