

WORLD TRADE ORGANIZATION

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Statement by Guatemala

Together with the Cairns Group Guatemala tabled a proposal on market access in which it maintains that, in accordance with the objectives of the process of agricultural reform, tariff escalation should be eliminated within the framework of tariff reduction in order to establish a new level of binding.

In our view, it is important for this process that export restrictions and taxes should be subject to tighter disciplines and be consistent with Article XI of GATT and Article 12 of the Agreement on Agriculture. Pursuant to Article XI, all export restrictions and taxes are prohibited and their application constitutes a violation of the Agreement, with the exception of the provisions of paragraph 2(a). It is therefore important to define more precisely the concept of *critical shortages of foodstuffs* and its temporary nature, as well as the notification and consultation mechanism. Due to the nature of this discipline, it would be more appropriate to consider the link it might have with food security rather than with other issues arising from the Agreement on Agriculture.

Guatemala reiterates its view that the reduction or elimination of domestic support should take place on the basis of the levels applied, taking into account the real levels of government expenditure. Special arrangements should be made for products which, in view of their importance as exports from small developing countries, need to be subject to a zero domestic support requirement. The review of green box components is vitally important and disciplines should be developed to ensure that this type of support is consistent with its objective. We reiterate that a definition is needed of the concept of *minimal distortion in the green box*. New disciplines are needed for this type of support so that it may become actionable and subject to countervailing duties under the terms of Part V of the Agreement on Subsidies and Countervailing Measures. We reiterate that the "Due Restraint Clause" should not be extended after 2003.

Guatemala believes that progress in the treatment of domestic support will provide guidelines for proceeding with tariff reduction and the treatment of tariff quotas.

We also reiterate that this process should consider aspects relating to the Agreement on Agriculture in accordance with the issues to be developed under Article 20. Issues such as the recognition and protection of geographical origins and denominations of origin, as well as food labelling, are issues already covered in other WTO agreements.
