

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

RESTRICTED

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Surveillance Body

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ROLLBACK

Notification

The following communication, dated 17 October 1991, has been received from the Permanent Mission of Venezuela.

The Government of Venezuela wishes to inform the Negotiating Group on Market Access and the Surveillance Body of the Uruguay Round concerning the trade liberalization measures it has been implementing since its accession to GATT in September 1990. Its purpose in so doing is to fulfil the rollback obligations established in the Punta del Este Declaration and at the same time request that appropriate credit and recognition be granted in the Negotiating Group on Market Access.

1. Firstly, it should be stressed that the final report adopted by the Working Party which examined Venezuela's foreign trade régime states (paragraph 18 of document L/6696 of 29 June 1990): "... Members of the Working Party agreed that Venezuela, as a participant in the Uruguay Round following its accession to GATT, would receive appropriate recognition in that forum for the liberalization measures it has adopted since 1 June 1986."

2. In the course of its accession to GATT, Venezuela bound its entire Customs Tariff, without exception, at a level of 50 per cent and undertook to reduce this maximum to 40 per cent two years later. At the same time, it negotiated the binding of a large number of tariff items with its main trading partners at levels below that ceiling. By their nature and scope, these undertakings in themselves represented a significant contribution to the multilateral trading system, taking into account that very few contracting parties, including developed countries, have bound their tariffs in GATT in the way that Venezuela and other developing countries that have joined the General Agreement since 1986 have done.

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3. With regard to quantitative restrictions, Venezuela undertook to eliminate them or justify them under the GATT rules within a period of five years for the agricultural sector and three years for the manufacturing sector. However, Venezuela has advanced in the fulfilment of this undertaking by eliminating import prohibitions and almost all prior licensing requirements.

4. The number of tariff items subject to quantitative restrictions has been radically reduced, from 2,204 in 1988 to 200 in 1991. This has been accomplished despite the adoption of the Harmonized System in 1990, as a result of which the total number of items in the Venezuelan Customs Tariff increased significantly.

5. The weighted average of the Customs Tariff, which amounted to 35 per cent in 1988, has been steadily reduced, to 17.4 per cent in 1989, 13.5 per cent in 1990 and 10 per cent in 1991. Whereas in 1988 the proportion of items with a tariff of 20 per cent or less was 44 per cent, in 1991 it had risen to 85 per cent.

6. Moving ahead on the accession commitment whereby the Government of Venezuela undertook to reduce the customs service fee by 31 December 1993, in 1991 the fee was reduced from 5 per cent ad valorem to 1 per cent.

7. The export subsidy or export bonus programme has been abolished for all exports of industrial products. Until 1990, this bonus amounted to 35 per cent of the f.o.b. value of such exports. In addition, in the course of this year, all indirect subsidies granted to domestic producers have been eliminated and the fertilizer subsidy has begun to be removed.

8. In view of this series of measures taken since its accession to GATT, and continuing to this date, and furthermore as agreed by the members of the Working Party on Venezuela's foreign trade régime, the Government of Venezuela calls upon participants in the negotiations to grant it due credit and recognition in the market access negotiations.