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PARAGUAY

Statement by H.E. Mr Luís María Ramírez Boettner
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I should like first of all to congratulate you, Mr Chairman, on your election to lead the work of this important Fourth Ministerial Meeting of the World Trade Organization and to assure you of our full support so that this meeting may attain the objectives towards which we are all striving, namely finding a way of establishing more liberalized international trade with clear, fair and equitable rules that take account of the interests of all Member States – the developed, developing and least-developed alike.

Paraguay is working for the strengthening of the WTO itself so that it may be the determinant for development through international trade, enabling all Member States to grow and strengthen their economies through sustained and sustainable development, and to eradicate poverty and provide greater well-being for their peoples. This is why we wish the WTO to be of worldwide reach and we are therefore happy to welcome the People's Republic of China and the customs territory of Taiwan, Penghu, Kinmen and Matsu, which will make a meaningful contribution to improved international trade. We are also hopeful that the negotiations will soon be concluded for the incorporation of the Russian Federation, Algeria and other countries so that trade can be truly multilateral.

There is no doubt that we are beginning this Fourth Ministerial Conference at a time of dramatic events and tensions throughout the world as a result of the tragic and evil events of 11 September, compounded by incipient world recession that is penalizing the international trade of the developing and least-developed countries and by extension, their economies. In many cases, including that of Paraguay, this is even affecting national policy by reason of the shortage of economic resources caused by lack of access to markets, which means that we are unable to forge ahead with our development and fulfil our aspirations towards economic and social improvement.

Paraguay has no coastline, which means higher freight rates and difficulties of access to markets for our trade. It is a predominantly agricultural country and 78 per cent of its exports are products from agriculture, cattle rearing and forestry, 49 per cent of the population being engaged in these activities, which represent 28 per cent of our GDP. For us therefore, it is of crucial importance to be able to expand agricultural trade and gain access to the markets of developed countries and for the products from those countries not to compete with us based on the appreciable subsidies that they receive and also for agricultural trade not to be distorted by domestic support, which is also considerable. It suffices to cite the OECD study which states that in the year 2000, its Member States recorded a total of US\$1 billion per day in agricultural subsidies and that, on account of the denial of access for our products to the markets of developed countries and given the aforementioned support to their agriculture, we are being unfairly displaced from international agricultural trade.

If we are aiming at negotiations for a broad development and growth agenda, it is absolutely necessary to pay heed to what we are proposing in the Cairns Group – including the extended

MERCOSUR – that is, the gradual opening of markets, the reduction and eventual elimination of subsidies and the removal of trade-distorting domestic support, and the maintenance of special and differential treatment for developing countries. This would enable us to realize the aspiration we had during the Uruguay Round, which remained thwarted as only Article 20 of the Agreement on Agriculture was approved.

We insist that if we accept a classification of small economies, despite denials that this means creating a category, it is in fact the case, landlocked developing countries should be included, for apart from their small economies, they face the critical problem of having to transit across other States to reach the sea, which means extra freight costs that should be taken into account through a reduction of tariffs by importing countries. Moreover, formulas should be found to allow funding agencies, when granting loans for the improvement of transportation and border traffic, to offer better terms, for example lower interest rates for the necessary works, longer time-frames and a reduction in the national contribution.

I am now no less fervent a believer in the advantages of multilateralism in international trade than on 15 April 1994 when I signed the Marrakesh Agreements on behalf of the Republic of Paraguay, but this does not mean that I do not also believe in regional agreements to facilitate trade, open markets, stimulate economic growth in those countries that are similar and traditionally interrelated, such as MERCOSUR, to which we belong.

Regional agreements and bilateral ones amongst similar countries pave the way for multilateralism and also make it possible for trade between those countries to serve as an incentive to produce more and better and to become integrated in world trade. Therefore, even though they may seem to be a negation of multilateralism, they are a first step that plays a meaningful role in making trade a determinant of development and greater well-being.

We are also advocates of special and differential treatment for developing countries, as this is the only way in which the latter can keep pace with the developed countries in international trade. But when this special and differential treatment is accorded by developed countries, without reciprocity, it must come under the rules laid down in the Enabling Clause.

I conclude by expressing the hope that in this meeting of the WTO we will be able, with wisdom and flexibility, to seek an equitable and fair formula that will allow developing countries to reap the benefits that we are all expecting from international trade and that a stronger WTO will emerge from this meeting.
