

TWENTY-SECOND MINISTERIAL MEETING OF THE CAIRNS GROUP
Punta del Este, Uruguay
3-5 September 2001

Communication from Australia

The following communiqué from the 22nd Ministerial Meeting of the Cairns Group held in Uruguay, has been received from the Permanent Mission of Australia with the request that it be circulated to Members.

CAIRNS GROUP COMMUNIQUE

1. The 22nd Ministerial meeting of the Cairns Group¹ was held in Punta del Este, Uruguay, on 3-5 September 2001. The meeting marked 15 years since the Group's inception and it was also a return to the city where 15 years ago the Uruguay Round was launched. Reflecting on this double anniversary, Ministers said the Group was a singularly long-lasting and successful example of coalition building between countries of great diversity.
2. Ministers emphasized, however, that in spite of their efforts over these years to reform agricultural trade much remained to be done. Ministers said that in an increasingly globalized world with a rules-based multilateral trading framework, the time was well overdue to bring agriculture fully under the WTO so that producers could compete fairly on the basis of their comparative advantage. Ministers expressed concern that total OECD support is currently running at almost US\$1 billion per day, and protection provided by both tariffs and non-tariff barriers, including unjustified sanitary and phytosanitary measures, remained very high. Correcting this situation would lead to a substantial increase in global GDP and generate significant gains to developing countries.
3. Ministers stressed that the Group was more united and determined than ever to push for agricultural reform and they reaffirmed the Group's commitment to establish a fair and market-oriented agricultural trading system. They reiterated their call for the elimination of all forms of export subsidies; substantially improved market access, including through deep cuts in tariffs, the curtailment of tariff peaks, the removal of tariff escalation, substantial increases in all tariff quota volumes, strengthening of tariff quota administration rules, and elimination of remaining non-tariff measures; and major reductions in trade and production-distorting domestic support, leading to its elimination. They also stressed that enhanced special and differential treatment provisions across all areas were necessary to address the needs of developing countries.

¹ Argentina, Australia, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Guatemala, Indonesia, Malaysia, New Zealand, Paraguay, Philippines, South Africa, Thailand and Uruguay.

4. Ministers highlighted the particular importance of agricultural reform to the developing world, noting that this was reflected in the Cairns Group's membership, comprising mainly developing countries. They stressed that distortions in world markets for agricultural products undermine the ability of many developing countries to create strong agricultural sectors and achieve sustained economic growth. Better market access in a world free of trade-distorting subsidies is also essential for promoting development and eliminating poverty in developing countries. Overcoming these problems would mean that developing countries would produce and export more agricultural products and their incomes would rise because they would be able to realise to a greater extent their comparative advantage in agriculture. The Ministers stressed that negotiations should have a development outcome to fully integrate developing countries in the multilateral trading system.

5. Ministers evaluated the evolution of the early phases of the mandated WTO agriculture negotiations. They agreed that the Group had worked actively to move the negotiations forward by tabling negotiating proposals as well as more specific ideas on approaches. The process so far had shown that a majority of WTO Members – from developed and developing countries and net food importing developing countries – sought substantial agricultural reform. But Ministers were disappointed that some WTO Members were still not seriously engaged in the negotiations.

6. The Fourth WTO Ministerial Conference will be held in Doha, Qatar, in November this year. Ministers agreed that decisions taken on the mandate for ambitious and fundamental reform of agriculture would be critical to the prospects of launching a new round.

7. In this connection, Ministers emphasized that the Doha Conference must provide:

- A clear commitment to end discrimination against agriculture and fully integrate it into WTO rules.
- A clear commitment to achieve fundamental reform of agricultural trade through elimination of all forms of export subsidies, substantial improvement in market access, and substantial reduction of domestic support, including the elimination of trade- and production-distorting forms of support.
- A reaffirmation that the main focus of work shall be on those three pillars and that non-trade concerns relevant to the Agreement on Agriculture will be taken into account in non-trade distorting ways, to preclude possible surges of new types of non-tariff barriers.
- A confirmation that enhanced and concrete special and differential treatment provisions for developing countries should be an integral part of the outcome of the negotiations.
- A clear understanding of the timetables and benchmarks for concluding the agriculture negotiations, and a structure that will enable work to advance.

8. Bearing in mind that the Peace Clause expires at the end of 2003 and having noted that the Uruguay Round reduction commitments of developed countries finished in 2000, Ministers emphasized their concern over loss of momentum in the reform process. In order to ensure the reform process is completed as quickly as possible, they urged that negotiations on agriculture must conclude expeditiously, and that it will be necessary to achieve a substantial reduction of trade distorting support and protection in the first year of the implementation period of a new agreement. Ministers called on WTO Members to demonstrate a commitment to the continuation of their agricultural reforms while the negotiations proceed.

9. Ministers welcomed the participation in the Punta del Este meeting of their colleagues Ms. Ann Veneman (United States Secretary of Agriculture), Ambassador Robert Zoellick (United States Trade Representative), and Mr. Nicholas Biwott (Kenyan Minister of Trade and Industry). The involvement of these special ministerial guests underscored both a recognition of the important role of the Cairns Group and a shared commitment to successful agriculture negotiations. Ministers noted from their discussions that there was a strong commonality of view between the Cairns Group and the United States about the approach and ambition for agricultural trade liberalization at the Doha Conference.

10. Cairns Group Farm Leaders also met in Punta del Este. Ministers welcomed a statement from the Farm Leaders, which urged Cairns Group Ministers to remain ambitious in pursuit of fundamental reform of agriculture.

11. Ministers conveyed their gratitude to the Uruguayan Government for hosting the meeting and to the people of Punta del Este for their hospitality. They agreed to meet next in Doha in November.
