

WORLD TRADE ORGANIZATION

WT/GC/W/237
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General Council

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PREPARATIONS FOR THE 1999 MINISTERIAL CONFERENCE

Negotiations on Agriculture

Export Restrictions and Taxes

Communication from Australia

The following communication, dated 6 July 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, with a view to providing both greater access to world markets for food and agricultural products and increased certainty of supply for food importing countries, in particular least-developed and net food importing developing-country Members, the agriculture negotiations develop disciplines on export restrictions and taxes. Such disciplines would be an integral part of delivering further substantial liberalization of trade in agriculture, including the elimination of tariff escalation.

Background

3. Food security is of concern to many Members, but especially least-developed and net food importing developing-country Members. The impact that export restrictions on foodstuffs can have on food security is recognized in Article 12 of the Agreement on Agriculture. When such restrictions or taxes are used to limit exports of agricultural products, they can and do raise concerns about whether the international market place can be relied upon to meet essential food requirements. Tighter disciplines on export restrictions and taxes would contribute to assuring Members about their ability to access food in world markets.

4. Tariff escalation in export markets hinders the capacity of exporting countries to develop processing industries. In particular it prevents developing countries from adding value to their exports. As a response to tariff escalation in export markets, some developing countries have taken recourse to restricting or taxing their raw material exports. To avoid such perverse effects further substantial agricultural liberalization, including the elimination of tariff escalation, will be an important contribution to developing more effective disciplines on export restrictions and taxes.

5. Overall, an effective multilateral trading system contributes to food security through improved resource allocation, increased numbers of potential suppliers, higher income levels and improved stability of price and supply. An important part of ensuring an effective trading system is appropriate disciplines on export restrictions and taxes. Negotiations to this end would be consistent with the objective of creating a fair and market-oriented agriculture trading system and would promote economic development in developing-country WTO Members.
