

PREPARATIONS FOR THE 1999 MINISTERIAL CONFERENCE

Negotiations on Agriculture

Market Access – Tariffs

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 deep cuts to all tariffs, including curtailing tariff peaks and eliminating tariff escalation.

Background

3. Tariffs applied to agricultural products are higher on average than tariffs applied to other goods. Tariffs of 300 per cent or more are not uncommon in the agricultural sector. The tariff peaks severely distort trade and, in many cases, prohibit commercial trade from taking place entirely.

4. In addition, tariff escalation remains a serious impediment and the problem often concerns products of particular interest to developing countries. Compound and other complex tariffs further reduce the predictability of trade.

5. Negotiations on all agricultural tariffs, including those applying within tariff quotas, are necessary to meet the objectives of establishing a fair and market-oriented agriculture trading system and of correcting and preventing distortions in world agriculture markets. It is also required to bring trade in agricultural products onto the same basis as trade in other goods.
