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COSTA RICA

Statement by H.E. Mr. Samuel Guzowski Minister of Foreign Trade

We know that the negotiations in Geneva before this Conference were not easy and we still do not have a Ministerial Declaration that is an acceptable text. However, we trust that the hours of work that remain this week will enable us to arrive at a consensus on future work in the WTO.

Costa Rica recognizes that trade liberalization makes a decisive contribution to economic growth and, therewith, a higher standard of living for nations. That is why we have placed great hopes in the decisions of this Conference. The WTO's five years of life have confirmed the enormous value of the multilateral trading system. We nonetheless believe that it is necessary at this time to give fresh impetus to the uncompleted task of liberalizing trade. This decisive step should be the immediate launching of a new round of multilateral trade negotiations.

The round should fulfil the basic objective of strengthening the multilateral trading system. If we are to achieve this, we cannot now give way to isolated pressures designed to hold off that objective. It is the needs of the vast majority of our peoples that must persuade us not to let go of this crucial opportunity to move ahead in strengthening the rules of the multilateral trading system.

Costa Rica is of the view that the new round should entail broad-based negotiations that are balanced and governed by the "single undertaking" principle. I shall refer briefly to some of the negotiating areas to which we attach most importance.

We believe that agriculture must receive the greatest attention on the agenda for the negotiations. This trade sector was marginalized for many years and, even today, is not subject to the same rules as apply to other products, something which must be remedied in this round. There are major distortions in agriculture, which is affected by domestic support and export subsidy policies which create serious imbalances in world prices of agricultural products and they seriously penalize efficient producers in developing countries. Costa Rica cannot accept that, despite the well-known imbalances in the sector, some Members should oppose the elimination of distorting measures and endeavour to seek further justification today to perpetuate such practices, which deepen the breach between the developed countries and the developing world.

Our objective in the coming negotiations is for the agricultural sector to receive similar treatment to that given to industrial products, by fully incorporating it in the Organization's rules and establishing a fair, market-oriented agricultural trading system.

Costa Rica also attaches importance to some problems which have been indicated in the subjects concerning implementation of the agreements and recognizes the need to find a solution to some of them. However, we believe that, to do so, it is necessary to respect the implementation of the Uruguay Round commitments. We believe that these amendments should not simply be treated as

mere problems of implementation when they involve changes in the delicate balance of rights and obligations achieved in Marrakesh. A solution to these problems must therefore be sought in the context of the new round of negotiations by changing the relevant agreements. It is from this standpoint that Costa Rica endorses the idea of reviewing the Anti-Dumping Agreement, something we support because we regard it as essential to prevent some countries from using these measures for protectionist purposes.

Probably one of the areas of greatest importance in the WTO is dispute settlement, because it truly guarantees predictability and security in international trade relations. While the system, governed by the Dispute Settlement Understanding, has functioned satisfactorily for five years, the experience of a large number of panels and of the Appellate Body leads us to the conclusion that it could function better in some respects. Consequently, it has been deemed necessary to introduce a number of changes in the relevant rules and procedures. Costa Rica has cooperated throughout the year in the review of the Understanding in the Dispute Settlement Body. We are convinced that the results achieved so far in this context will strengthen the WTO dispute settlement system's rules and provide better tools. For this reason, Costa Rica has firmly co-sponsored the text setting out the results of the review.

At the Singapore Ministerial Conference we agreed on mandates that have made for fruitful work in several trade-related areas. Costa Rica considers that this work is sufficient for some of the areas to be included in the negotiations in this new round. In particular, my Government hopes that these negotiations will lead to the incorporation of multilateral rules in the WTO for dealing with investment. We believe that there is an unquestionable link between investment and the development of export capacity, improved competitiveness between countries, job creation and the transfer of technology. For this reason, we feel it absolutely essential to work out a framework of basic rules on investment which, in our opinion, should be based on the principle of non-discrimination and guarantee a stable and predictable investment climate.

Similarly, we support the inclusion of the subject of trade facilitation in the forthcoming negotiations. We believe that the establishment of a set of disciplines and provisions to simplify customs procedures will contribute to development and to the participation of all countries, especially developing countries, in international trade. We have welcomed the proposals by developed countries on the introduction of technical assistance and cooperation programmes for developing countries in this area.

Costa Rica favours the completion of the negotiations on the Information Technology Agreement, known as ITA II, as soon as possible, preferably during this Ministerial Conference.

My Government also supports the extension of the present practice of not imposing customs duties on electronic transactions and the work programme on electronic commerce.

Costa Rica supports the resumption of negotiations in various areas of the WTO. In assessing the new subjects, the criterion we have followed for incorporating them in the negotiations has been that they should contribute to trade liberalization. In the same way, this criterion has led us to reject the incorporation of subjects which do not contribute to or which threaten trade liberalization.

Costa Rica is concerned about the interest some Members display in incorporating subjects which have no direct bearing on trade and which may open the door to new forms of protectionism, such as the topic of trade and the environment. Environmental protection has been and will continue to be a priority concern for our country, but this should be done through the appropriate international agreements and not through incorporating it in WTO disciplines. There would be a risk of the international community diverting its attention from the proper solutions to serious environmental problems and, instead, of punitive trade measures gaining the upper hand.

As to workers' rights, I must point out that for more than half a century Costa Rica has had advanced labour legislation guaranteeing respect for such rights and has played an active part in the International Labor Organization (ILO). Costa Rica believes that this subject should continue to be dealt with in that organization and not in the WTO, for it is not a trade subject and there is a threat that it could be used for protectionist purposes. The Singapore Ministerial Declaration clearly established the guidelines for dealing with this subject by stating that the International Labor Organization is the appropriate body. Accordingly, we do not think it necessary to add more to what was agreed on at Singapore in this regard.

Another subject of profound concern lies in the proposals regarding transparency in the functioning of the WTO. My Government has supported and will continue to support transparency in the Organization but does not deem it appropriate to try to change its intergovernmental nature. The WTO already functions transparently and governments, even those of the smallest countries, have an opportunity for their voice to be heard and to participate in all decisions and indeed to secure respect for their rights under the dispute settlement system. For its part, the WTO has facilitated access for the public to documents, even through an Internet site, has distributed numerous publications and has a dynamic Information and Press Division. We therefore believe that the WTO performs satisfactorily in regard to transparency.

To turn to other topics, I should like to express our satisfaction at the important number of countries which have joined the WTO recently and the large number that are in the process of doing so. We trust that their negotiations will culminate in them joining the Organization shortly. We look positively on the headway made by the People's Republic of China in its accession process, particularly the recent conclusion of the bilateral negotiations with the United States. We hope that it will complete bilateral negotiations with all the Members which have not yet been concluded and will join the WTO in the near future. It is also gratifying to see that Chinese Taipei (Taiwan) has made substantial progress in its accession process and has completed all its bilateral negotiations. We hope that it will join the WTO very soon. Lastly, I should like to take this opportunity to reaffirm the Costa Rican Government's commitment to the multilateral trading system and its readiness to contribute to the launching of a new round of multilateral negotiations before this Conference ends.

I should like to convey the gratitude of the Government of Costa Rica to the President of the Ministerial Conference, Ambassador Charlene Barshefsky and to the Government of the United States. Similarly, I should like to express our gratitude to Mr. Mike Moore, Director-General of the WTO and to the Secretariat and to Mr. Ali Said Mchumo, Chairman of the General Council, for their endeavours in this direction.
