

GATT/1493  
25 October 1990

COSTA RICA BECOMES GATT'S 100TH MEMBER

GATT has one hundred members. Costa Rica is to become the 100th Contracting Party following the presentation of ratification documents by its Ambassador to Geneva, Sr. Rodrigo Barzuna Sauma, to Mr. Arthur Dunkel, Director-General of GATT, at a ceremony in Geneva this morning.

Costa Rica is the fourth country to join the GATT in recent weeks. It was preceded by Tunisia, Bolivia and Venezuela. Eight other countries are in the process of negotiating membership: Algeria, Bulgaria, China, El Salvador, Guatemala, Honduras, Nepal and Paraguay.

Costa Rica first applied for accession in 1987. Negotiations took place during 1988 and 1989. Costa Rica undertook to bind its entire tariff at a ceiling level of 60 per cent - though in practice many duties will be charged at rates well below that - and to reduce the ceiling to 55 per cent within three years of accession. The government also undertook to eliminate all import surcharges within four years and all current import licensing restrictions and quantitative restrictions within a similar period.

Commenting, this morning, Mr. Dunkel said:

"It is both welcome and entirely appropriate that GATT's 100th member should be a developing country whose government has chosen to meet the challenges of development and economic diversification through far-sighted structural adjustment reform programmes and by putting its trust in the GATT system. In this, it follows the pattern set by other recent new members and many of those currently negotiating accession. That so many nations should seek, at this time, to become part of the GATT is a remarkable vote of confidence in the existing system and an even greater vote for the new and wider multilateral system which we are attempting to construct in the Uruguay Round. As the Round draws to a conclusion, the

new comers need to see their confidence in the multilateral trade system vindicated by those existing GATT members whose economic success owes so much to the opportunities that system has given them."

Costa Rica's 1988 exports amounted to US\$1320 million with bananas and coffee taking a major share. Imports for the same year were valued at US\$1409 million. Costa Rica's principal markets are the USA, Germany and neighbouring Central American countries.

In handing over the ratification documents Ambassador Barzuna said:

"We may fittingly emphasize the determination of the Government of Costa Rica which, together with the various representatives of the private sector, has been endeavouring to lead the country towards greater liberalization of trade policy. This will enable the Costa Rican economy to become increasingly dynamic. The binding of our entire Tariff during the accession negotiations faithfully reflects the efforts made to that end. The full accession of Costa Rica to the GATT is yet another link in the chain of decisions which stretches back into the previous decade and which has led to a new development strategy designed to make our economy more efficient and competitive, with the clear objective of exploiting to the full the advantages offered by the international market. The Government of Costa Rica has been alive to the need to create new economic policies so as to enable our country to participate properly in international trade, through the development of an efficient export sector. The reorientation of that sector has stimulated the diversification of our exports and their expansion towards new areas. This has brought promising development in other sectors of our economy, which, along with traditional exports, should foster economic growth.

We believe that in the context in which this new direction for Costa Rican economic policy is set, GATT, as the main multilateral negotiating forum, is the appropriate means for achieving greater market access. I also think that it is worthwhile to stress our confidence in the set of GATT rules and principles: they are the foundations on which, day by day, the development of just and equitable trade relations must be built."

GATT was established in 1947 after its 23 founder members had agreed a large tariff reform package reinforced by a set of rules governing international merchandise trade. Its current membership accounts for over 90 per cent of world trade.

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