

WORLD TRADE ORGANIZATION

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WTO NEGOTIATIONS ON AGRICULTURE

Communication from the Co-Sponsors of the Sectoral Initiative in Favour of Cotton¹

The following communication, dated 2 November 2011, is being circulated at the request of the Co-Sponsors of the Sectoral Initiative in Favour of Cotton.

DRAFT DECISION ON COTTON

The Ministers,

Mindful of the vital importance of cotton to the economies of several African countries in general and those of the Least Developed Countries in particular;

Concerned at the adverse consequences of the domestic support measures and export subsidies in favour of cotton for the economies of the developing countries, and particularly those of the Least Developed Countries (LDCs), affected by these measures, and for the social conditions of populations in the rural cotton-producing communities in those countries;

Stressing more than ever the urgency of settling the problems faced by the countries belonging to the Group of Least Developed Countries (LDCs) as a result of the domestic support measures and the subsidies granted to cotton;

Referring to the 2005 Hong Kong Ministerial Declaration, and especially paragraphs 11 and 12 thereof relating to cotton;

Concerned at the lack of progress on this issue in the multilateral negotiations;

Decide:

I. WITH REGARD TO THE TRADE COMPONENT

1. that the WTO Secretariat shall report to Members at each session of the Ministerial Conference on implementation by the developed countries of the decisions reached in Hong Kong relating to:

¹ Benin, Burkina Faso, Chad and Mali.

- (a) the elimination by no later than 2006 of all forms of export subsidies for cotton;
- (b) the provision before 1 April 2012 of duty-free and quota-free access for exports of cotton and cotton by-products originating from the LDCs;

2. to instruct the relevant Negotiating Groups to act on the commitment undertaken in Hong Kong to give priority in the negotiations to reaching an outcome that will ensure that trade-distorting domestic subsidies for cotton production are reduced more ambitiously than under whatever general formula is agreed and that it should be implemented over a shorter period of time than that generally applicable;

3. until such time, as an interim measure and on the basis of the standstill principle, to freeze at current levels domestic support that has distorting effects on the cotton market, which has reached a historic low due to the current world market prices for cotton;

4. to reaffirm the mandate given by Members in the Decision adopted by the General Council on 1 August 2004 to address cotton ambitiously, expeditiously and specifically and to call upon all stakeholders in the cotton issue to engage effectively and without delay in the negotiations, on the basis of the outcomes of the work carried out in the Committee on Agriculture in Special Session and contained in the reports of the Chair of the Agriculture negotiations.

II. WITH REGARD TO THE "DEVELOPMENT" COMPONENT

5. the need to take into account the necessary link between the development aspect of cotton and the Aid-for-Trade (AFT) initiative, and to create, on the basis of the priorities identified by the cotton-producing least developed countries, notably the African countries, a framework conducive to the development of subregional or regional multidimensional and integrated programmes or projects, for submission to the development partners.

III. AND LASTLY, WITH REGARD TO FOLLOW-UP

6. to renew the mandate given to the WTO Director-General in Hong Kong to furnish a periodic report to the following ministerial session and in this regard, considering the little progress on the cotton issue recorded to date and in order to allow this important matter to be followed up until its final settlement, to invite him to continue furnishing, at each subsequent session, a periodic report addressing both the trade policy aspects of cotton and the aspects relating to development assistance.
