

URUGUAY ROUND

OF MULTILATERAL TRADE NEGOTIATIONS

NUR 021

30 November 1988

INDIA AND UNITED STATES SPELL OUT LATEST IDEAS ON AGRICULTURE

Meetings of negotiating groups since the latest bulletin (NUR 020) were concerned above all with the reports to be sent to the Group of Negotiations on Goods (GNG) in the context of the Mid-Term Review Ministerial Meeting in Montreal. At its meeting in November, however, the Negotiating Group on Agriculture had before it two new proposals and discussed a number of other issues.

Agriculture ... 14 and 15 November

Several communications were submitted to the Group. The United States proposal fleshes out the general outline presented at the previous meeting (see NUR 020), as regards the framework which could be adopted at Montreal for agricultural trade. It proposes inter alia that all agricultural products, including forestry and fishery products, should be covered by free-trade principles. Ministers should agree in particular to bring all policies, programmes and practices under new GATT rules and disciplines, to be drafted as from January 1989, and to eliminate all exceptions granted under waivers, protocols of accession or other clauses.

At the same time, Ministers would commit themselves to a process of fundamental reform. The Negotiating Group would agree on guidelines in early 1989 to direct countries in the preparation of individual Country Plans which would identify specific adjustments in national agricultural policies. These Plans would concern improved market access, phased reduction and elimination of agricultural subsidies, and health and sanitary measures; in this connection, Ministers would agree to establish, by January 1991, an effective,

enforceable, multilateral GATT dispute settlement process that relies on appropriate international scientific expertise.

Certain types of policies that are production and trade neutral or have such a small effect as to be inconsequential would be exempted from these disciplines: direct income payments to farmers (in particular in the case of natural disaster), and bona fide food aide.

In the development of Country Plans, countries would be given credit for measures adopted which have contributed to reduction in support and protection, and conversely charged debits for measures that have had the opposite effect.

Ministers would agree to establish a surveillance mechanism to monitor and evaluate compliance with the Country Plans.

Once Ministers have agreed to these reforms and their implementation, they would then agree to implement a freeze on support, subsidies and protection in 1989 and 1990. A surveillance mechanism would be established for this purpose.

India submitted a negotiating proposal dealing with the developmental rôle of agriculture in developing countries. It emphasizes the distinctive features of the agricultural situation in developing countries, and the fact that current problems in agricultural trade originate in the policies and measures implemented by developed countries. The Indian proposal provides among other things that direct governmental action should be considered legitimate in developing countries, in particular when it takes the form of production or consumption subsidies or price support and stabilization measures. With regard to tariffs and quantitative restrictions, developing countries should only take on voluntary obligations. In the case of export subsidies, if the developed countries agreed to prohibit them, developing countries should be willing to examine the feasibility of undertaking obligations, consistent with their development and competitive needs.

Several developing countries supported India's proposal.

In addition, the members of the Cairns Group communicated to the Negotiating Group on Agriculture the text of the Ministerial Declaration adopted at Budapest on 12 November at the ministerial-level meeting of the Cairns Group. That Declaration recalls their proposals and comments on some of the positions of participants in the negotiations, in particular with a view to Montreal.

In its report, the Technical Group on Aggregate Measurement of Support notes that there are as many possible variants of this measurement as there are negotiating approaches. The Group's work

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focused above all on two major options, depending on whether the undertakings concern the short-or the long-run. This examination does not prejudice the question of the decision to use the instrument in the negotiations or the possible modalities of such use.

The report of the Working Group on Sanitary and Phytosanitary Regulations and Barriers notes in particular that it was accepted that there was a need for reinforcing GATT rules and disciplines in this area. One possibility would be to develop an agreed set of principles which would govern the use of sanitary and phytosanitary regulations; there were certain similarities with the Agreement on Technical Barriers to Trade, as these principles would be aimed at reducing the unfavourable trade effects of these requirements and not at drafting standards. The Group agreed to review existing notification procedures with a view to improving transparency and surveillance of these regulations, as well as of bilateral agreements relating to the interpretation of these regulations. Short-term measures and the needs of developing countries should also be studied.

Note to Editors

1. Press bulletins on the Uruguay Round are issued regularly and are intended as an indication on the subject area under discussion rather than as detailed accounts of negotiating positions. Journalists seeking further background information are invited to contact the GATT Information and Media Relations Division.
2. These accounts of negotiating meetings should be read in conjunction with the text of the Punta del Este Ministerial Declaration (GATT/1396 - 25 September 1986) and the decisions taken on 28 January 1987 regarding the negotiating structure, the negotiating plans and the surveillance of standstill and rollback (GATT/1405 - 5 February 1987). Further copies of these documents are available from the GATT Information and Media Relations Division.

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