

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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VENEZUELA

Statement by Mr. P. Alberto Poletto
Minister of Foreign Trade

On behalf of the Government of Venezuela I would like to express our tremendous satisfaction on this memorable occasion as we prepare to sign the Final Act of the Uruguay Round of Multilateral Trade Negotiations and the Agreement Establishing the World Trade Organization (WTO). We believe that both Agreements fully come up to the expectations raised when these negotiations were launched and provide a solid basis for the future development of world trade.

Venezuela has put an enormous effort into liberalizing its economy, keeping tariffs low, with a simple and transparent structure, eliminating non-tariff restrictions, and export subsidies and opening the door to government procurement and foreign investment. Although, in our opinion, these reforms have all been necessary, we should recognize that their implementation has called for great social sacrifice and entailed a considerable political cost. Improvements to the standard of living of the population should be the highest priority of our Government. It must be achieved through cooperation and social solidarity, the framework for our policies on economic growth which, in the changed circumstances, cannot by themselves guarantee the social well-being of the population. It is our belief that all countries should pursue the policies of foreign trade liberalization we are advocating.

Venezuela's assessment of the results of the Uruguay Round would indicate that the decision to accede to the GATT and take part in these arduous negotiations will, on balance, prove to be advantageous for our country.

With regard to market access, we hope that the visible trend towards the opening-up of trade will be confirmed, thus benefiting our non-traditional exports. This might be the most appropriate compensation for Venezuela's contribution to the negotiations in this area.

Without clear and tighter regulations to eliminate discretionary measures and unilateralism, there will be no genuine and effective basis for market opening. In this regard, we are in no doubt that this is an area in which the Uruguay Round has made one of its most important breakthroughs. Furthermore, developing countries have made significant commitments in all the negotiated agreements, which Venezuela will honour despite any domestic difficulties which may arise.

With regard to trade in services, the agreements reached are, without doubt, positive. On the one hand, a coherent and fair Framework Agreement was drawn up, containing general standards which will govern world trade in this dynamic sphere of production and, on the other, the foundations have been laid for progressive trade liberalization in this sector, taking account of countries' various levels of development.

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Our serious and constructive participation throughout these negotiations helped to give concrete shape to the clause on special and differential treatment for developing countries, an issue of fundamental importance to be taken into account in trade relations between the Organization's member countries.

We would like in particular to mention the establishment of the World Trade Organization which restores the necessary balance between the multilateral institutions envisaged at Bretton Woods almost 50 years ago. Obviously, the complexities resulting from the current globalization of the world economy could not be satisfactorily dealt with within the organizational structure inherited from the GATT of 1947.

In this regard, we hope that the WTO that emerges from the Uruguay Round will be suitably equipped to meet these challenges and those thrown up by the trend towards the creation of closed regional blocks, not geared to open and convergent integration.

Similarly, environmental protection is one fundamental aspect of our government's priorities, and therefore we endorse the treatment of this question by the WTO, in the context of sustainable development. However, we must be constantly aware of the threat posed by the abuse of environmental concerns to create a smoke-screen for protectionism. There is much recent evidence for this with serious consequences for our country. In this regard, we reaffirm our conviction that trade and the environment are not incompatible and must be part of a harmonious and interrelated system.

Furthermore, the establishment, observance and consolidation of the social rights of workers are of the utmost importance to our Government and must be strengthened as world trade expands. Nevertheless, we are concerned that these legitimate considerations may become instruments of protectionism which cancel out the current advantages of developing countries before they have attained a higher standard of living and well-being for their peoples. Furthermore, due consideration must be given to the fact that this issue is dealt with at the multilateral level by other major institutions, such as the International Labour Organisation which will soon celebrate 50 years of uninterrupted work in this area.

These items on the WTO's agenda show to what degree the objectives outlined at Punta del Este have been exceeded in the course of the negotiations.

Consequently, we believe that the WTO will become one of the most important world organizations because of its broad possibilities for action on issues not envisaged in the original 1947 GATT and will provide a clear demonstration of progress and awareness of the need to modernize the entire world institutional structure so that it can cope with the new situations of today and a future of constant change and transformation.

This meeting in Marrakesh, where we will formally conclude the Uruguay Round, also marks the culmination of a fundamental and unprecedented stage in the history of world trade. The results obtained by countries such as Venezuela are generally positive, even if they fall short of our initial expectations, since our country, like others, has had to moderate its aspirations in order to achieve the necessary consensus. What is important now is to recognize that we are just at the beginning of the road leading to an expansion of trade that will help to promote the social well-being of our people and strengthen peace and democracy.

May I conclude my statement by thanking His Majesty, the King of Morocco, and his people for their warm hospitality and for welcoming us to this beautiful city for this memorable event.