ACCESSION OF PANAMA

The statement made by the Vice Minister of Trade and Industry, Mr. José Troyano, at the meeting of the Working Party on the Accession of Panama to the World Trade Organization, held on 7 February 1995, is reproduced hereunder.

At the last meeting of the Working Party in April of last year we spoke, in connection with the accession of Panama to GATT/WTO, of a "new Panama" - a Panama committed to being not just another member, but also an active participant and contributor in the family of nations involved in international trade.

Our new Government, which took over the reins of the State in September 1994, has spared no effort in promoting the development of the country through a process of socio-economic transformations. These transformations rest on a number of economic adjustments aimed at making the economy more open and efficient, on the alleviation of poverty and on the modernization of the Panamanian State institutions.

The development project has moved from the conceptual stage to become a concrete reality. This has been possible largely thanks to the firm conviction of the new public administration that the opening up of markets and the globalization of the Panamanian economy represent the only way of modernizing the country. In his inaugural speech and in various public statements made since then, the President of the Republic, Ernesto Pérez Balladares, affirmed that the number one economic priority of Panama was its accession to GATT/WTO. On the strength of this mandate from the highest government authorities, Panama has gone a long way towards adapting its laws to GATT/WTO rules and regulations.

As some of you have been able to appreciate directly in the bilateral meetings which have taken place over the past two weeks, Panama has taken a number of "difficult decisions", and is ready to carry out the "real sacrifices" required by the proposals submitted, in spite of their economic and political impact which will obviously affect the productive branches of the economy as well as the social sector.

I think that it is appropriate at this point that I should describe the changes that we have introduced since the first meeting of the Working Party in order to bring Panamanian legislation into line with GATT/WTO requirements. At the same time I shall mention the other initiatives currently under way with a view to ensuring, in the shortest possible time, complete compliance of our legislation with GATT/WTO rules and achieving, as rapidly as possible, accession to this prominent organization, leader of World Trade.
The Cabinet approved a Draft Law on "Defense of Free Competition", shortly to be sent to the Legislative Assembly. This Draft Law contains a series of provisions aimed at developing a free market economy.

A preliminary draft law has been drawn up which sets out measures covering the regulation of procedures for import licences in accordance with the provisions of the Uruguay Round Agreement and aims at ensuring compliance with the principles of transparency and non-discrimination which characterise the entire body of GATT rules and regulations. It includes legislation with respect to unfair international competition, such as anti-dumping and countervailing measures, and establishes measures to safeguard domestic industry. All of this is being done in strict compliance with the corresponding GATT/WTO regulations. It should be stressed that the preliminary draft law completely eliminates the system of price regulation.

The Cabinet also approved a Draft Law eliminating, with immediate effect, all export subsidies in the industrial sector and setting a deadline for the elimination of such subsidies in the agricultural sector. This Law cancels Law 7 of the 3 May 1993 establishing sanitary regulations and regulating international trade in poultry.

The first of the above draft laws was submitted by our delegation to the GATT Secretariat for transmission to the contracting parties. The second of these draft laws is currently undergoing a process of internal consultation, following which it will be transmitted to the Secretariat for consideration by all members.

In order to comply with GATT provisions concerning import duties, we have drawn up a preliminary draft law eliminating consular invoices. At the same time, we are preparing a preliminary draft law doing away with the application of all import surcharges.

We have prepared a preliminary draft law on customs valuation which is fully consistent with the valuation procedures approved during the Uruguay Round.

We are submitting two preliminary draft laws regulating phytosanitary and zoosanitary measures and bringing the entire body of domestic legislation into line with the Agreement on the Application of Sanitary and Phytosanitary measures resulting from the Uruguay Round. These preliminary draft laws create a legal framework for regulations governing animal and plant health, and establish the basic principles governing any legislation in that respect.

As regards the preliminary draft laws, which have also been submitted to the Secretariat, our Government would appreciate any comments by the contracting parties so that any proposed changes could be incorporated into the drafts, if possible, before they are approved by the Cabinet.

Our task for the next two days is to discuss any areas in which you still see inconsistencies with respect to GATT regulations, and to clarify any doubts regarding the subjects already discussed.

Panama appreciates the assistance that it has received has well as the goodwill which every one of you has demonstrated. I would like to end this statement by repeating that we are ready to do our utmost to ensure the smooth and rapid accession of our country to the World Trade Organization. In this spirit, we look forward to a highly productive second meeting of the Working Party.