

UNCTAD16 South-South Cooperation Forum

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Panel 1: South–South cooperation - setting priorities

Statement on behalf of the Bolivarian Republic of Venezuela

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Panel: South-South Economic Cooperation

On behalf of the Bolivarian Republic of Venezuela , we thank you for the invitation to this panel on South-South cooperation.

Since the Bandung Conference in 1955 , the nations of the South have fought to build mechanisms that promote fair trade, sovereign development, and mutual cooperation to improve the lives of our peoples.

Historical experience has left a lesson: North-South economic relations—including trade—have always functioned as a mechanism to perpetuate inequality.

Today we know that the wealth and prosperity of the North are not the result of free trade or trade surpluses, of their productivity, or their supposed cultural superiority , but rather stem from the domination, first coercive and then commercial, that the North has exercised over the economies of the South.

As the economist Thomas Piketty has shown in a recent study that analyzes North-South trade from 1800 to 2025 , commercial inequity is the main driver of global disparities.

Piketty demonstrates that if the terms of trade between both zones of the world had not been so unequal, there would have been an almost complete convergence of productivity between the economies of the North and the South over 225 years.

In other words, North-South trade has operated for over two centuries as an efficient mechanism for the transfer of wealth for the exclusive benefit of one of the parties. I believe we all know which party I am referring to.

Hence, the concept of South-South cooperation remains fully valid. Because inequality has only become more pronounced. And it is no longer just about the standard of living or per capita income. Today we are separated by a cultural rift that only continues to widen: the digital divide, the technology gap.

Therefore, balanced, complementary trade and cooperation among the countries of the South are more necessary than ever amidst the profound transformations in the global economy that we are witnessing.

But today, there is a phenomenon that conditions trade among companies, nations, and peoples of the South. This refers to unilateral coercive measures.

Allow me to show with an example how the sanctions against Venezuela affected South-South cooperation. This is the case of Petrocaribe, an innovative energy integration and cooperation mechanism conceived by the President of Venezuela, Hugo Chávez, in 2005.

Petrocaribe was created as a mechanism to guarantee energy security to countries in the Caribbean and Central America through the supply of hydrocarbons under preferential conditions. The mechanism combined long-term, low-interest financing for the purchase of oil, with options for payment in kind (such as food). It provided stability to energy prices in the region, decreased intermediation by lowering costs, and promoted the creation of logistical infrastructure for oil storage, refining, and distribution in the region. It sought to stimulate energy resilience for importing economies in the Caribbean and an anchor for demand for Venezuelan supply. A total of 18 Caribbean and Central American countries founded and benefited from this innovative mechanism of South-South integration and cooperation.

Petrocaribe transformed the energy reality in the region. Up to the end of 2018, 356 million barrels of crude and derivatives had been supplied (equivalent to 31.523 billion dollars), 50% of which was long-term financed. It is estimated that between 2005 and 2015, more than 25% of the combined GDP of some countries depended directly or indirectly on the benefits of Petrocaribe. Thanks to this cooperation project, countries in the region executed 790 projects in the areas of food, electricity, education, environmental sanitation, housing, and health, which contributed significantly to poverty reduction. These achievements—in barely ten years—were recognized by the United Nations Organization. It was a golden era for a region that lacks energy resources. It was the South supporting the South.

Today, instead of ships with oil and food, warships filled with bombs and missiles navigate the Caribbean.

However, starting in 2014, Venezuela was subjected to a policy of massive imposition of unilateral sanctions by the United States, the EU, and the international financial system. This illegal policy now totals 1042 unilateral coercive measures. The sanctions focused on the oil industry and finance; they caused oil production to fall 87% in seven years and reduced the country's foreign currency income by more than 90%. PDVSA bears over 120 sanctions on its shoulders; it cannot access financial markets and has been stripped of its most important external assets. The sanctions prevent our country from selling oil freely; 39 ships of the PDVSA fleet are sanctioned, cutting the flow of hydrocarbons from Venezuela to the Caribbean and the world. All of this led to the paralysis of

Petrocaribe , the most successful South-South cooperation project carried out in the entire history of the American continent.

As we have stated, unilateral sanctions have a brutal effect not only on the countries on which they are imposed but also on their commercial partners, companies or nations, and on global markets. When energy producers like Russia or Venezuela, when a fertilizer producer like Belarus, when a technology producer like China are sanctioned, millions of people around the world are affected. And the countries and peoples of the South pay this cost the most.

Therefore, it is necessary to vigorously re-energize South-South trade and economic cooperation. We must take advantage of the new financial architecture being created by BRICS , integrate into the new de-dollarized payment mechanisms , promote compensated trade , and leverage new logistical and commercial routes to boost trade from the South, integrating the South in its entirety.

Dr. Rebeca Grynspan said at the inauguration of this Conference that today three-quarters of world trade passes through ports in the global South. Let us take advantage of the emergence of the multipolar world to resume and boost cooperation among ourselves. This is the window to create a world of shared destiny, a world we build together, among equals.

As the great Uruguayan poet Mario Benedetti said: let us show the North that the South also exists.