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## VENEZUELA

Statement Circulated by Dr. Hector Maldonado Lira,  
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1. The holding of the Second Ministerial Conference of the World Trade Organization is a cause of satisfaction for Venezuela, especially as it coincides with the commemoration of the 50th Anniversary of the multilateral trading system. Our country considers that the liberalization of trade and the integration of economies are the foundations for economic growth and that, through such growth, they can contribute to the social development of nations.
2. The Uruguay Round has made important contributions to strengthening those foundations, increasing market access opportunities and consolidating a set of multilateral rules and disciplines. With the support offered by these rules and disciplines, countries should be able to orchestrate international economic policies which will become more and more harmonious and complementary, while remaining consistent with the development objectives of each and every one of them. It is the joint responsibility of the developed and developing countries to ensure that both the implementation of the existing rules and disciplines and their improvement and possible extension, are in keeping with those purposes. We must not lose sight of the fact that we are united in seeking the well-being and fulfilling the hopes of progress of each of our societies, objectives of which liberalization should be an instrument.
3. The preamble to the Agreement Establishing the World Trade Organization recognizes that trade relations should ensure positive achievements in terms of employment and an increase in real income and production. This is consistent with the concept of liberalization as an instrument of development, both in its expressions of economic growth and in those of the social progress of countries. Consequently, the multilateral trading system itself, in the gradual refinement of its rules, should offer opportunities for the developing countries and the least-developed countries to acquire policy tools which are effective in stimulating a productive development which will serve them as a basis for their successful integration in world trade.
4. Within this framework, the liberalization of trade becomes a necessary component of the economic reform programmes which many developing countries and least-developed countries are implementing. But we must recognize the real difficulties that some of those countries can encounter both in adopting the adjustment measures required by the multilateral system and in dealing with the social costs and domestic tensions that are usually generated in the transition phases.
5. A crucial area in which what has been said with regard to productive development policies is of considerable relevance is that of foreign direct investment, where our countries must guarantee non-discriminatory treatment and the necessary legal security for investors while at the same time maintaining the capacity to orchestrate incentives designed to attract more investments and ensure technology transfer to activities and lines whose modernization and integration are regarded as priorities.

Future negotiations in this area must not lose sight of the need to establish provisions that effectively respond to these requirements.

6. On the other hand, the implementation of some agricultural disciplines presents significant challenges to developing countries which, like Venezuela, are net importers and are engaged in a process of modernizing and increasing productivity. In this sector, the developed countries must commit themselves, in the coming negotiations, to reducing the asymmetries in their favour resulting from the Uruguay Round negotiations. The commitments assumed by our country on that occasion have been steadily and effectively put into practice, although the effort at liberalization and modernization has not been free from social and political repercussions and has had to be supplemented by measures intended to encourage, within the framework of the multilateral rules, the stability of production and employment. This is a priority area for Venezuela on the agenda of negotiations within the WTO and we hope that those negotiations will reduce the asymmetry which exists in favour of the major agricultural producers while offering opportunities for the adoption of rules that will facilitate the application of policies directed towards the productive development and improved competitiveness of our agriculture.

7. The cases I have mentioned are examples of situations where the principle of the special and differential treatment of developing country Members, which must be maintained and strengthened in the multilateral trading system, must be given concrete and effective expression.

8. Venezuela, which is playing an active part in various systems of open regionalism, has no doubts concerning the compatibility and complementarity of regional agreements within the multilateral system. We view the regional agreements as strengthening the results of the Uruguay Round, since they contribute to the growth and liberalization of international trade. We must also highlight the efforts being made by the regional blocs to promote the rationalization of regulatory frameworks within their markets, thus consolidating the process of transparency and modernization of institutions, and contributing to the fulfilment of the obligations of the multilateral trading system.

9. The transparency and balance of interests with which the future work of the WTO is carried out will guarantee the stability and credibility of the multilateral trading system. In our view, the WTO has two basic tasks in the immediate future: to resolve the implementation problems and to continue assessing the fulfilment of the obligations under the Agreements already in force, on the one hand, and to continue improving those Agreements as provided for in the "built-in agenda" and the decisions of the Singapore Ministerial Conference, on the other. For Venezuela, the negotiation and review of Agreements provided for in the built-in agenda should be given priority over the negotiation of new subjects, particularly if they lead to new obligations that would be difficult for some developing countries or least-developed countries to fulfil. The multilateral trading system cannot ignore the difficulties of a social, economic and political nature which some of these countries must face in coping with any new obligations that they must accept in the future.

10. In the opinion of Venezuela, it would be premature for this Conference to reach decisions concerning the content or modalities of future negotiations, though that is no obstacle to the existing working groups continuing and deepening their work within their present mandate. We do not object to the WTO beginning, from 1999 onwards, to consider possible proposals that its Members may wish to submit on new subjects, but we must emphasize that it will be for the Third Ministerial Conference to determine the modalities and the scope of such discussions.

11. At this moment, when we are still in the stage of implementing the Uruguay Round Agreements, technical assistance is not only a basic factor in enabling the developing countries to put into practice the reforms needed to adapt to the requirements and obligations of the multilateral trading system, but also a mechanism for developing their capacity to enjoy the benefits of trade liberalization. Venezuela applauds the activities aimed at developing and promoting greater participation of the least-developed

countries in the WTO system and considers that those activities should continue, without prejudice, however, to their access to the activities benefiting the other developing countries.

12. Venezuela regards as counter-productive the attempt to link the multilateral rules of international trade with subjects that are outside their scope such as the defence of human rights and the rights of workers. We repeat that those topics have more suitable and specialized forums in which they are dealt with by our Governments and by the national sectors concerned, forums in which our country participates actively in defending and promoting those rights throughout the world.

13. Our country wishes to highlight the importance of the dispute settlement system as a means of guaranteeing the ongoing confidence of Members in the WTO. To that end, it reiterates the importance of the review process approved at the Singapore Ministerial Meeting, inasmuch as it will make it possible to improve the system, enabling Members to exercise their rights and fulfil their obligations in a more effective and transparent manner. That is why Venezuela reiterates its opinion that the efficacy of a mechanism of this kind will be maintained to the extent that effective participation by the Member States in the various stages of the process is guaranteed, without limitations that could arise from any incapacity to obtain legal advice or from the lack of the economic resources to cover the costs of using the system.

14. Lastly, I wish to take the opportunity of Venezuela's participation in this important meeting to express our gratitude for its excellent organization and to express our pleasure, once again, at the commemoration of the 50th Anniversary of the multilateral trading system.

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