

# WORLD TRADE ORGANIZATION

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## ARGENTINA

Statement by H.E. Mr. Juan Sánchez Arnau  
Ambassador, Permanent Representative

I welcome the advance copy of the Annual Report of the WTO, which provides the basis for discussion on this agenda item. One section of this Report refers to the "prospects for 1997" and it would be useful if this section of the Report could be circulated during the first half of the year and not when the year is ending.

Nevertheless, the advance copy of the Annual Report contains a number of elements on which we would like to comment.

Regarding the trends in world trade, the sustained growth of world trade continued in 1996 and global GDP once again doubled (5 per cent compared with 2.5 per cent). This figure reaffirms the trend in previous years and can be explained to a large degree by the ongoing trade liberalization process, and we should welcome this.

In this connection, we should like to highlight Latin America's contribution to this growth in trade in goods with an increase of 11 per cent, which is way above the global average. The increase in trade in services in Latin America was also twice the world average in this sector.

We should like to emphasize that the growth in MERCOSUR's global trade is due to a large extent to the significant increase in imports from outside the zone. For the period 1990-96, the annual growth in imports among member countries was 26 per cent and the annual increase in total imports was 20 per cent. We should like to point to the case of Argentina, where imports over the same period 1990-96 increased by 34 per cent annually, the highest figure among Member countries of the WTO. This increase is the result of the opening up of the Argentine economy and the marked increase in domestic and foreign investment, which in turn led to a rapid increase in imports of capital goods and industrial inputs.

Moreover, the Secretariat's Report once again shows that, as in previous years, the most protected sectors continued to be those of concern to developing countries such as the textiles and agricultural sectors, which are subject to the highest tariffs, the greatest tariff escalation and the most important trade distortions.

Regarding the WTO's activities, we should like to draw attention to four elements which we believe are important for this study:

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- The first was the successful outcome of the negotiations on basic telecommunications in February, (unfortunately, because of the short time available, many Members have not yet completed the internal processes for approval of this Agreement).
- The second is the intensive use made of the WTO dispute settlement mechanism, a positive trend which should help to remove the risk of application or threat of application of unilateral measures.
- The third is the commencement of work on investment, competition policies and transparency in government procurement, after the long discussions we had last year, as a result of the decisions taken at the Ministerial Conference in Singapore. In time, this work will provide a better basis for the decisions we have to take on the possible need to negotiate additional disciplines within the WTO.
- The fourth, and by no means the least important, was the initiation of the Analysis and Information Exchange Process in the Committee on Agriculture, which will allow Members reasonable time to prepare for the negotiations to be launched at the end of 1999.

Looking to the future, we would like to state our conviction that it is necessary to maintain the momentum in the general trend towards the liberalization of international trade and to avoid the growing pressures we are seeing on the part of some of the major trading powers that seek to slow down this trend. Protectionism cannot resolve either the unemployment issue or the financial problems that certain countries may face.

We should also like to state here that we consider that this trade liberalization process may come to a halt in the near future if it continues to be based exclusively on sectoral negotiations. We have a promising built-in agenda and other measures that point in the same direction, but it will be difficult for these to provide the results expected in trade liberalization if we cannot include them in a single undertaking that will allow us all as Members to make the greatest possible contribution to the process, which is worth it for the benefits which every Member will be able to derive from the negotiations as a whole.