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VENEZUELA

Statement by H.E. Dr Luisa Romero Bermudez
Minister of Production and Commerce

The need to review the multilateral trading system

1. This Conference is taking place at a time when the global economy is in an unusual situation, when the industrialized countries all appear to be in the grip of a recession and when many developing countries are evaluating what they have gained from the liberalization of trade in support of their development, the well-being of their peoples, poverty reduction, the diversification and strengthening of their production sector and growth in their trade. This is the context in which Venezuela emphasizes once again the basic main elements of its concern and its position on the multilateral trading system, the latter's future and its impact on the well-being of our peoples, which has already been expressed in other forums such as the Seattle Conference.
2. This could be the time to ask ourselves what we expect from the multilateral trading system from the development perspective so that we can assess the challenges it raises for Members of the WTO. To summarize, in practical terms, this is a valuable opportunity to undertake an objective evaluation of the results achieved under the Uruguay Round Agreements.
3. For Venezuela, participation in this Fourth Ministerial Conference is particularly significant because we are involved in building a new project for our country with a view to more beneficial integration in the global economy based on diversification of our production sector in a world that we would like to see multipolar, with a more balanced and equitable system of economic relations. Our message today outlines this perspective and gives our vision of development, trade and the liberalization process; it also explains Venezuela's position on the main topics to be covered at this Meeting.
4. Many countries welcomed the liberalization of trade, especially after the Uruguay Round, with the legitimate expectation of participating in its benefits. Nevertheless, the benefits obtained by the majority of developing countries have been slender in comparison with their expectations, despite the great sacrifices they have made to adapt their economies and observe the commitments and disciplines, and despite the efforts they have made to gain greater access to global markets.
5. The international community must be aware of the great efforts made by many countries to adapt to the rules of the WTO, but there has been little evidence that this effort has yielded trade benefits that are satisfactory in terms of their economic development needs, equity and real improvements for their peoples.
6. These considerations lead us to suggest that it is time to review the process of liberalizing the global economy from a broad perspective. The purpose is not to turn aside from the process, as it can be useful, but rather to put right its defects, to perfect it and to make it into a genuine catalyst for

development, in terms of social impact and not only growth in trade. This process should allow our countries to participate effectively in the benefits of trade, changing the multilateral system into a practical tool for the fulfilment of the economic, social and political aspirations of all societies in the world.

Practical expression of the development dimension in the agreements and negotiations

7. The aim of our efforts towards the international integration of our economies should be the development and well-being of our peoples and, consequently, the trade liberalization process should be evaluated in terms of its aptitude to contribute towards the objectives fixed. We stress that the future progress of the multilateral trading system should not only seek to liberalize trade. It is not enough to increase the trade of developing countries, they also need to be helped to diversify their production, give their exports added value, strengthen technology, maximize trade's impact on well-being and employment, and what is lacking in particular is the willingness of industrialized countries to establish genuine mechanisms to open up access to their markets. These objectives cannot be achieved through liberalization alone and the multilateral trading system cannot help to achieve them if in the future its objective is simply liberalization *per se* without including effective and concrete provisions, rules and mechanisms to promote these objectives and to consolidate the economic and social development of the countries.

8. From this standpoint, we can only justify extending the WTO negotiations beyond the mandates in the "built-in agenda" that was the outcome of Marrakesh if they really include the dimension outlined in these objectives in the form of rules and provisions.

9. This is how we see the development dimension so often mentioned, which must serve as a framework and a guide to the future progress of the multilateral trading system, its negotiations and the implementation of its disciplines. In other words, the development dimension described must become an effective part of the system. This can only be achieved through priority action and commitments in three areas.

10. On the one hand, one result of this Conference should be to provide a firm commitment to finding effective solutions to the implementation problems inherent in certain Uruguay Round Agreements, which have made it difficult for developing countries to enjoy the expected benefits of trade, as has been the case for agriculture, for example.

11. Secondly, the concept of special and differential treatment must be re-evaluated so that it goes beyond its current limited and diffused scope, which only consists of time-limits and promises – not always fulfilled – on international cooperation. The concept of special and differential treatment must be included in the Agreements in an operational and binding form. In essence, what needs to be done is to ensure that rules are not simply used to regulate imbalances, and the adoption of different commitments according to the Members' levels of development should be recognized as legitimate.

12. Thirdly, the agreements to be negotiated should be sufficiently flexible to allow developing countries to implement policies to develop production that are in harmony with the market, in other words, the concept of "spaces for development policies" should be legitimized and this should also be done for other issues such as access to technology, giving the possibility of applying active policies in respect of offer with the aim of increasing the value added, diversifying production, encouraging technological progress and promoting the economic growth of depressed areas in developing countries.

Access to technology and open regionalism: two fundamental issues for developing countries

13. There are two issues concerning multilateral rules which we would like to highlight in particular before commenting on the specific topics of negotiation discussed at this Conference. Two issues on which the opportunities for successful international integration of developing countries largely depend and which should therefore receive positive treatment in the WTO's agenda. The first of these is guaranteed access to technology and the second is the support to be given to strengthening regional integration and free-trade agreements among developing countries.

14. Following the Uruguay Round, the multilateral rules laid down limits on the use of certain instruments to promote technological development, for example, subsidies and other incentives. The multilateral agenda also included issues concerning trade-related investment measures, on the one hand, and intellectual property rights on the other. These two areas are closely linked: on the one hand, the mastery of technological innovation, which is related to development policies and, on the other, the WTO rules, which originally only covered trade policies. Their importance for developing countries is quite obvious because the competitiveness of their production and trade depends on narrowing the existing gap in technological development at the international level. This is why Venezuela once again emphasizes that the multilateral rules should be designed in such a way as to guarantee a space for development policies and should be implemented in a manner that helps to increase our access to technology on reasonable trade terms, rather than preventing such access or making it difficult due to adoption of the rules.

15. We also consider that the multilateral system should help to strengthen and reinforce integration agreements because, rather than being an obstacle or threat to the system, they complement it and are an effective means of allowing small economies gradually to scale-up production and gain force to participate global trade.

The preparatory process for this Ministerial Conference and the essential determinants of our position

16. The preparatory process for this Conference has not been easy, on the contrary, it has been complex and difficult. Venezuela has taken an active part, bearing in mind the factors we have described, trying to ensure that the framework that may be established for the negotiations contributes to better integration of developing countries and of Venezuela in the global economy.

17. In this connection, the progress that may be achieved on implementation, as well as the concrete inclusion of the development dimension in the future programme, in areas of particular interest to Venezuela such as agriculture and services, investment and industrial tariffs, for example, should be highlighted.

What should be the aim of the negotiations on the built-in agenda?

18. Turning to the issues for the future work programme, we should highlight the subjects for negotiations on the built-in agenda, starting with agriculture. Further reform of trade in agricultural products is of vital importance to our countries. It should seek the abolition of the subsidies that destabilize global markets in agricultural products, as well as the establishment of an appropriate framework for achieving the objectives of food security, rural development and poverty reduction. As far as the developing countries are concerned this means reviewing the special and differential treatment and including flexible policy provisions that allow these countries to succeed in developing their agricultural and food sectors.

19. Venezuela is particularly interested in the negotiations on trade in services. Services are the main value added economic activity and their development can prove an effective tool in diversifying our exports and building a knowledge-based economy in our countries. The current negotiations on

trade in services have agreed guidelines and negotiating procedures that include elements of extreme importance to Venezuela: the right to regulate the supply of services, to set conditions for access to our market, the maintenance of the structure of the Agreement, and negotiating methods that give priority to the request/offer system.

Electronic commerce and government procurement

20. An agreement on transparency in government procurement would help to increase competition among suppliers and consequently the efficiency of purchasing by our public sectors. Venezuela welcomes the commencement of negotiations on this subject and considers that they should be restricted to transparency, giving due consideration to national practices and allowing developing countries to use government procurement as a policy instrument to strengthen small and medium enterprises and their domestic production apparatus in general.

21. Venezuela attaches particular importance to information technology and electronic commerce, whose development is helping to reinforce a new technological model that is changing methods of production and value-added and revolutionizing the way in which we communicate and trade. This is why we support the view that the WTO should study the implications of electronic commerce and the possible application of multilateral rules in this respect.

Intellectual property, technological development and health

22. The Government of Venezuela considers that the application of intellectual property rules should be fair and equitable so that they are beneficial to the economic and social development interests of our countries. The revision of the TRIPS Agreement should therefore take into account the adoption of mechanisms to protect intellectual property rights relating to traditional knowledge and incorporate in the Agreement the principles and objectives of the Convention on Biological Diversity. It should also seek to give effect to the objective of transfer of technology for the purpose of building national capacity in all areas of research and the application of innovation. As we have already said, raising the value-added of our exports, diversifying our economies and becoming really competitive means that our countries need technological development so the rules on property must act as incentives and not obstacles.

23. The TRIPS Agreement and public health policies are related and we therefore support a special declaration on this issue that leaves no room for doubt regarding its interpretation. Any interpretation of the Agreement that prevents the implementation of health policies, restricts access to medicines at low prices or prevents States from using the safeguards allowed by the Agreement must be stopped. We call on Ministers to confirm that the flexibility contained in the TRIPS Agreement should be given practical expression through an appropriate interpretation in support of public health in general and access to its benefits for the peoples in developing countries.

Effective market access: WTO rules, tariffs and trade facilitation

24. Trade in manufactures from developing countries is frequently subject to pressures and restrictions that do not allow the benefits expected from this trade to be obtained. On the one hand, the relative prices of commodities continue their downward trend, and on the other, access to the markets of industrialized countries by products from our countries with higher value-added is limited by the abusive or unjustified application of anti-dumping measures, barriers based on technical standards, and lack of stability and tariff peaks. Venezuela therefore welcomes the inclusion of a negotiating mandate in the future work programme that will permit an evaluation and revision of the current rules on subsidies and antidumping so that their implementation is regulated and made more transparent and special and differential treatment is put into practice.

25. For the same reasons, as regards the proposal on initiating market access negotiations for non-agricultural products, in principle Venezuela could support such negotiations to the extent that they effectively recognize that special and differential treatment for developing countries should be re-evaluated so that the final agreement gives these countries sufficient flexibility as regards policies, preferences during the transition periods, and also tariff reductions based on the bound levels. In addition, Venezuela proposes that the negotiations should give priority to eliminating tariff peaks and escalation that affect products with higher value-added from developing countries.

26. Another subject that is closely related to any commitments that might be made on access is the rules on trade facilitation. Venezuela shares the view of many countries regarding the importance of expeditive and efficient procedures at the border which do not nullify the expected effects of the trade liberalization commitments given. Nevertheless, the development of the existing provisions and their transformation into more extensive and specific rules, subject also to the dispute settlement mechanism, would not necessarily support the efforts made by developing countries to modernize their customs services and make them more efficient. On the contrary, it could be counter-productive if the reform process under way in countries such as Venezuela is made subject to outside pressures and requirements that ignore the progressive nature and the limits of such reforms. Consequently, at this Conference, Venezuela could not support the initiation of negotiations on trade facilitation that will lead to rules subject to the Dispute Settlement Body. We can accept the definition of multilateral voluntary schemes, based on cooperation programmes that effectively take into account the needs of developing countries in this respect.

The WTO Dispute Settlement Understanding

27. Venezuela has directly benefited from the balanced and fair functioning of the WTO's dispute settlement mechanism and considers that the Dispute Settlement Body, which guarantees confidence and predictability, is a fundamental – if not the main – element of a multilateral trading system. This is why we would like to see this Conference adopt a series of amendments to the Understanding that, even though not comprehensive, deal with an essential element of the mechanism, namely the sequencing. We regret that the political will needed to reach a consensus in this respect has not been sufficient, but we shall continue to take part in the revision of the mechanism so that this and other aspects can be dealt with positively as soon as possible.

The rules of the multilateral trading system and the issues of the environment and labour standards

28. For Venezuela, the protection of the environment and sustainable development, on the one hand, and human rights, including labour rights, on the other, should be taken into account in national development policies and in international policies and rules because they are part of a concept of peoples' fulfilment which we share, human development. Nevertheless, we consider that the WTO's contribution to such fulfilment should be to include development objectives in the disciplines that are its responsibility and not to try to become a forum for the search for solutions to environmental and labour problems.

29. This is why we emphasize that the WTO should not link the multilateral rules on international trade to these other issues and that there are other appropriate disciplines, mechanisms and forums for responding to the concerns raised by such issues. In this respect, we recognize and support the ILO Declaration on Fundamental Principles and Rights at Work, and the multilateral environmental agreements, as well as the agreements resulting from the Earth Summit, *inter alia*, which include broad and comprehensive reviews of the specific issues, including their application to international trade.

30. If the WTO wishes to be credible in the eyes of the peoples of the world it cannot remain aloof from human development questions. Its role is to include the social development dimension properly in the area of trade.

The debt of developing countries

31. I would not like to end without expressing to this Ministerial meeting our support for the initiatives taken within the WTO to study the contribution that the multilateral trading system can make to the problem of the debt of developing countries and the complex relationship between international trade and financial flows, in particular, how to ensure that the financial crises in developing countries do not have a negative impact on trade and thus accentuate the vicious circle of poverty, thereby raising the price of recovery.

Accession of the People's Republic of China

32. We welcome with satisfaction the accession of the new Members of this Organization. We are sure that the accession of the People's Republic of China will mark a change in the system's structure because of China's status as an agricultural economy, its impact on global trade and its large population.

33. In conclusion, Mr Chairman, we should like to express, through you, to the Government of the Emirate of Qatar and the authorities of the city of Doha our gratitude for their hospitality and for their contribution to the holding of this Fourth Ministerial Meeting.
