

**PREPARATIONS FOR THE 1999 MINISTERIAL CONFERENCE**

Negotiations on Agriculture

Proposal under Paragraph 9(a)(ii) of the Geneva Ministerial Declaration

*Communication from Romania*

The following communication, dated 7 September 1999, has been received from the Permanent Mission of Romania.

**Background**

1. Romania considers the future negotiations on agriculture as an integral part of the next comprehensive multilateral trade negotiations. The negotiations in agriculture should be based on Article 20 of the WTO Agreement on Agriculture with the aim to continue the process reform of trade in agriculture as defined by the Agreement, taking into account:

- the experience in the implementation of the reduction commitments;
- the effects of these commitments on the world trade in agriculture products;
- non-trade concerns;
- special and differential treatment to developing-country Members;
- the objective to establish a fair and market-oriented agricultural trading system; and
- what further commitments are necessary in order to achieve the long-term objective as encompassed in the Agreement.

In pursuing these goals, the future negotiations on agriculture should include the following main areas.

**Market access**

2. The negotiations should aim to further reduce the level of tariff protection, resulting from the Uruguay Round negotiations, in order to provide for increased market access opportunities, especially for developing countries and economies in transition.

### **Tariff quota administration**

3. Taking into consideration the large variety of TRQ administration methods utilized by Members, which in some cases altered the permissibility and transparency of these commitments, a homogenous transparent and previsible system of TRQ administration procedures should be developed.

4. Such a system should aim at a fair and equitable market access, providing equal access opportunities for all WTO Members and avoiding any non-transparent method of TRQ allocation.

### **Domestic support**

5. The present classification of domestic support, as well as the main components of domestic support such as AMS, the relevant criteria and the *de minimis* levels, have their rationale rooted in the Uruguay Round negotiations.

6. One of the goals of the future negotiations should be to further clarify and better define domestic support measures in order to identify and agree upon the inclusion of such measures to allow the continuation and the coexistence of the various types of agricultural policies specific for different WTO Members, with particular attention to the needs of the transition economy Member countries.

7. The current figure of the "*de minimis*" level of AMS for developing countries should be increased above 10 per cent in order to allow greater opportunities to cope with the challenges of the development and transition process.

### **Export subsidies**

8. The negotiations on agriculture should continue the process of reduction in export subsidy commitments. The right to provide export subsidies should be continued for those Members realizing medium and small-sized agricultural production levels, in order to allow them to maintain and to develop their national agricultural sector and to cope with food security problems thus enabling the revenues necessary for paying the import bills for complementary agricultural products.

### **Non-trade concerns**

9. Non-trade concerns are an integral part of the objectives of the mandated negotiations on agriculture and should include, among others, the problem of food security, sustainability of rural development and maintenance of the local rural community. These kinds of concerns are of a general common importance for the majority of the WTO constituency.

### **Special and differential treatment for developing countries**

10. As stipulated both in the "Preamble" and in Article 20 of the WTO Agreement on Agriculture, an integral element of the reform process of the sector is the special and differential treatment to developing-country Members.

11. Romania considers that it is necessary that the future facilities which will be negotiated under S&D treatment provisions should be better and more clearly defined in order to generate real benefits for these countries and to support them in pursuing sound development policies.

**Proposal**

12. The future negotiations, based on Article 20 of the WTO Agreement on Agriculture, shall aim to continue the process of reform of trade in agriculture through further market access commitments and homogeneous disciplines in TRQ administration, reduction in export subsidies and domestic support, taking into consideration the specific interests of the developing countries and of the transition economy Member countries and recognizing the existence of a number of non-trade concerns to be dealt with.

13. The outcome of the future agriculture negotiations should encompass a balanced package of commitments, acceptable and equitable for all WTO Members. Such a package should not allow the opportunity that a Member enjoys “*de facto*” cumulative benefits deriving from a neutral and multilateral framework, which could undermine or impair the negotiated benefits of other WTO Members.

14. The outcome should also contribute to establish a fair and market oriented agricultural trading system. In compliance with this already agreed objective, the importing Members encountering economic difficulties in supporting and reforming their agriculture, in particular the developing countries and the transition economy Member countries should be allowed to apply the agreed tariff reduction commitments only to those imports not subject to export subsidies in the exporting Member.

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