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DOMINICAN REPUBLIC

Statement Circulated by His Excellency Mr. Luis Manuel Bonetti Veras,
Secretary of State for Industry and Trade

I. Introduction

As a founding member of the General Agreement on Tariffs and Trade (GATT 1947), the Dominican Republic is conscious of the crucial role of international trade in the development of nations. Our membership in the WTO is therefore recognition of a multilateral system that strengthens and increases access for its Members to international markets. We repose faith and trust in the ability of this body to intervene in the international arena to guarantee equitable and market-driven trade and trade discipline that will make for the optimum use of resources.

In the newly emerging international trading environment, we the developing countries have had to institute the appropriate institutional changes to assure coherence in the trading system. In contrast, some developed countries have stepped up protectionist pressures in an attempt to retard trade liberalization until they have secured reciprocal concessions through multilateral negotiations.

Just as the world and the international agenda have changed, we now have a body such as the WTO, in constant renewal, which should recognize much more realistically the problems of implementation of obligations and the exercise of the rights covered by the Agreements. In that same spirit, we must all do our part to ensure the effective functioning of the WTO.

II. Implementation of the Agreements

(a) Compliance with obligations between 1997 and 1998

Since the close of the Singapore Conference, the Dominican Republic has endeavoured to put in place a foreign trade system that streamlines the operation of trade policy with a view to the proper management of the agreements, conventions and treaties governing the trade in goods and services. Efforts are continuing in that context to determine what legal and institutional foreign trade reforms are needed for the full application of the agreements of the Uruguay Round.

By Decree 140-97, the Executive Power created the Technical Commission for Foreign Trade Reform, which upholds the principle of free trade and whose principal objective is to make customs tariffs the sole instrument for regulating imports. The Commission is made up of the principal bodies concerned with foreign trade and has been reviewing the legislation establishing non-tariff trade barriers with a view to dismantling them.

In that same connection and in order to eliminate needless administrative procedures and practices connected with foreign trade, Decree 114-98 was promulgated in March of this year suppressing non-tariff trade barriers introduced through presidential decrees or administrative resolutions issued by government agencies. This meant repealing 34 decrees or articles of decrees that created obstacles to trade and prescribed import or export licensing in the Dominican Republic and 29 administrative resolutions passed by five government agencies that subjected as many products to trade licensing.

Similarly the Congress of the Dominican Republic adopted the new General Telecommunications Law, an instrument ratifying the IV Protocol on Basic Telecommunications annexed to the GATS. This law signals the implementation in the Dominican Republic of the commitments assumed with the signing of the "Reference Document" that emerged from WTO negotiations on basic telecommunications, by introducing provisions on free competition, interconnection, transparency in the allocation of scarce resources, among others. The law upholds the right to the unfettered provision of services and to free choice by users.

In pursuance of this trade liberalization process, the Government of the Dominican Republic decided to emerge from its traditional isolation and actively seek closer regional ties with the closest and most compatible schemes in the western hemisphere, being guided always by the concern to strengthen and ensure the pre-eminence of multilateral disciplines. The Strategic Alliance proposed by President Leonel Fernández at the Extraordinary Summit Meeting of Heads of State and of Government of Central America, Belize and the Dominican Republic outlines the interest in establishing a free trade area between the Caribbean and Central America, in line with the principles, rights and obligations prescribed within the WTO framework. The purpose of this Alliance is to develop the region's production and technological capacity, to coordinate policies *vis-à-vis* international bodies and to negotiate jointly in the establishment of the Free Trade Area of the Americas (FTAA).

Our country took a first step in the direction of this Alliance by signing a free trade agreement with Central America on 16 April 1998. That agreement, which covers trade in goods and services and investment, is a modern, third-generation agreement that contemplates immediate reciprocal trade liberalization for the entire tariff universe, barring a short list of products to be gradually made subject to free trade.

Likewise, negotiations are well advanced with the Caribbean Community (CARICOM) for the conclusion of a free trade agreement with the countries of that integration scheme. It has been agreed that the accord will cover the three areas of trade, services and investments, with a negative list of sensitive products.

(b) Exercise of rights

Countries were able to incorporate the Uruguay Round agreements into their domestic legislation because they had made a positive assessment of the balance of the rights and obligations struck in the agreements resulting from that ambitious round of negotiations.

It would be desirable not to limit the evaluation of implementation of Uruguay Round Agreements merely to national compliance with the commitments, but to focus equally on pinpointing the problems confronting countries, especially developing ones, in availing themselves of the rights enshrined in these agreements.

Indeed, it would be worthwhile at this pre-negotiation stage to ascertain that the transitional safeguards concerning textiles have not been used with the discretion stipulated in the Agreement on Textiles and Clothing, but instead have been employed against countries benefiting under the

preferential trade regime, without proper justification. Only in a handful of cases has it been possible to remedy the situation thanks to the intervention of the Dispute Settlement Body, an indication of appreciable shortcomings in the functioning of the Textiles Monitoring Body.

We observe with equal disquiet that none of the rights accorded to developing countries to increase their participation in the trade in services has produced the hoped-for results. We are persuaded that if all the service sectors departed from the traditional sector-by-sector approach followed hitherto and instead made common cause in the negotiations, we would achieve more balanced results and hence greater effective participation by developing countries. This should be the subject of in-depth study leading ultimately to commitments on liberalization, technology transfer and access to networks that would effectively increase the participation of developing countries.

Discussions on agriculture invariably address compliance with the measures envisaged in the Ministerial Decision on the possible negative effects of the reform programme on least-developed and net-food-importing developing countries. Although compliance with this Decision is a commitment assumed under the Agreement on Agriculture, 49 months on from the Ministerial Conference of Marrakesh, it has yet to be implemented.

Even more difficult than all of the foregoing will be attaining the development objectives built into the Marrakesh Agreement and the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), at the end of the transition periods accorded to developing countries.

We are also disquieted by the potential negative implications for the least-developed economies of the full implementation of the Agreement on Subsidies and Countervailing Measures in 2003, whereupon it will no longer be possible to grant investment incentives in export sectors. We the Members of the WTO must use this very meeting to begin to gauge just what the suppression of such an incentive could mean for the pace of overall growth and for migration flows.

III. Future agenda

Discussion of the scope of future negotiations got under way only during the phase preparatory to this Second Ministerial Conference. Nevertheless, in dealing with this subject, it would be well for us to be mindful of Ministerial Decisions adopted in other fora. One recent example that is relevant to any future decision to be taken in this connection is the IV Joint Ministerial Declaration of San Jose. That Declaration states that the Agreement Establishing the Free Trade Area of the Americas (FTAA) will be a single comprehensive undertaking embodying a balance of the rights and obligations of the parties and that for its entry into force nothing will be negotiated until everything has been agreed. We should again be aspiring towards a standard no less ambitious within the WTO.

As a developing country we are keen on working out a positive agenda that is not limited to the traditional trade-related issues. But even in this latter connection we must recognize the adjustments being made by our peoples as a result of globalization.

On the subject of agriculture, the extent of trade liberalization is of vital importance to our countries. Our principal export products need greater market access than hitherto. The gradual reduction of domestic assistance in developed countries stipulated in the Agreement on Agriculture has lagged behind the timetable envisaged in the Agreement. Turning to the Agreement on Sanitary and Phytosanitary Measures, we would urge that such measures should not become protectionist barriers that restrict market access for products in the sector.

As regards services, we envisage the review of the relevant Agreement and greater liberalization in that sector, the formulation of new standards and disciplines and the promotion of efficiency and competitiveness. We have every confidence that a well-defined negotiating framework

will be drawn up, which will pave the way for increased participation of developing countries in the trade in services.

Aware of the complexities and imbalances inhering in negotiations in other fora, the Dominican Republic actively advocated the inclusion of the topic of investment in the agendas of both the WTO and UNCTAD. Thanks to the insightful decisions taken at Midrand and Singapore, the work done on this topic has been fruitful and mutually supportive. It is nonetheless necessary to wind up the period given to the WTO working group to gauge the opinions of all the countries as to the future treatment of this topic. It would be desirable for a possible multilateral agreement on investment to be negotiated in a universal forum such as the WTO, a meeting place for the interests of all the parties concerned by such a momentous body of rules.

The Dominican Republic would urge that future negotiations should recognize and give adequate attention to the problems peculiar to economically weak and vulnerable countries so that special and differential treatment can be extended to them, together with the technical assistance required to enable them to improve their production, international competitiveness and market access conditions.

In this regard, we reiterate our principled endorsement of the accomplishments of the working groups on trade and investments and on competition policies. In regard to the more sensitive topics such as labour standards and the environment, we reaffirm our support for what was agreed at the Ministerial Conference at Singapore.

In short, we hope that the next round of negotiations set to start in 1999 will reflect a balance of rights and obligations amongst all WTO Members and that it will foster the growth and prosperity of all countries.
