AGRICULTURE AND THE GATT MINISTERIAL MEETING

Communication from Australia

The following communication has been received from the delegation of Australia.

The setting

Within the GATT, the attention paid to agriculture has not been commensurate with that received by manufactures. Successive negotiating rounds in the GATT have had the result of widening this disparity of opportunity.

Both on the grounds of equity and on the basis of economic rationality there needs to be more "law and order" in agricultural trade. Without this, access to agricultural markets will continue to be unpredictable and insecure and agricultural trade will be subject to increasing and capricious intervention by governments.

Unless something can be done the opportunities for expanded trade in agricultural products will continue indefinitely not to match the opportunities which the GATT has made possible in the field of manufactures.

What is required is the full extension to agricultural trade of the rules and principles which govern trade in industrial products, coupled with measures to ensure secure, predictable and growing access to markets.

It is accepted that it would be unrealistic to expect the Ministerial meeting to launch another full-scale comprehensive negotiation in the pattern of the MTN. We must, however, work on the basis that at some stage in the not too distant future it will be possible to embark on meaningful negotiations which will bring agriculture into conformity with the general trading rules for industrial products.

Past experience has demonstrated that solutions to the complex problems of agriculture are extremely difficult to achieve. Negotiating possibilities must be thoroughly explored and prepared well in advance. The Ministerial meeting affords the opportunity to set in train the devoting of the resources of the GATT, as a matter of priority, to developing practical solutions to the problems of agricultural trade.
The Ministerial meeting must provide the authority and the direction for a programme of action directly related to future negotiations.

The proposals

Accordingly, Ministers should agree that:

A. I. The new framework agreement on safeguards will cover, as a priority, non-tariff barriers and other safeguard measures on agricultural products so as to bring these measures under effective and equitable disciplines.

II. No additional trade distorting measures be applied to agricultural trade and further that steps be taken to progressively reduce (on a formula basis) all existing protective measures applying to trade in agriculture. These include provisions to ensure secure and predictable access to markets with provision for growth.

B. Given the grave immediate situation relating to trade in agricultural products and in order that progress is made towards ensuring that subsidies on these products shall be accorded treatment equivalent to that on industrial products, there will be an effective limitation on the use of export subsidies. This should initially entail an immediate and progressive reduction in the level of existing export subsidies and the elimination of all export subsidies within a definite time period not to exceed five years.

C. To these ends and in order to integrate agricultural subsidies into the régime applying to manufactures there should be a review of subsidies under Article XVI of the GATT.

D. Because urgent solutions are required to the problems of agricultural trade, specific negotiating possibilities should be developed quickly and settled by the contracting parties no later than the end of 1983. In developing the specific negotiating possibilities close attention should be given to:

   (i) the procedure of negotiations, bearing in mind that those employed hereto have proved:

       - inefficient

       - unfair to developing countries who are "new exporters" in the process of diversifying their exports;

   (ii) the impact of national agricultural policies on market access and competition.

E. The negotiating possibilities should be directed at attaining by 1987 a reduction of assistance measures and a significant liberalization of agricultural trade, such that the situation in the agricultural sector will be substantially in accordance with that in the industrial sector.