On behalf of the Director-General of FAO, I have great pleasure in extending to you best wishes for the full success of the negotiations towards the objectives set out in the Ministerial Declaration on the Uruguay Round. The Director-General of FAO, in his address last week to the 90th Session of the FAO Council, welcomed the decision of the CONTRACTING PARTIES at Punta del Este to launch the Uruguay Round of Multilateral Trade Negotiations and described this new round as giving the international community a ray of hope for improving the current unfavourable economic scenario.

The issue of protectionism in agricultural trade has been the focus of attention by member governments in various FAO meetings over a number of years. As far back as 1979, the FAO Conference adopted a Resolution on Commodity Trade, Protectionism and Agricultural Adjustment, which recommended, inter alia, that all countries, particularly developed countries, display the necessary political will by progressively improving access to their markets for agricultural commodities. This Resolution also requested the FAO’s Committee on Commodity Problems and its intergovernmental commodity groups to review systematically developments in protectionism and its effects on the trade of agricultural commodities, especially from developing countries. Following this request, the Committee on Commodity Problems, with the assistance of its intergovernmental groups, has prepared regular reports to FAO’s governing bodies on this subject.

On the basis of its most recent report, the FAO Conference, at its November 1985 Session, agreed that protectionism, including restrictions on market access and the use of export subsidies and other similar practices in agricultural trade, had remained persistent, widespread and strong in recent years. The FAO Conference also agreed that resort to such measures was affecting the orderly development of international markets in agricultural and agro-based products and discouraged low-cost producers from exploiting their comparative advantage.

The Conference stressed that protectionist measures, particularly those of certain developed countries, had had adverse effects on incomes and rural employment and generally on social and economic development.
and had also eroded the balance-of-payments position of exporters of agricultural commodities, particularly the developing countries and low-cost producing countries. It stressed that such measures had generally compounded the problems arising from low export prices in international markets, and had thus limited the ability of many developing countries to service their external debts. These matters have also been referred to by many members of the FAO Council at its 90th Session, which is currently in progress.

In the light of the persistent protectionism in agriculture and its deleterious effects, not only on trade but also on economic growth and food security, especially of developing countries, the Director-General of FAO has particularly welcomed the decision of the CONTRACTING PARTIES to include agriculture within the scope and coverage of the Uruguay Round.

FAO has prepared a number of studies and documents which analyze the extent of tariff and non-tariff barriers affecting trade in agriculture, tropical products, as well as fisheries and forestry products. FAO has also analyzed national policies and their impact on agricultural trade for a number of commodities. Further, FAO has particular expertise in the commodity trade area, and has global statistics on commodity production, consumption and trade over an extended period. All these would enable FAO to provide technical support for the negotiations. In the light of this, the Director-General has asked me to convey to the CONTRACTING PARTIES his readiness to provide substantive support from FAO to the GATT in pursuit of the objectives of the 1986 Ministerial Declaration, particularly regarding tropical products, agriculture, and fishery and forestry products. This initiative of the Director-General has the full support of the FAO Council. The Director-General hopes that the CONTRACTING PARTIES will, in due course, acknowledge positively this willingness of FAO to cooperate with GATT.

The Director-General of FAO believes that it would also be useful if observer status is granted to FAO in the Negotiating Groups which will deal with tropical products, agriculture and fishery and forestry products. This would facilitate FAO's capacity both to support GATT in the ways I have just indicated and to take into account fully the developments in the GATT negotiations in FAO's own programmes of agricultural policy advice and assistance to developing countries. The Director-General looks forward, Mr. Chairman, to a positive reaction of the CONTRACTING PARTIES in these respects.