

PREPARATIONS FOR THE 1999 MINISTERIAL CONFERENCE

Agreement on Agriculture

Communication from Jamaica

The following communication, dated 5 October 1999, has been received from the Permanent Mission of Jamaica.

Introduction

1. CARICOM countries have faithfully sought to implement the commitments under the Uruguay Round Agreement on Agriculture. The Agreement on Agriculture has led to some improvements in the environment for trade in agricultural products. Notwithstanding, CARICOM generally, has been disappointed by the limited market access opportunities for many agricultural products of export interest. For many developing countries, CARICOM countries included, improving market access opportunities, while simultaneously maintaining "flexibility" in certain well defined commitments would offer a greater sense of balance between the lot of developed and developing WTO Members.

2. Special consideration should also be given to States such as Jamaica, which have undertaken significant trade policy reform in their agricultural sectors, outside of and prior to the process of liberalization introduced by WTO.

Market access

Background

3. In spite of some progress in tariff liberalization, developing countries' agricultural exports continue to experience significant obstacles, particularly in the form of tariff peaks and tariff escalation. While many of the concerns relate more directly to other WTO Agreements (SPS, TBT), in many respects these Agreements are interrelated with the Agreement on Agriculture, and together, contribute to the concerns regarding developing countries trade in agricultural products.

Proposal

4. WTO Members should agree to the targeted reduction of tariff escalation and tariff peaks. In eliminating tariff peaks a "formula approach" should be applied which accelerates the reduction in high tariffs relative to more moderate and lower tariffs.

5. WTO Members should also agree on a range of measures that would improve market access opportunities for developing and least-developed country Members. This range of measures should be targeted in areas where developing countries have an actual or potential export interest.

Special safeguard clause

Background

6. The Special Safeguard provisions were introduced as a package with tariffication during the UR negotiations. Many developing countries, however, presently do not have recourse to the use of the special safeguard provisions. These provisions were included in the Agreement on Agriculture to address concerns that tariffication would bring about a massive increase of imports and a decrease in the price of domestic goods.

Proposal

7. The current Agreement on Agriculture acknowledges that the special safeguard provision can be maintained as long as the reform process continues.

8. Consistent with the proposals from developing countries on S&D treatment that attempt to accommodate flexibility in their commitments, recourse to the special safeguard provision should be extended to certain developing countries for the duration of the reform process.

9. A special safeguard mechanism for developing countries that is relatively simple and inexpensive to invoke continues to be essential to rendering liberalization acceptable among developing countries. Such a mechanism will constitute an important element of the special and differential provisions for the developing countries, particularly as it relates to their food security and genuine non-trade concerns.

Domestic support

Background

10. Weak disciplines in the area of domestic supports and in particular, with the operation of the "Green Box", suggests the need for strict monitoring to determine whether or not programs satisfy the eligibility criterion of being production- and trade-neutral. Developing countries have had serious concerns that increases in certain categories of domestic support programs by some WTO Members may be leading to increased production and increase competition on import/export markets.

Proposal

11. Members agree on stricter disciplines being placed on the use of "Green Box" supports to ensure that they retain their intended "non-production distorting" and "non-trade distorting" feature.

12. As indicated in WT/GC/W/120 and WT/GC/W/152, WTO Members should afford developing countries adequate flexibility in the use of domestic support programs pursuant to particular national development objectives such as: poverty alleviation, marketing and transportation and compliance with quality as well as sanitary and phytosanitary regulations.
