

GENERAL AGREEMENT ON

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TARIFFS AND TRADE

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TRADE AND ENVIRONMENT

Statement by the Delegation of Venezuela

In view of the importance of the subject being discussed and the fact that the examination by GATT of the trade aspects of environment questions could have widespread repercussions, the Venezuelan authorities have undertaken a detailed study of the subject.

The government of Venezuela is acquainted with and approves the programmes for the preservation and sustainable management of natural resources, as has been clearly reflected in our participation in the international bodies that deal with environmental issues.

As regards environment legislation, Venezuela is advanced and at the forefront, both legally and institutionally, in Latin America. An area of approximately 150,000 sq.km. of the national territory is in one way or another subject to special legal protection. We recently adopted an indefinite moratorium on forest use in the Venezuelan Amazon region; to give an example, only forests under management are used for commercial purposes. In addition, the Venezuelan petroleum industry, in view of all the ecological implications of the extraction, production and export of fossil fuels, has devised programmes with a view to the protection and rational and sustainable use of the environment.

At the same time, Venezuela has been working on aligning its trade policy with the provisions of the General Agreement. As a result, it acceded to the GATT last year on the understanding that, as is recognized in the preamble to the General Agreement "relations in the field of trade and economic endeavour should be conducted with a view to raising standards of living, ensuring full employment and a large and steadily growing volume of real income and effective demand, developing the full use of the resources of the world and expanding the production and exchange of goods".
[...]

The importance and significance of the subject we are discussing are undeniable. However, we maintain that in the examination we must undertake together, we should consider not only how the environment is affected by trade practices but how international trade is affected by environmental measures.

It is worth recalling that GATT was created on the premise that world prosperity would grow in proportion to the increase in international trade.

To promote worldwide prosperity, the General Agreement imposes limits on the application of trade restrictions, and where such restrictions are inevitable, they must comply with clearly identified, well-defined and fair rules, agreed upon internationally.

That is why Venezuela is concerned that unilateral measures are being applied on the pretext of environment preservation, without due examination of their consequences by the international community. A number of countries, including Venezuela, are affected by such practices.

As we told the Chairman of the CONTRACTING PARTIES in his consultations on the revival of the working group on pollution and the protection of the environment, Venezuela is not questioning the actual procedure of a working group set up under the General Agreement being convened by any of the contracting parties.

However, we do question the urgency of convening such a group, given the critical stage that the Uruguay Round of Multilateral Trade Negotiations has now reached and we reiterate that GATT should address the issue of the links between trade and environment with caution, since discussions on the subject are already well advanced in other international bodies such as the United Nations Conference on Trade and Development (UNCTAD) and the United Nations Conference on Environment and Development (UNCED).

The Venezuelan delegation wishes to stress that it is not in agreement with either the working group's terms of reference or its composition. The terms of reference are obsolete, limited and discriminatory in view of the evolution in the international community's approach to trade and the environment of the last 20 years.

As we said during the consultations on this question, it would be useful if the contracting parties had at their disposal the report on the informal meeting on international trade and the environment, held in Oslo in February and March of this year.

In our opinion, this is a well-balanced report and could contribute to future work on the subject. We therefore suggest that the GATT secretariat should contact UNCTAD so that this valuable document can be made available to us.

Referring to document Spec(91)21 of 29 April 1991, entitled "Outline of Points for Structured Debate on Environmental Measures and Trade", the purpose of the debate is to "identify measures taken on environmental grounds which could affect trade and development in the light of the provisions in GATT and Tokyo Round instruments". In this connection, we hope to have enough time to examine the subject in depth and obtain results that are satisfactory to all the contracting parties.

Venezuela has reiterated that, although the elements presented before the GATT Council may be relevant, they should constitute only a contribution to the 1992 conference.

By treating them thus, we would be complying with United Nations General Assembly resolution 44/228 under which GATT is required to make a contribution that would assist governments in taking decisions within the global framework of development.

Furthermore, GATT should recognise the efforts being made by other international institutions in the area of environment, and take account of the trade commitments laid down in international agreements on the environment that have already been negotiated, as well as those that are still being discussed.

Like the ASEAN countries, we are of the opinion that it would be useful for the contracting parties to have background factual documentation on trade practices that affect the environment directly or indirectly. We also endorse the request made by the Uruguayan delegation during the informal consultations, that the secretariat produce a document on the work being done by the Preparatory Committee for the Rio Conference.

With regard to the reference to environmental regulations containing provisions on products, production methods, etc., it is the Venezuelan delegation's understanding that all contracting parties are free to establish the sanitary and other regulations that they deem necessary to protect the environment, provided that they are applied within their national territories and not outside them. This principle must be maintained in any future rules. We also believe that such rules should not give rise to new unjustified barriers to trade.

We consider that if the legal void caused by the absence of clear GATT rules on trade and environment is not filled, we shall continue to be affected by the practice of recourse to dispute-settlement mechanisms in order to resolve conflicts in this area. This would be regrettable, as the dispute-settlement mechanisms should be a last resort for contracting parties. Moreover, in the absence of multilaterally-defined regulations, countries lack the necessary parameters to prevent trade practices that are detrimental to the environment.

Turning lastly to the articles of the General Agreement and Tokyo Round instruments relevant to trade measures taken for environmental purposes, we consider that the link between these provisions and environment measures confirms the need to proceed slowly. In the course of our discussions in this body we will probably reach the conclusion that to bring about changes in international trade practices in order to protect the environment, it will be necessary to re-examine and perhaps reformulate the actual text of the General Agreement. If this is the case, the results of the Rio de Janeiro Conference will without doubt be an invaluable tool for any such reform. The scale and importance of that task are such that it would be a serious error to entrust it solely to a working group, however competent it may be.