GENERAL AGREEMENT ON TARIFFS AND TRADE

Multilateral Trade Negotiations
Group "Agriculture"

Pursuance of the work of Group "Agriculture" concerning agricultural products not covered by the three sub-groups

Proposal by the European Communities

When, on 16 December 1975, Group "Agriculture" agreed on the procedure of notifications and consultations for agricultural products other than those covered by the product sub-groups, it stated (MTN/AG/4, paragraph 1(d)), that "in the light of the results of this procedure of information and consultations, Group "Agriculture" will decide how to pursue its work".

In anticipation of this discussion, the Community now submits the report given below (which completes the factual reports prepared by it for each bilateral consultation it has held with the countries requesting such consultations) and sets out the following proposals concerning the pursuance of negotiations in Group "Agriculture" for those agricultural products not covered by the sub-groups.

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1. The Community observes first of all that the notifications made by the various countries and the consultations which have been held on this basis have concerned, generally speaking, the whole range of different measures applied in the trade in agricultural products and that these measures have usually been mentioned in connexion with the particular product to which they relate.

For instance, among the problems raised were those relating to the level of the tariffs or other taxes applied to imports, as well as those relating to other devices such as levies or supplementary amounts. The problems resulting from quantitative restrictions, from import time-tables or monopolies, or from import decisions linked with inadequate statistical information were also raised. Again, labelling and packaging regulations as well as qualitative standards and health or plant health provisions were also touched on. Measures applied to exports were also discussed in the course of the consultations.
2. These consultations enabled the delegations which took part to improve their reciprocal knowledge on the basis of the texts examined; they also enabled participants to define more closely the nature of the problems which arise in connexion with a given product or linked with the existence of such or such a measure.

3. In the course of the consultations it held with some of its partners, the Community mentioned as a factor that there was, in its opinion, an imbalance between the rights and obligations of the partners of GATT, resulting particularly, where trade in agricultural products was concerned, from the existence of derogations or special protocols or the very unequal degree of binding of tariffs, according to the partners involved.

It confirms that an essential objective for the success of present negotiations would be the correction of this imbalance.

4. From the consultations held, it would appear, in the opinion of the Community, that the variety of products and measures examined renders systematization difficult and complicated in relation to the results desired and the problems which do genuinely exist.

It follows from the above that a general method, established measure by measure, would not appear, in principle, to be the appropriate method for the negotiation of measures to be applied in trade in these products.

On the other hand, the procedure of selecting by means of offers and requests those measures and products of genuine interest to the parties to the negotiations, would seem to be the most effective and most economical from the point of view of the results to be achieved.

5. Moreover, it would appear from these consultations that in most cases it is not so much the existence of the machinery of any given measures which is called in question, or even necessarily their influence on trade, but rather it is the way they are administered and applied which is considered as constituting a serious obstacle to trade.

In the opinion of the Community therefore, it is particularly to reciprocal concessions on improvements to the machinery for the administration of their instruments of policy that the efforts of participants in the negotiations on trade in agricultural products should be largely directed. This objective has a two-fold interest: it meets generally the concerns expressed by the parties to the consultations, and it enables a concrete approach to be made to problems, without embarking on philosophical discussions which, through aiming too high, are liable to lead to nothing more than idle disputes.

Moreover, and this is the last point which emerges from these consultations, there is evident among all the parties to the consultations a desire to deal with the problems of agricultural products in their concrete aspects and to achieve a real and perceptible improvement in the conditions of trade. This relates to the whole body of the measures examined, both those applied to imports and those applied to exports. All these measures should therefore be made subject to the method of negotiation known as "offers and requests".
6. Some of these measures - the "standards" belong to this category - are already being dealt with in Group "Agriculture", the latter having decided to study the applicability of the draft "code of practice" to agricultural products.

Such measures may be brought within the procedure of offers and requests, the examination of the applicability of the draft code meanwhile continuing as already agreed.

The Community observes that the consultations have enabled it to identify certain characteristic features of the standards applicable to agricultural products and that, in its opinion, the idea of a code specially adapted to agricultural products remains the proper approach for dealing with the problems of this sector.

The Community also emphasizes that health and plant health measures (which were mentioned by several partners in the course of the consultations) are akin to standards by their nature, by the philosophy which led to their establishment, and by the protectionist abuses to which they are open in their administration; but in its opinion they are nevertheless different, because of their close link with the health of animals and persons and because of the problems raised by the assessment by scientists of the different risks involved. That is why, in its opinion, the most appropriate procedure for dealing with this problem should be carefully prepared in the light of the requirements of such measures.

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The Community expresses the hope that Group 'Agriculture' will go thoroughly into this method of negotiation so as to adopt a mutually satisfactory approach for the negotiation of products in the agricultural sector not covered by the three sub-groups.