

PREPARATIONS FOR THE 1999 MINISTERIAL CONFERENCE

Proposal Concerning Agriculture Negotiations

Communication from Colombia

The following communication, dated 22 September 1999, has been received from the Permanent Mission of Colombia.

Proposals

1. As a complement to the proposals presented by Australia¹, and in order to take into account the particular needs and conditions of developing-country Members, the negotiations shall include special and differential treatment for these countries as follows:

- (i) With reference to market access and in accordance with the preamble of the Agreement, developed-country Members shall provide greater improvement for agricultural products of particular interest to developing countries and shall provide fullest liberalization of trade in tropical products and products of particular importance to the diversification of production from the growing of illicit narcotic crops.
- (ii) Developing countries shall adopt differentiated and flexible concessions and commitments appropriate for their particular needs and conditions in terms that are fair and equitable.

Background

2. The participation of developing countries in agricultural trade is essential to their economic development, not only because of their comparative advantages but also because of the contribution of agriculture to the GNP and obtainment of foreign exchange. In addition agricultural production is essential to guarantee food security, employment of large populations and full utilization of productive resources required for the development of rural areas.

3. Notwithstanding the dependency that developing countries have on agriculture, market access for their export products, the competitiveness of domestic production and investment decisions are affected by high levels of protection in developed countries, with tariff levels that frequently surpass 200 per cent and multimillion subsidies to production and exports that distort and affect agricultural

¹ Documents WT/GC/W/156, WT/GC/W/166-168, WT/GC/W/177, WT/GC/W/184, WT/GC/W/197-199, and WT/GC/W/237.

markets. Subsidies in developed OECD countries for 1998 are estimated at US\$362 billion – more than the support provided in 1986-88 when the Uruguay Round began – perpetuating important distortions to trade in most agricultural products.

4. The Agreement on Agriculture was the basis for the initiation of a reform process to address these distortions with the objective to “establish a fair and market-oriented agricultural trading system”. The Agreement mandates that in implementing their commitments on market access, developed-country Members take fully into account the particular needs of developing-country Members by providing for a greater improvement of opportunities and terms of access for agricultural products of particular interest to these Members, including the fullest liberalization of trade in tropical products, and products of particular importance to the diversification of production from the growing of illicit narcotic crops.

5. Advancements in trade liberalization for the agricultural sector and correction of distortions created by the above-mentioned subsidies has been insignificant. Moreover, the unilateral liberalization programme adopted by many developing countries has not been matched by some developed countries where subsidies and market restrictions continue at very high levels.

6. Consequently, in order to achieve a fair and market-oriented system the existing level of protection and subsidies in most developed countries ought to be reduced to levels similar to those existing in developing countries, prior to further market access domestic support commitments by developing countries.
