

PRESS RELEASE

PRESS/TPRB/186

21 January 2002

(02-0305)

TRADE POLICY REVIEW BODY

REVIEW OF GUATEMALA

TPRB'S EVALUATION

The Trade Policy Review Body of the World Trade Organization (WTO) concluded its first review of Guatemala on 16 and 18 January 2002. The text of the Chairperson's concluding remarks is attached as a summary of the salient points which emerged during the discussion.

The review enables the TPRB to conduct a collective examination of the full range of trade policies and practices of each WTO member countries at regular periodic intervals to monitor significant trends and developments which may have an impact on the global trading system.

The review is based on two reports which are prepared respectively by the WTO Secretariat and the government under review and which cover all aspects of the country's trade policies, including its domestic laws and regulations, the institutional framework, bilateral, regional and other preferential agreements, the wider economic needs and the external environment. A record of the discussion and the Chairperson's summing-up together with these two reports will be published in due course at the complete trade policy review of Guatemala and will be available from the WTO Secretariat, Centre William Rappard, 154 rue de Lausanne, 1211 Geneva 21.

MORE

Since December 1989, the following reports have been completed: Argentina (1992 and 1999), Australia (1989, 1994 and 1998), Austria (1992), Bahrain (2000) Bangladesh (1992 and 2000), Benin (1997), Bolivia (1993 and 1999), Botswana (1998), Brazil (1992, 1996 and 2000), Brunei Darussalam (2001), Burkina Faso (1998), Cameroon (1995 and 2001), Canada (1990, 1992, 1994, 1996, 1998 and 2000), Chile (1991 and 1997), Colombia (1990 and 1996), Costa Rica (1995 and 2001), Côte d'Ivoire (1995), Cyprus (1997), the Czech Republic (1996 and 2001), the Dominican Republic (1996), Egypt (1992 and 1999), El Salvador (1996), the European Communities (1991, 1993, 1995, 1997 and 2000), Fiji (1997), Finland (1992), Gabon (2001), Ghana (1992 and 2001), Guatemala (2002), Guinea (1999), Hong Kong (1990, 1994 and 1998), Hungary (1991 and 1998), Iceland (1994 and 2000), India (1993 and 1998), Indonesia (1991, 1994 and 1998), Israel (1994 and 1999), Jamaica (1998), Japan (1990, 1992, 1995, 1998 and 2000), Kenya (1993 and 2000), Korea, Rep. of (1992, 1996 and 2000), Lesotho (1998), Macao (1994 and 2001), Madagascar (2001), Malaysia (1993, 1997 and 2001), Mali (1998), Mauritius (1995 and 2001), Mexico (1993 and 1997), Morocco (1989 and 1996), Mozambique (2001), New Zealand (1990 and 1996), Namibia (1998), Nicaragua (1999), Nigeria (1991 and 1998), Norway (1991, 1996 and 2000), OECS (2001), Pakistan (1995), Papua New Guinea (1999), Paraguay (1997), Peru (1994 and 2000), the Philippines (1993 and 1999), Poland (1993 and 2000), Romania (1992 and 1999), Senegal (1994), Singapore (1992, 1996 and 2000), Slovak Republic (1995 and 2001), the Solomon Islands (1998), South Africa (1993 and 1998), Sri Lanka (1995), Swaziland (1998), Sweden (1990 and 1994), Switzerland (1991, 1996 and 2000 (jointly with Liechtenstein)), Tanzania (2000), Thailand (1991, 1995 and 1999), Togo (1999), Trinidad and Tobago (1998), Tunisia (1994), Turkey (1994 and 1998), the United States (1989, 1992, 1994, 1996, 1999 and 2001), Uganda (1995 and 2001), Uruguay (1992 and 1998), Venezuela (1996), Zambia (1996) and Zimbabwe (1994).

MORE

TRADE POLICY REVIEW BODY
REVIEW GUATEMALA
CONCLUDING REMARKS OF THE CHAIRPERSON

This first Trade Policy Review of Guatemala has been thorough and comprehensive, and has, I am sure, taught us all a lot. This is due very much to the full and frank involvement of Minister Montenegro and his delegation, and to the active engagement of many Members. Through our dialogue, we have obtained a better understanding of the trade-related policies and practices in place, and of recent and planned changes. At the outset, allow me to highlight also the support of Members for Guatemala's ongoing modernization and liberalization efforts, and their acknowledgement of the progress made by Guatemala since the signing of the Peace Accords in 1996.

Members remarked on the important role that trade has played in promoting growth in Guatemala, the largest economy in Central America. They recognized the efforts undertaken to improve economic and social conditions in Guatemala, and encouraged the authorities to maintain, and indeed strengthen, the policies that have played a considerable role in this improvement. In this context, some Members suggested that Guatemala continue to rationalize its fiscal regime and reduce its reliance on import taxes. Members congratulated Guatemala on the past implementation of its privatization programme, but underlined the need to move forward with this programme, promote competition in the domestic market, and carry on other initiatives in order to consolidate recent economic gains and raise living standards.

Members commended Guatemala for its active participation in the multilateral trading system. They took note of Guatemala's stated conviction that liberalization of world trade is a central pillar of economic development. The Guatemalan delegation also affirmed clearly that it would not use protectionist measures despite the difficult domestic and international circumstances its economy confronts.

Members also noted Guatemala's growing participation in preferential arrangements, and sought further information on a number of them; they took note of Guatemala's point that it sought FTAs rather than unilateral preferences. Some Members raised concerns about Guatemala's administrative capacity to participate effectively and simultaneously in all such initiatives.

It was noted that Guatemala has gained from its participation in the multilateral trading system. However, some considered that Guatemala faced special constraints due to it being a small developing country, and pointed to the need to provide Guatemala with trade-related technical assistance. Some Members indicated their readiness to provide such assistance, and requested Guatemala to specify its needs in this respect.

Members appreciated that Guatemala's applied tariffs were relatively low. However, several suggested that by narrowing the current wide gap between applied and bound tariffs the predictability of the import regime might be enhanced. A number of Members were concerned about the consistency with multilateral principles of a recently introduced tax on certain alcoholic beverages. Many Members asked about customs procedures and trade facilitation in Guatemala, with some urging Guatemala to effect improvements in these areas. Guatemala indicated concrete steps that were being taken in this respect.

On sectoral policies, Members expressed particular interest in the development of the agriculture and fisheries sectors, as well as in services activities. Several Members noted that

MORE

Guatemala's applied and bound tariffs on agricultural products were particularly high. Members expressed their support for Guatemala's ongoing financial sector reform and asked for more information on current developments. Noting that Guatemala's GATS commitments were relatively limited, several Members invited Guatemala to expand and deepen its commitments during the current services negotiations.

Members also sought further clarification on a number of specific areas, including:

- trade statistics and efforts to improve them;
- import and export procedures, including insurance requirements;
- import regime for sugar;
- standards, technical regulations and SPS measures;
- special investment and trade regimes;
- competition policy and related legislation;
- government procurement and eventual participation in the WTO's Agreement on Government Procurement;
- participation in the Information Technology Agreement; and
- protection of intellectual property rights.

The Guatemalan delegation gave written and oral replies to questions posed during the Review. The replies provided have made a major contribution to this meeting, and were clearly appreciated by Members.

In conclusion, through this Review we have gained a first-hand appreciation of Guatemala's achievements since the signing of the Peace Accords, and the challenges that lie ahead. It is my sense that Members very much appreciated Guatemala's efforts to improve its economic and social conditions, and encouraged it to continue down this road in order to further its prospects for sustainable economic growth and social development. Economic growth has come hand-in-hand with trade liberalization and other modernization efforts, and Members invited Guatemala to count on the help of the international community to both secure lasting institutional stability and enhance its participation in the global economy.

END