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VENEZUELA

Chávez abandons Andean trade bloc

As Venezuela moves to become a full member of Mercosur, President Hugo Chávez backed out of the Andean Community, whose member countries have welcomed free trade.

By Patricia Rondon Espin

Associated Press

CARACAS - Venezuelan President Hugo Chávez said Sunday that Venezuela will irrevocably withdraw from the Andean Community trade bloc and will impose protectionist measures to insulate itself from an "invasion" of U.S. products through neighboring countries.

Venezuela can't compete against "subsidized products" from the United States, said Chávez, who accused Colombia and Peru of killing the trade bloc by signing free-trade pacts with Washington.

"It is a strategic decision to safeguard the national interests," he said in his weekly radio and TV program "Hello, President."

Chávez, an ally of Cuban President Fidel Castro who says he is leading Venezuela toward socialism, says free-trade deals with the United States benefit big international companies at the expense of the region's poor.

He announced the withdrawal last week, calling the Andean Community a "fatally wounded" group after Colombia and Peru finalized the trade pacts. The five-nation group also includes Bolivia and Ecuador.

"We will have to take a series of measures to protect us from the invasion of products from the United States through Colombia and other countries like Peru, that have signed the free-trade agreements, Chávez said Sunday.

"The decision is irrevocable," he said, adding that the U.S. government "intends to impose an international dictatorship."

Venezuela notified the Andean Community on Saturday of its decision to withdraw, but the pullout will be "a long process" of about five years, said María Cristina Iglesias, the government's minister of commerce and light industry.

Still, Chávez said Venezuela could ask for "an acceleration of the process of disconnecting from the agreements." Iglesias said the government would study each area of exchange with the bloc, and that the country "will fulfill all the obligations it must meet."

Foreign Minister Alí Rodríguez said in a letter to the Andean Community that the U.S. trade deals with Colombia and Peru go against the "original principles" of the community. Such trade deals, he said, put special interests "above the interests of the people," without respect for human rights.

Chávez and Castro have proposed a "Bolivarian Alternative" trade pact based on socialist ideals as an alternative of the U.S.-backed proposal of a Free Trade Area of the Americas.

Under Chávez, Venezuela has also moved to become a full member of the Mercosur trading bloc, joining other left-leaning governments in Argentina, Brazil and Uruguay, as well as Paraguay.

Iglesias said due to Colombia's trade pact with Washington, cheap U.S. products would be shipped through Colombia into Venezuela, and would work against the Venezuelan government's efforts to build up local industries.

The United States and Colombia are oil-producing Venezuela's top trading partners. Trade between Venezuela and Colombia last year stood at some \$2.5 billion, according to official figures.

Some business leaders have warned Venezuela's pullout from the Andean Community will hurt its economy and take away jobs, though government officials deny that.

Trade between member countries has risen on average by 13.5 percent a year since 1990 when the Andean Community began gradually lifting tariffs and liberalizing trade, according to its website.