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HONDURAS

Statement by Mr. Mario Agüero Lacayo,
Deputy Minister for Economic Affairs and Trade

In the first place, I should like to express my gratitude to the Belgian Government for its generous hospitality and the welcome extended to us since our arrival in this friendly city of Brussels. I should like also to express my gratitude to the GATT secretariat for the support it has given us since the beginning of this round of negotiations.

Honduras is attending this Ministerial meeting with great expectations as to the final results of this historic conference. Indeed, this occasion constitutes a starting point for a new era in international trade relations within the framework of multilateralism and of strengthened GATT rules and disciplines, designed to set those relations on a stable basis in a climate of transparency and equity for the benefit of all members of the international community, and in particular the developing countries.

For our country, strengthening of the external sector of our economy is the cornerstone for speeding up our economic and social development; in this sense, we are well aware that better integration of the economy of Honduras in the world economy through improved access to the markets of the major importing countries for our principal export products is a necessary condition for endowing our country with new vigour.

Since 1986, having exhausted the possibilities of the import replacement model that was in operation at one time as an instrument for fostering our economic and social development, Honduras has been liberalizing its foreign trade by progressively reducing and eliminating tariff and non-tariff barriers affecting our imports from the outside world. Moreover, Honduras has recently adopted and put into force a far-reaching structural reform programme for the national economy which involves major social and political sacrifices, in full awareness that these measures will transform the living conditions of the people of Honduras and enable us to move on to a new era of prosperity and political stability within the framework of democracy.

UR - 90 - 0829

In this context, I should mention that under the Economic Restructuring Act adopted by the National Congress in March of this year, Honduras at present applies a maximum import tariff of 40 per cent which is to be reduced to 20 per cent by 1992. This important and autonomous liberalization measure has been taken quite independently of whatever results may emerge from the present round of negotiations.

As regards our presence and participation in the Round, Honduras is maintaining the following positions:

1. It is our view, as provided in the Declaration of Punta del Este, that a global and balanced result is needed for all the negotiation sectors. The approval of a partial or unbalanced package would not be acceptable.
2. Agreements in the groups on access constitute a priority objective, and consequently we would not be in a position to take on commitments in the new groups unless we can clearly see that the results of negotiations in the groups on access would bring an increase in the volume of our exports to the markets of developed countries.
3. Advance implementation of results in all the groups on access, with special reference to the group on tropical products, should be one of the priority targets in these negotiations.
4. It is essential to recognize and implement special and more favourable treatment for developing countries in all the negotiating groups.
5. As agreed at the Mid-Term Meeting, developing countries should be given credit for contributions made by them during negotiations for their accession to the General Agreement, as well as recognition for contributions made by them in the course of the Round. Similarly, developing countries should be given credit and recognition for autonomous contributions made by them in the framework of structural reform programmes for liberalizing their foreign trade; such credits and contributions should be considered as constituting advance implementation of concessions granted to trade partners within the framework of the Round.
6. Honduras is prepared to consider an improvement of its contributions if an assessment of the final results of the Round indicates that it can expect satisfactory results therefrom.
7. We are concerned over the fact that bananas - one of our two major export products - have not been included in the tropical products offer of the largest regional economic grouping. That being so, we would wish to have a clear and categorical statement which, in recognition of the economic importance of this product for the banana-exporting Latin American countries and in order to safeguard their interests in the Community market in respect of this product,

should lead at least to a declaration on the part of the European Community in which, having regard to the two factors just mentioned, it would express its readiness to engage in consultations with interested countries before the adoption of any final decision and prior to implementation.

8. Furthermore, we view with like concern the absence of any readiness to negotiate for the progressive removal of selective internal taxes on coffee.
9. In the context of commitments on dismantlement, the developed countries should adopt measures for the elimination of non-tariff barriers that are hampering imports into their markets from developing countries, in breach of the GATT rules.
10. As a member of the Central American Common Market, Honduras will continue to maintain positions agreed on with the countries of the region and will make every effort to reactivate the Central American economy and liberalize means of payment.
11. Honduras urges its principal trade partners to engage their full political will in seeking a fair and equitable solution to their differences, while taking into consideration the interests of all countries participating in the Round, and with special reference to the developing countries.

We are attending an historic occasion of tremendous importance; what is at stake is the destiny of the multilateral economic and trade relations of the countries of the world for the coming decade. As actors on stage, it is our obligation to act with lofty objectives, patience, deliberation, flexibility and a generous dose of political will in order to arrive, through compromise, at results that are fair, equitable and balanced for all participants. Failure of the negotiations would expose us to the risk of a period of tense confrontations and reprisals among major trading blocs, which would ultimately cause serious injury for all the participants, and in particular the developing countries. This situation would emerge at a time when there are signs of slowing down in trade and in the world economy and signs of serious danger, with unforeseeable consequences, as a result of the Gulf conflict. For all these reasons it would be inconceivable and irresponsible to put an end to four long years of effort in these multilateral negotiations because of the rigid and inflexible positions maintained by the major trade partners, thereby frustrating the expectations and aspirations of millions of consumers, investors and other commercial agents who have placed their hopes in the Round in order to achieve the construction of a better world in which peace, freedom, respect for the rules of international law, and consequently social and economic development in general would prevail, through an intensification and greater liberalization of world trade.