

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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Group of Negotiations on Goods (GATT)

Original: Spanish

Negotiating Group on Tariffs
Negotiating Group on Non-Tariff Measures
Negotiating Group on Natural Resource-Based Products
Negotiating Group on Textiles and Clothing
Negotiating Group on Agriculture
Negotiating Group on Tropical Products

URUGUAY ROUND - MARKET ACCESS

Communication from Venezuela

The following communication, dated 31 October 1990, has been received from the Permanent Mission of Venezuela.

The Permanent Mission of Venezuela to the United Nations Office and other international organizations at Geneva presents its compliments to the secretariat of the General Agreement on Tariffs and Trade (GATT) and has the honour to refer to our country's contribution to the Uruguay Round of Multilateral Trade Negotiations.

In this connection, it would be most grateful if the secretariat would kindly transmit this communication to the Chairmen of the Negotiating Groups on Tariffs, Non-Tariff Measures, Natural Resource-Based Products, Agriculture, Textiles and Clothing and Tropical Products.

"In recent years, Venezuela has implemented an economic reform programme aimed at modernizing its production structure and participating more actively in international trade.

"As part of these reforms, the country has made a major effort to liberalize its foreign trade régime, and in that context decided to accede to the General Agreement on Tariffs and Trade.

"Venezuela has greatly reduced its levels of protection. Thus, the ceiling on ad valorem tariffs was reduced from 135 per cent in March 1989 to 80 per cent in June 1989 and 50 per cent in March 1990. The tariff changes have brought a significant reduction in the average rate, from 37 per cent in 1989 to 19 per cent at present. Specific duties have also been eliminated.

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"In addition, Venezuela is one of the few countries to have bound its entire tariff in GATT. This represents a major contribution to the multilateral trading system. Venezuela bound its tariff at a level of 50 per cent when acceding to the General Agreement and assumed the commitment to reduce that level of binding to 40 per cent two years later.

"Likewise, considerable progress has been made in the elimination of non-tariff measures, where the roll-back effort has been striking. Thus, whereas in 1989, 11 per cent of tariff lines were subject to prohibitions, today only 2 per cent of tariff items are subject to them. Prior licensing affected 29 per cent of tariff lines in 1989, compared with only 3 per cent in 1990. Consequently, the system of protection for the domestic economy is essentially based on the use of tariffs.

"In agriculture, progress has also been made in this direction. The average tariff applied in 1989 was 36 per cent, which was reduced to 12 per cent in September 1990. In the case of non-tariff restrictions, the trade liberalization pattern is similar: In 1989, 20 per cent of agricultural items were subject to prohibitions and 38 per cent to prior licensing. In 1990, the number of tariff headings subject to prohibitions and to prior licensing was reduced to 2 per cent and 15 per cent, respectively.

"It should also be stressed that Venezuela, when acceding to the General Agreement, undertook to eliminate any GATT-inconsistent tariff measure within a period of three years from its accession in the case of the manufacturing sector and of five years in the case of the agricultural sector.

"Finally, it should be recalled that in the Report of the Working Party on the Accession of Venezuela to GATT (L/6696), it was agreed that Venezuela, as a participant in the Uruguay Round, would receive appropriate recognition for the liberalization measures adopted since 1 June 1986. Venezuela therefore wishes to express to the Negotiating Groups on Tariffs, Non-Tariff Measures, Natural Resource-Based Products, Agriculture, Textiles and Clothing and Tropical Products, that the measures described in this communication constitute its effective contribution to the Uruguay Round."