

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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NICARAGUA

Statement by Mr. Noel Sacasa,
Executive Adviser to the Minister of Economy and Development

Among Central American countries, Nicaragua is the oldest Member of GATT, having signed the General Agreement in 1949. Costa Rica joined GATT in 1990, Guatemala and El Salvador will shortly become full Members, and Honduras has submitted its application for accession. Although speaking in the name of Nicaragua, I shall be referring to problems, interests and positions that are very common to the five countries of Central America.

In 1960, these five countries established the Central American Common Market. The following two decades were marked by rapid economic growth and the expansion of trade both within the region and with the rest of the world. In the 1980s, however, the region entered into a period of crisis owing to factors shared with the rest of Latin America that were exacerbated by local political instability and civil war in two of the five countries. Regional markets shrank and economies suffered severe stagnation with various signs of macro-economic imbalances.

Already in that decade, the five countries, in response to the regional crisis and with different degrees of intensity and success, started to move increasingly towards world markets. Today, with democratically elected governments in all the Central American countries, and with the end of the civil war in Nicaragua, hopes for sustainable political stability and economic recovery appear more justified than at any time during the last decade.

The economic strategies of the Central American countries for the next decade have the following elements in common:

- a considerable reduction in tariff and non-tariff barriers to trade, both within the region and with the rest of the world;
- a realistic foreign-exchange policy with macro-economic stability;
- strong liberalization and deregulation of the economy with the objective of increasing competitiveness, flexibility and efficiency.

As regards regional integration, we see the future in greater co-operation and co-ordination so as to become effective exporters. This will have to include the sharing of improved infrastructures and a greater mobility of the factors of production.

Our countries are taking courageous steps to open up their economies. Nicaragua has offered a tariff binding of 60 per cent, but our policy intentions go even further: we have already lowered the majority of our tariffs to a maximum of 20 per cent and we are planning to apply this limit to all imports and to virtually eliminate all non-tariff barriers before 1995. We are doing all this despite political difficulties and transitory social costs because we are convinced that it is a necessary prerequisite for achieving international competitiveness and growth and thereby improving the living standards of our peoples.

However, an equally important precondition for overcoming poverty in our countries is greater access to export markets. In particular, the following measures are of vital importance for Nicaragua and the other Central American countries:

1. Elimination of quantitative restrictions and substantial reductions in tariffs on imports of tropical, agricultural, fishery and forestry products.
2. Advance implementation of concessions relating to agricultural products from developing countries, and immediate implementation in the case of tropical products.
3. The securing of equitable and particularly favourable conditions in the textiles and clothing sector, in view of our situation as small suppliers, new exporters and cotton producers - conditions that take into account our stage of development.
4. Elimination of all measures contrary to the rules and practices of the General Agreement, for example, the continued application of quantitative restrictions and discrimination as regards conditions of access.
5. Strengthening of the multilateral trading system by reinforcing GATT rules and disciplines and eliminating their conditional implementation.
6. Recognition, for the purposes of the negotiations, of the credit due because of the unilateral contributions of our countries to the liberalization of trade.

Since products of vital interest to Central America have been excluded from the negotiations, Nicaragua will not be able to make a positive evaluation of the results of this Round or to consider as fulfilled the general principles adopted by the Ministers at Punta del Este for the conduct of the negotiations, including the need "to ensure mutual advantage and increased benefits to all participants".

In conclusion, Nicaragua wishes to appeal to all the countries participating in this Round, particularly those whose economic importance gives them greater responsibility, to realize that the success or failure of the Round and the consequent maintenance of an open international trading system will determine whether or not many of our peoples can emerge from unacceptable levels of poverty.