

WORLD TRADE ORGANIZATION

WT/MIN(99)/ST/68
1 December 1999

(99-5242)

MINISTERIAL CONFERENCE
Third Session
Seattle, 30 November - 3 December 1999

Original: Spanish

MEXICO

Statement by H.E. Dr. Herminio Blanco Mendoza, Minister of Commerce and Industrial Development

Mexico's accession to the GATT in 1986 and our free trade agreements with eight countries have played a fundamental role in boosting our exports, flows of foreign direct investment and our capacity to grow and generate employment. From 1986 to 1999, our exports expanded six-fold, rising from 21.8 billion dollars to over 130 billion dollars.

Since 1986, the share of Mexican exports in GDP has almost doubled and now stands at nearly 30 per cent. Export performance has had a positive impact on economic growth in Mexico. Exports generated over a million jobs in the last six years alone. We are sure that our experience is shared by the other countries that have opened their economies.

Free trade has helped us grow, have better wages and take better care of the environment. That is why we are continuing to work for the goal of free trade. We are negotiating free trade agreements with five countries and recently concluded negotiations with the European Union.

We have a keen interest in a new round of multilateral trade negotiations if it leads us to greater market opening, better disciplines and a more effective dispute settlement mechanism. We are against introducing any element that could mean losing the openness and disciplines which are the hard-won results achieved over the last 50 years of the GATT and WTO.

As I said earlier, besides its positive impact on economic growth, trade liberalization has had a favourable effect on environmental conservation and the welfare of workers. As an illustration of this point, suffice it to say that the new plants established in Mexico as a result of its openness use the most advanced technology, the same as in the United States, Europe or Japan. Moreover, OECD studies show that trade between developed and developing countries promotes not only higher economic growth but also a strengthening both of environmental regulations and of their implementation.

In addition, trade has a positive impact on the welfare of workers. Trade creates more and better jobs. In Mexico, the export sector has accounted for over half of the jobs created since 1995. These jobs pay wages that are 30 per cent higher than those in non-exporting activities.

Given the benefits of trade, it is strange to hear voices around this conference calling for a halt to the process of liberalization on the pretext of protecting the environment or labour standards. They do not realize that in so doing they are achieving the opposite objective of the one they pursue. We cannot let these interests contaminate the WTO's agenda. Solutions to environmental and labour issues must be found in their own multilateral forums, not in the WTO. Introducing these issues into the WTO would open the door to protectionist interests wrecking the essence and success of this institution.

Today there is concern that there is scant support for trade among civil society. This support can only be obtained through leadership and a continuing effort of education and information. Our greatest responsibility as participants in the multilateral trading system both individually and for the WTO as an institution must be to explain to civil society the benefits of trade and its positive effects on social wellbeing.

At this conference, Mexico reiterates its commitment to greater liberalization through the launch of a new round of negotiations in the WTO that should be comprehensive and take account of the interests of all participants. This is the only way to achieve balanced results with benefits for all WTO Members.

The new round should tackle the developing countries' problems of implementation. In addition, together with agriculture, services and geographical indications, it should consider new negotiations to further reduce trade barriers on non-agricultural goods. From Seattle onwards we should adopt a horizontal approach covering all industrial goods without any sectoral exclusions. We should also consider the possibility of committing to negotiating agreements on investment, competition, transparency in government procurement and trade facilitation.

There is no denying the role of the multilateral trading system in the liberalization of world trade and the ensuing impact on economic growth and social wellbeing. Today we have an opportunity to give a fresh stimulus to this process. We must not let it slip by. Let us agree to launch a comprehensive new negotiating round. Let us not allow protectionist interests to limit the scope of what we can achieve here.
