

WORLD TRADE ORGANIZATION

RESTRICTED

G/SCM/W/467

4 October 2001

(01-4763)

**Committee on Subsidies
and Countervailing Measures**

Original: Spanish

IMPLEMENTATION-RELATED ISSUES REFERRED TO THE COMMITTEE AT THE REQUEST OF THE CHAIRMAN OF THE GENERAL COUNCIL ON 31 JULY 2001

Review by the SCM Committee of the Provisions of the Agreement on Subsidies and Countervailing Measures Regarding Countervailing Duty Investigations

Communication from the Dominican Republic

The following communication, dated 27 September 2001, has been received from the Permanent Mission of the Dominican Republic.

The Permanent Mission of the Dominican Republic to the United Nations and Other International Organizations in Geneva sends its compliments to the Director-General of the World Trade Organization (WTO), Mr. Mike Moore, and has the pleasure of transmitting herewith, on behalf of its own delegation and those of Bolivia, Ecuador, El Salvador, Guatemala and Honduras, a copy of the Joint Declaration adopted at the V Latin-American Conference on Free Zones on 31 August 2001 with the request that it be formally circulated as a public document through the General Council's special implementation mechanism and at tomorrow's meeting of the Committee on Subsidies and Countervailing Measures.

The Permanent Mission of the Dominican Republic would like to take this opportunity to highlight the important political message contained in this Joint Statement. This message is particularly crucial, as we prepare for the 4th Ministerial Conference, in instilling a sense of urgency in the discussions we have been holding at the WTO since 1998 in an effort to solve implementation problems relating to the Agreement on Subsidies and Countervailing Measures.

V Latin American Conference on Free Zones

Joint Declaration

On the occasion of the V Latin American Conference on Free Zones, held in Colon, Panama, from 30 to 31 August 2001, the representatives of the Latin American free zones,

Considering:

That the Agreement on Subsidies and Countervailing Measures (ASCM) of the World Trade Organization (WTO) provides for the elimination, as from 1 January 2003, of certain fiscal incentives which have made possible the creation and development of the free zones of Latin America;

That the free zones have become a valid instrument for the development of our peoples and an effective way of boosting income and improving the standard of living of our inhabitants;

That the significant contributions to economic and social development by the free zones have not yet sufficed to meet the basic needs of the peoples of Latin America;

That the elimination of the fiscal incentives applied in the free zones could have a highly negative impact on the ability of our countries to retain and attract investments, to maintain their employment levels and to prevent emigration to the developed countries;

That the Agreement provides for preferential mechanisms which favour investment in the relatively less developed countries;

Hereby declare:

1. That the Member countries of the WTO should ensure that our countries retain the power to continue granting fiscal incentives in the free zones by adopting a binding Ministerial Decision during the 4th Ministerial Conference to be held in Doha, Qatar, from 9 to 13 November 2001;
2. That the maintenance of the incentives granted in the free zones should be for an indefinite period of time, subject to the criteria established in the economic policies and development strategies of our countries;
3. That the representatives of the free zones of Latin America authorize the Committee on Free Zones of the Americas to examine the different alternatives submitted during the course of the V Latin American Conference on Free Zones with a view to proposing to the WTO, through its Members, alternatives for bringing the incentives of the free zone regime into conformity, where appropriate, with the provisions of the Agreement.

The members of the Latin American Committee on Free Zones are urged to contact their respective governments to ensure that they take the necessary steps to guarantee the implementation of the resolutions contained in this Joint Declaration and any other initiative that contributes to the further development of the free zones in our countries.

Done at Colon, Panama, on the 31st day of the month of August 2001.

Name of Representative	Country
Héctor Vargas	Costa Rica
José Clase	Dominican Republic
Galo Pinto	Panama
Fernando Álvarez	Honduras
Ricardo Antonio Ávila	El Salvador
Oscar Ewel	Bolivia
Carlos Lara	Ecuador
Isidoro Hodara	Uruguay
Germán Díaz	Ecuador
Gastón Barone	Argentina
Federico Domínguez	Dominican Republic
Silvia Castañer	Cuba
Ernesto Guerrero	Cuba
Juan Rivera	Colombia
Anilde Istillate	Venezuela
Claudia de Del Águila	Guatemala
Agustín Echevarría	Puerto Rico
Ernesto Moreno	Argentina
Ricardo Villanueva	Argentina
Fernando Moncayo	Ecuador

**COMPOSITION OF THE COMMITTEE ON FREE TRADE ZONES
OF THE AMERICAS**

Period 2001-2001

Chairman	Héctor Vargas, Costa Rica
First Vice-Chairman	José Clase, Dominican Republic
Second Vice-Chairman	Galo Pinto de la Ossa, Panama
Secretary	Fernando Álvarez, Honduras
Assistant Secretary	Oscar Ewel, Bolivia
Treasurer	Gastón Barone, Argentina
Member 1	Silvia Castañer, Cuba
Member 2	Isidoro Hodara, Uruguay
Alternate 1	Federico Domínguez, Dominican Republic
Alternate 2	Orlando Seghesio, Argentina
Alternate 3	Orlando Solórzano, Nicaragua
Inspector	Ernesto Guerrero, Cuba
