

PREPARATIONS FOR THE 1999 MINISTERIAL CONFERENCE

Negotiations on Agriculture

Objectives for the Agriculture Negotiations

Communication from Australia

The following communication, dated 9 April 1999, has been received from the Permanent Mission of Australia.

1. Australia submitted the Cairns Group Vision Statement in WT/GC/W/156 which sets out the Group's objectives for the agriculture negotiations. The following specific proposal is consistent with that Statement and is presented for consideration in the preparatory process.

2. Proposal:

2. That the objective for the agriculture negotiations be, by a specified date, to put trade in agricultural goods on the same basis as trade in other goods and establish a fair and market oriented agricultural trading system which corrects and prevents restrictions and distortions.

3. Background:

3. In the 50 years since the GATT was established, it has provided a rules-based framework which has been the basis for a remarkable expansion in trade and world income. Barriers to trade in industrial products have been significantly reduced: the average tariff is less than 4%; export subsidies have been banned; restrictions, subsidies and non-tariff measures are subject to tight disciplines.

4. In contrast, and despite the first steps taken in the Uruguay Round, protectionism in the agricultural sector continues to flourish. Tariffs of 300% and more are not uncommon; export subsidies, including the undisciplined use of export credits, and high levels of trade-distorting domestic subsidies abound. Agriculture-specific rules provide for other "special" exemptions from normal WTO rules for trade in agricultural products. The levels of protection and the contribution to global trade distortions vary across WTO Members. The support provided to agriculture in OECD countries in 1997 reached around US\$ 280 billion, an amount greater than the total value of exports from Latin America and the Caribbean.

5. As a result, Members with a comparative advantage in agriculture, including many developing and least developed countries that are dependent on this sector, have not received the benefits of an open and non-discriminatory multilateral trading system.

6. It is essential that the next WTO agriculture negotiations achieve the fundamental reform which will put trade in agricultural goods on the same basis as trade in other goods. This is required in order to establish a fair and market-oriented agriculture trading system which corrects and prevents restrictions and distortions in world agriculture markets. It is not acceptable that discrimination continues against trade in agriculture while barriers to capital, technology and industrial goods are reduced to a minimum or eliminated.

7. The Ministerial Decision in Seattle which will launch the agriculture negotiations must set the overarching objective and provide for further substantial commitments on market access, export competition, domestic support, and special and differential treatment. The Decision must specify the scope, structure, timeframe and other details necessary to ensure that the negotiations are completed as soon as possible.
