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NICARAGUA

Statement by H.E. Mr. Pablo Pereira
Minister of the Economy and Development

Since the Marrakesh Meeting in April 1994, the development of the world economy has continued to move along the path of globalization, in parallel with the trend towards regional integration and widespread trade liberalization.

Now, as we meet in Singapore, it is time for us to pause to assess our progress and consider where we wish to go next.

Central America, which includes Nicaragua, has chosen the road to regional and continental integration. Our steady institutionalized pursuit of integration, has now been strengthened by the framework established by the WTO and the incorporation of all our regional partners into the Organization. We believe that economic integration will reinforce the economies of Central America and energize world trade. We have chosen a model which, far from promoting protectionism, adheres strictly to WTO rules and disciplines and bolsters the multilateral trading system.

Nicaragua is making a great effort, at the domestic level, to check its national legislation with a view to fulfilling the obligations it assumed by signing and ratifying the WTO Agreements. We believe that the best encouragement to continue along this path, and the best support we could receive, would be for all the Members of the Organization to comply with the Uruguay Round Agreements.

Most developing countries, like Nicaragua, are endeavouring to meet their commitments. However, we must say, loud and clear, that some industrialized countries should be doing more to liberalize trade.

It is worth noting that the trade policy reviews undertaken by the WTO have revealed a tendency for the developed countries to protect their sensitive sectors, whereas the developing countries are making progress in areas such as liberalization, deregulation and privatization. This leads us to conclude that we, in the developing countries, are making a relatively greater contribution to the multilateral trading system.

The WTO agenda is, of course, quite extensive and, without wishing to prioritize or exclude certain topics, since they are all of interest to us, Nicaragua would like to refer specifically to some of them.

In the area of agriculture, continued quota setting, the granting of subsidies to the tune US\$250 million and the application of technical and sanitary measures by the developed countries are creating unfair competition for our products. Those measures have had a devastating effect on our

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fragile economies and, in general, Nicaragua has yet to see any positive results from the Uruguay Round negotiations in this sector.

The textiles sector is of great importance to Central America, both from the perspective of job creation and as a percentage of total exports. Results in this industry have also been unsatisfactory: the integration of textile products and clothing has been limited and products of particular interest to Central American countries have not been included. We also deplore the excessive use of transitional safeguards applied during the first two years of the Agreement and we appeal to importing countries to exercise the greatest possible restraint in the application of these safeguards, in conformity with the provisions and procedures of the Agreement.

The countries of Central America earnestly hope that the Singapore Conference will produce, at least, a commitment to improve the integration of textile products, moderate the use of "quota calls" and bring greater transparency to the dispute settlement mechanism under the Agreement on Textiles and Clothing.

We also note that the WTO dispute settlement mechanism is an achievement with which we are all pleased. We must continue to nurture it, through strict compliance with the recommendations of the various panels, to ensure the institutional strengthening of the Organization. The application of unilateral or extraterritorial measures undermines this achievement and jeopardizes the multilateral trading system.

Basically, we believe that this Conference should concentrate on evaluating the progress made with the programme of work approved in Marrakesh, and on adopting agreements which will lead to the fulfilment of the programme of work for the next few years in sectors of special sensitivity for the developing countries, such as market access, agriculture, and textiles and clothing.

We note with satisfaction the ever-increasing recognition within this institution of the special characteristics and problems of the small economies.

In this regard, the comparative advantages of the developing world, including labour costs, should not and cannot justify, in any circumstances, the imposition by the trading powers of conditions of any kind that have the effect of blocking market access.

We developing countries with small economies want a strong World Trade Organization. It is needed to enable us all to protect our interests on an equal footing, so that we can all benefit from the expansion of world trade.

This is an appropriate time to lay the foundations for a discussion of a multilateral code to stimulate and regulate free competition and to establish rules on government procurement which guarantee transparency.

In discussing these new topics due allowance should be made for the ability of all Members to participate, without the imposition of exclusionary work patterns. It should be recalled that "transparency is participation". We must, therefore, maintain a participatory and consensual process of discussion and decision making.

We could not end this statement without paying tribute to the tenacious and hard-working people of Singapore, an example of perseverance for all developing countries. Singapore has displayed an enviable ability to overcome barriers and obstacles in order to achieve the high standards of living to which other countries aspire. We congratulate them on their achievements and express our gratitude for the fraternal hospitality and cheerfulness with which they have received us. We have been made to feel at home, with a warmth equal to that of the tropical climate of Central America.