

WORLD TRADE ORGANIZATION

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**GENERAL COUNCIL
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STATEMENT BY DR. JOSÉ BERNARD PALLAIS,
VICE-MINISTER OF EXTERNAL RELATIONS OF NICARAGUA,
ON THE OCCASION OF THE FIRST MEETING OF THE
GENERAL COUNCIL ON 31 JANUARY 1995

We wish to congratulate the elected officers and wish them success in their work. Nicaragua contemplates the birth of the World Trade Organization with optimism and hope.

There is no doubt that opening up access to markets and strengthening the institutional framework of the international trading system creates a climate of confidence which makes it possible to produce more and increased opportunities for trade and investment which will lead on to greater prosperity.

In response to the opportunities offered by the new international trade scene, Nicaragua is today making a great effort to diversify its productive base and increase exports.

We attach great importance to modernizing institutional, legislative and administrative instruments to improve opportunities for participation. However, the opportunities to take advantage of opening markets are not equally distributed, and therefore in addition to national efforts there is a need for a multinational and multi-institutional endeavour.

The interdependence and globalization of today's world mean that we must make it our prime objective to increase participation by developing countries in the international trading system. We must ensure that the least-developed countries can obtain the share in the growth in international trade which is necessary for their economic development. Let us remember that a large part of the growth in markets for industrialized countries will occur in developing countries.

Many are the countries that, like us, have placed their trust in opening up their economies. History has just shown us that the most beneficial economic system is the market economy. There is, however, a danger, a tendency to exclude, marginalize, diminish the participation of the countries that encounter the greatest difficulties in the world market. We must ensure that the World Trade Organization is an instrument to reverse this tendency towards their exclusion.

After half a century, the three pillars of Bretton Woods are now complete. The coordination of policies and dialogue between the WTO, the International Monetary Fund and the World Bank will play a major role. It is well known that financial resources are still outstripped by needs and that we, the developing countries, are continuing to suffer from a deterioration in the terms of trade. The coordination to which I have just referred must serve to ensure that the difficult economic adjustments we are making yield their fruit.

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We certainly applaud the strengthening of a system which allows us to develop our trading operations in accordance with multilaterally-agreed concepts, principles and rules. We take a positive view of the inclusion of trade in services, and we believe that progress in intellectual property will permit greater transfer of technology. We are confident that the integration of the textile trade into the rules and disciplines will take place irreversibly.

In trade in agricultural products, we shall work for the dismantling of subsidies and greater openness.

Nicaragua is a defender of the development of trade which respects the environment and displays solidarity with the poorest countries, but we do not wish the banners of the ecologists and social clauses to give rise to protectionist measures which, in the sense that they impoverish our countries, are harmful to the environment and workers' standards of living.

We have today the conditions to ensure that the dispute settlement system is a guarantee of impartiality, justice and fairness. It is clear that the trade sanctions that we small countries could apply would be symbolic, particularly when applied to large trading powers, but it would nevertheless be a mistake to accept the axiom that if the sanctions are insignificant one can act with impunity.

In short, we wish the World Trade Organization to set itself an ambitious challenge: that of promoting trade as a means of abolishing poverty.

The success of the multilateral trading system lies in being an effective instrument of development.