

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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GUATEMALA

Statement by Mrs Marithza Ruiz de Vielman
Minister for Foreign Affairs

First of all, on behalf of the Government of Guatemala I would like to express our most sincere gratitude to His Majesty King Hassan II, his Government and the people of Morocco for affording the entire international community the opportunity to hold this historic meeting in the magnificent city of Marrakesh.

We know that no efforts have been spared and believe they have made an invaluable contribution to this monumental and significant occasion.

Similarly, we would like to associate ourselves with the deserved expressions of appreciation and congratulations extended to the Director-General and the GATT Secretariat and its services for whose work we should all be grateful.

Today sees the end of a difficult and lengthy process which many thought would be impossible, or at least take much longer to conclude. In the not so distant past there were times when it was hard to remain optimistic. However, today we are witnessing an event in international relations that marks the conclusion of one stage and introduces a new framework for trade relations designed to open up fairer and more favourable prospects for worldwide prosperity.

For Guatemala, a small country with limited resources for dealing with the problems of a difficult and complex economic and social situation, great political resolve was needed solemnly to take the important decision to accede to GATT. We acceded in 1991 and are thus an offspring of the Round, imbued with the ideals and principles of Punta del Este. Accession has taken an enormous toll on the economy of a developing country such as Guatemala but, nevertheless, we remain committed to continuing the process of liberalization.

The characteristics of our economy, which is fragile and highly dependent on agriculture, lead us to hope that multilateralism can provide a solution to the major problems of poverty and ensuing political instability, since peace and the well-being of society cannot be ensured without minimum satisfaction of the people's material needs. To achieve this, our main trading partners must open up and facilitate market access for our principal exports.

My Government is seriously committed to overcoming the many of the serious problems inherited from the past which have made it difficult to establish a national plan to deal with the problems of society. To this end at the political level, efforts have been targeted at consolidating democracy and a State governed by the rule of law, and at establishing peace. These efforts will succeed only if they go hand in hand with an ability to guarantee the economic, social and cultural rights of the population.

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For that we shall need substantial help to improve our economic growth. In a country such as Guatemala, development depends to a great extent on opportunities for access to world markets.

The possibility of access has been severely limited in particular with regard to Latin America's banana exports to the European Union. The recommendations of two panels condemning arrangements which should no longer have a place in the new world economic order have not been heeded, although their reports would have provided the best guidelines for negotiations on that important product.

The negative response to Guatemala's complaint with regard to the banana sector, supported by major Latin American countries representing more than 65 per cent of banana exports to Europe, goes against the spirit of dialogue the Round should have promoted. If the credibility of GATT as a suitable forum for settling disputes has been compromised by this stance taken by the European Union, it is only to be expected that many of us should be concerned that the new GATT is entering into the world already under the shadow of negotiations devoid of the spirit of dialogue we were hoping for. The making of an offer only after the verification procedure had been concluded deprived us of our legitimate right to submit at that stage our objections to conditions which were incompatible with GATT and point out how these objections have been reinforced by the imposition of new non-tariff barriers such as export certificates and country quotas.

In view of the irregularity of the situation described, you may ask why Guatemala has come to Marrakesh. We came because we firmly believe that the objectives and principles of openness and liberalization which inspired this Round can once again prevail under the new Organization.

Guatemala will sign the Final Act and the Agreement Establishing the World Trade Organization without prejudice to the continued defence of its attendant rights to ensure that the European Union brings its import regime for bananas into line with the GATT.

In general terms, I am sorry to say, and in this we are not alone, the results of the Round after this long process of negotiations are not entirely favourable to developing countries, as serious imbalances in trade relations persist. Many hopes have been dashed by the inadequacy of some offers, in some cases further entrenching incompatibility with GATT's rules and disciplines.

The WTO is there to help us achieve greater and better access for our products to major world markets. We trust that the new Organization will bring with it stricter disciplines able to offer us genuine and effective protection when we turn to the procedures governing the settlement of disputes, and that it will be able to ensure a fairer and more equitable world trading system.