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VENEZUELA

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At this Fifth Ministerial Conference of the World Trade Organization, it is my responsibility to communicate to the international community and social organizations some of the Venezuelan Government's considerations regarding the current status of the WTO negotiations.

1. **Balance between the commitments arising from and the results of the Agreements**

Since the multilateral trading system was established, it has been claimed that sustainable human development would be achieved through the liberalization of trade. A few years later, there can be no doubt as to which countries have come out on the winning side and which on the losing. As the *Human Development Report 2003* shows, exports by countries with a low human development index fell from 0.86 per cent in 1990 to 0.66 per cent in 2001, compared with 82.2 per cent for nations with a high index. This is indisputable evidence of who have been the losers in the Uruguay Round.

2. **No further commitments**

In spite of developing countries' endeavours to adapt to these rules, their standard of living has not risen and the restricted access of most of the world's population to basic subsistence goods and services is cause for concern. This is why we suggest that there is a need to refrain from undertaking further commitments until the wide and extensive range of pending issues, basically those affecting developing countries, has been resolved.

The Government of Venezuela considers that, before entering into any new negotiations, there should be a public review of the implications of the Marrakesh Agreements and their impact on economic growth, the reduction of inequalities between countries, employment, and the environment, as requested of the European Union by the Economic and Social Council (ESC).

3. **Priority given to combating poverty and social exclusion**

Little importance has been attached to the fight against poverty and social exclusion in the negotiations aimed at liberalizing and deregulating trade and investment. For free trade to be able to translate into higher standards of living and greater well-being for the world's populations, the WTO will have to tackle the real barriers to free trade, namely:

- (a) The unequal terms of trade;
- (b) access to information, knowledge and technology;

- (c) the disparities and imbalances which place countries of the South at a disadvantage in comparison with powerful Northern nations;
- (d) the burden of an unpayable foreign debt;
- (e) the negative impact of the structural adjustment policies imposed by international financing institutions;
- (f) the obstacles to accessing international financing;
- (g) the failure of the industrialized world to allocate at least 0.7 per cent of its GDP to development aid;
- (h) the barriers which prevent developing countries from implementing their own growth and development plans.

4. Implementation of public policies

There is still an ideological bias in favour of the market over State action. Evidence is to the contrary, however, and the last two decades have witnessed accelerated liberalization whilst at the same time inequalities among countries have proliferated. Undisputed facts such as these call for the issue of appropriate State intervention to be considered anew and a role claimed for *public policies* as these are the conditions without which achieving the sought-after goal of equitable, democratic and environmentally sustainable development would prove impossible.

5. New players in the multilateral trading system

Only by way of a participatory negotiating process for society as a whole - business sectors, workers, indigenous women's cultural and environmental organizations, political parties, parliaments, the press - can we reaffirm that we are moving towards a process that can be described as truly democratic and a source of wealth.

6. Democratization of decision-making and negotiations

We acknowledge the efforts made by the present Director-General of the WTO to make crucial rules and decisions public, as well as his interaction with social organizations. However, it is no less certain that some untransparent informal mechanisms continue to exist in the negotiating process whereby the interests of the major powers generally end up prevailing.

7. Precedence of human rights over trade

There is a marked tendency to give commercial rights precedence over human rights. The establishment of a new subject of rights in trade rights puts businesses on a level equivalent to people and States. For the Government of Venezuela, economic, cultural and civil rights are and will remain interdependent, indivisible and inalienable. Commercial interests cannot take priority over human rights and the sovereignty of States.

8. Agriculture and protectionist policies

We endorse the diminution of protectionist policies and the ruinous subsidies given by industrialized countries, but this exigency should not become a generalized obligation that prevents developing countries from making use of government policies in order to compensate for their disadvantages in comparison with the major powers which subsidize their farmers. Even if tariff barriers against developing countries were limited, it is impossible to compete with the prices

subsidized by countries of the North. These compete unfairly on our own domestic markets and their competitive advantage would be even greater if our tariffs were lowered or eliminated. Even if the powerful countries were to eliminate such subsidies and support for their products, the relationship would still be unequal. This is why we should not be asked to do the same thing and assume greater liberalization commitments.

9. Intellectual property rights or the right to health

There is still insistence on building an intellectual property protection regime that is highly prejudicial to poor countries. Such a regime should not become an obstacle to peoples' right to enjoy scientific and technical progress, access to medicines, education and good quality food. Venezuela recognizes the supremacy of international agreements on human rights, health, food security and biological diversity over and above intellectual property rights. We support the right of indigenous peoples and peasants to protect their ancestral knowledge and the right of farmers to protect their seeds.

10. Protecting the state's obligation to provide strategic services

Services that are essential to the population and services determined by the Constitution and the legislation should remain public. In this connection, it is necessary to ensure a proper margin of protection and exclude such services from attempts to liberalize them that prevent access by the population, particularly by the poorest sectors, to basic services such as health, education, justice, security, etc.

Venezuela remains faithful to the principles laid down in its Constitution and will retain the ownership, management and control of natural energy resources and related industries. These may not be the subject of any liberalization, deregulation or privatization process that restricts the sovereign right of the State and the Government to formulate and implement development policies and strategies best adapted to the national interest.

The Members of this Organization are once again facing the same dilemma they faced in Seattle in 1999 and Doha in 2001. Can we continue with the current international trading system, which benefits a few and harms many? Or can we with boldness, courage and vision face up to the changes needed to promote and develop international trade relations that serve equitable human development? Venezuela believes in an option that promotes fair trade among our countries and, consequently, is able to overcome poverty and unequal development.

This is the challenge we must take up before our people, this is the commitment we must fulfil!

We note with satisfaction that 21 countries have joined together to negotiate agricultural issues with the European Union and the United States, with dignity, determination and forcefulness, in an historic step forward in the quest for fairer trade.

Lastly, I should like to thank the Government and people of Mexico for their warm welcome and the courtesy shown to us.
