

PREPARATIONS FOR THE 1999 MINISTERIAL CONFERENCE

Negotiations on Agriculture

Market Access – Tariff Quotas

Communication from Australia

The following communication, dated 4 June 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.

Proposal

2. That, as part of the agriculture negotiations, Members agree to a major expansion of market access opportunities *inter alia* through substantial increases in trade volumes under tariff quotas. The objective is to ensure that tariffs are the only form of protection and that access opportunities for agricultural products are on the same conditions as those applying to other goods and are commercially viable.

Background

3. Tariff quotas were part of the Uruguay Round's tariffication methodology and designed to encourage trade in agricultural products which had been the subject of non-tariff border measures.

4. In many markets, tariff quotas provide the only commercially viable trade as over-quota tariffs are prohibitive. There are significant inequities in the size of market access opportunities provided through tariff quotas. Of the 1,370 tariff quotas in Members' Schedules, around two-thirds are in the Schedules of developed country Members.

5. Negotiations aimed at a major expansion of all tariff quotas are one part of the market access negotiations which will be necessary to achieve substantial cuts to protection levels. This is required in order to meet the objectives of establishing a fair and market-oriented agriculture trading system and of correcting and preventing distortions in world agriculture markets.