

PRESS RELEASE

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TRADE POLICY REVIEW BODY

REVIEW OF BOLIVIA

TPRB'S EVALUATION

The Trade Policy Review Body of the World Trade Organization (WTO) concluded its second review of Bolivia's trade policies on 19 and 21 July 1999. The text of the Chairperson's concluding remarks is attached as a summary of the salient points which emerged during the discussion. The review enables the TPRB to conduct a collective examination of the full range of trade policies and practices of each WTO member countries at regular periodic intervals to monitor significant trends and developments which may have an impact on the global trading system.

The review is based on two reports which are prepared respectively by the WTO Secretariat and the government under review and which cover all aspects of the country's trade policies, including its domestic laws and regulations, the institutional framework, bilateral, regional and other preferential agreements, the wider economic needs and the external environment. A record of the discussion and the Chairperson's summing-up together with these two reports will be published in due course as the complete trade policy review of Bolivia and will be available from the WTO Secretariat, Centre William Rappard, 154 rue de Lausanne, 1211 Geneva 21.

Since December 1989, the following reports have been completed: Argentina (1992 & 1999), Australia (1989, 1994 & 1998), Austria (1992), Bangladesh (1992), Benin (1997), Bolivia (1993 & 1999), Botswana (1998), Brazil (1992 & 1996), Burkina Faso (1998), Cameroon (1995), Canada (1990, 1992, 1994, 1996 & 1998), Chile (1991 & 1997), Colombia (1990 & 1996), Costa Rica (1995), Côte d'Ivoire (1995), Cyprus (1997), the Czech Republic (1996), the Dominican Republic (1996), Egypt (1992 & 1999), El Salvador (1996), the European Communities (1991, 1993, 1995 & 1997), Fiji (1997), Finland (1992), Ghana (1992), Guinea (1999), Hong Kong (1990, 1994 & 1998), Hungary (1991 & 1998), Iceland (1994), India (1993 & 1998), Indonesia (1991, 1994 & 1998), Israel (1994), Jamaica (1998), Japan (1990, 1992, 1995 & 1998), Kenya (1993), Korea, Rep. of (1992 & 1996), Lesotho (1998), Macau (1994), Malaysia (1993 & 1997), Mali (1998), Mauritius (1995), Mexico (1993 & 1997), Morocco (1989 & 1996), New Zealand (1990 & 1996), Namibia (1998), Nigeria (1991 & 1998), Norway (1991 & 1996), Pakistan (1995), Paraguay (1997), Peru (1994), the Philippines (1993), Poland (1993), Romania (1992), Senegal (1994), Singapore (1992 & 1996), Slovak Republic (1995), the Solomon Islands (1998), South Africa (1993 & 1998), Sri Lanka (1995), Swaziland (1998), Sweden (1990 & 1994), Switzerland (1991 & 1996), Thailand (1991 & 1995), Togo (1999), Trinidad and Tobago (1998), Tunisia (1994), Turkey (1994 & 1998), the United States (1989, 1992, 1994, 1996 & 1999), Uganda (1995), Uruguay (1992 & 1998), Venezuela (1996), Zambia (1996) and Zimbabwe (1994).

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CONCLUDING REMARKS BY THE CHAIRPERSON

We have had very open and constructive discussions, with Members commending Bolivia in very favourable terms on its economic stabilization and reform programme implemented since the previous review in 1993. Despite external shocks, including El Niño, and institutional weaknesses, Bolivia has achieved steady growth, sharply reduced inflation and attracted considerable foreign capital. No doubt major factors in this performance have been the modernization of the state, including the privatization of public enterprises, and consistent trade and investment liberalization, largely carried out on an unilateral basis.

Members viewed Bolivia's trade and investment regime as predictable and transparent. They highlighted the virtually uniform *ad valorem* tariff of 10% and Bolivia's shunning of non-tariff trade barriers and trade defence measures. Bolivia was also praised for its largely neutral incentive structure that does not discriminate among sectors. Members noted especially that agriculture was largely free of government intervention, and had become the major export.

Members welcomed Bolivia's Economic and Social Development Plan XXI based on the principles of opportunity, equity, dignity and institutionality with a view *inter alia* to alleviate poverty and marginalization. Indeed, reform will have to benefit large sections of the population as poverty remains a problem. Moreover, Bolivia's trade and investment regime is undermined by longstanding administrative weaknesses and a large informal sector. Members strongly encouraged Bolivia to further consolidate and build on its recent achievements by focusing on areas such as stricter enforcement of the rule of law and bringing informal activities into the formal economy. And the multilateral system must contribute, particularly with technical assistance; once needs are clearly identified, I think that every effort should be made to meet them.

Members considered Bolivian commitments under the GATS as relatively modest in light of the liberalization of recent years. Bolivia's trading system would be strengthened by expanding its WTO bindings. Members also invited Bolivia to consider undertaking new multilateral engagements to close the wide gap between applied and bound tariffs, and to sign the Agreement on Government Procurement.

Delegations provided orally or in writing detailed clarification on a number of features of Bolivia's trade and investment regime, including:

- statistical reliability due to a large informal sector;
- the apparent dispersion of trade policy responsibilities across a number of ministries;
- customs administration reform process and new customs legislation. We noted the objectives of efficiency, transparency and simplification;
- the gap between certain bound and applied tariff rates;
- lower domestic taxes levied on certain locally produced alcoholic beverages;
- potentially discriminatory rail-freight charges collected on imports;
- the nature (voluntary/compulsory; national/regional) of technical standards and their WTO notification;
- expectations for export diversification;
- the application of trade-related investment measures under the Hydrocarbons Law;
- existing competition provisions and possible adoption of a general and sectoral competition law;
- government procurement practices;

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- the adoption of new intellectual property legislation and efforts to improve enforcement;
- the ratification of the Fifth Protocol to the GATS on financial services;
- participation in regional trading arrangements, particularly the Andean Community and with MERCOSUR, Chile, Cuba and Mexico, and their notification under the GATT and GATS.

Members expressed their appreciation for the clarification and the oral and written replies by Bolivia provided in the context of the meeting and are grateful that Bolivia has undertaken to respond in writing to some specific questions from Members and to make these responses available to the Membership; Bolivia has set a good example for all Members.

Members recognized the challenges Bolivia faces as a small developing economy in the application of WTO commitments, and that complying with these commitments had conveyed social and political costs. Members were conscious of the importance of complementing domestic reform efforts with support from the multilateral trading system, and expressed their readiness to consider positively Bolivia's further specific requests for technical assistance. Finally, it is my sense that in view of the dynamism showed by the Bolivian delegation during this review, Members look forward to its constructive role in the preparatory process for the upcoming multilateral trade negotiations.

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