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**GENERAL AGREEMENT ON  
TARIFFS AND TRADE**

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Committee on Trade in Agriculture

MINUTES OF THE MEETING HELD ON  
26 AND 27 SEPTEMBER 1984

Addendum

Chairman: Mr. A. de Zeeuw (Netherlands)

Examination of the notifications by:

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<sup>1</sup>These minutes only cover the discussions on the notifications examined by the Committee in accordance with the procedure agreed for subsequent country examinations, and do not include discussions on other items.

Cuba (AG/FOR/CUB/1 and 2)

1. The representative of Cuba stated that the general introductory note to the notification adequately described the importance and role of agriculture and the nature of agricultural policies pursued in her country. In this connection, she referred to the achievements recorded by the agricultural sector and mentioned that in the current year, production was twelve-times greater than in 1960. In particular, the production of poultry meat had increased three-fold, pig meat 5.5-fold and citric fruit 4.5-fold.

2. She added that Cuba's land was now being cultivated by superior methods of production. Approximately 10,000 million Cuban pesos had been invested in its fields since the proclamation of the First Agrarian Reform Law. This was despite the fact that Cuban economy had been confronted by political and economic pressures and blockades in the last 23 years, which had created considerable difficulties for products like sugar and tobacco in particular. Low price of sugar as a result of world crisis had also added to Cuba's economic difficulties. She reiterated that Cuba, being a developing country and dependent upon agricultural exports, would like to see an improvement in access to markets and more rigorous implementation of the disciplines of the General Agreement. She, finally, thanked the secretariat for all the assistance provided in connection with the preparation of Cuba's notification.

3. The Committee took note of the statement.

Czechoslovakia (AG/FOR/CSK/1)

1. The representative of Czechoslovakia expressed his appreciation for the assistance provided by the secretariat in the preparation of his country's documentation. He mentioned that agriculture in his country was a most traditional and yet a relatively developed sector of the economy, even though his country was not richly endowed with agricultural resources. The rôle of agriculture as a source of income and employment had progressively declined. In 1981 agriculture contributed 5.9 per cent of national income, and 11 per cent of the total labour force was employed in this sector. The bulk of Czechoslovakia's agricultural production was geared to meeting domestic food requirements and the raw material needs of the industry. Czechoslovakia's imports of agricultural products accounted for 8.7 per cent of total imports. These included mostly cereals, animal feeding stuffs, tropical products, vegetables and fish, which came from suppliers in all parts of the world. Exports of agricultural products amounted to only 3.6 per cent of the total exports. Czechoslovakia entered the international market on a regular basis only for a limited range of agricultural products like sugar, malt, hop, beer, meat and meat preparations. Although Czechoslovakia had managed to achieve an adequate degree of self-sufficiency, it was still a large net importer of agricultural products. The trade deficits in the agricultural sector rose from \$827 million in 1971/75 to \$1,298 million in 1976/79.

2. He added that, by virtue of its position in international trade in agricultural products, his country had considerable interest in securing a stable and reliable import flow of essential agricultural supplies, in terms of volume and prices and in maintaining adequate access to foreign markets for its traditional export products. It was for this reason that his country supported the efforts aimed at achieving greater stability and liberalization in trade of agriculture.

3. He enumerated the various objectives of Czechoslovakia's agricultural policies as achieving a reasonable level of self-sufficiency in basic food products for security of supplies and regional considerations, making agricultural production more efficient, securing rational utilization of lands and technological development of production, and also assisting in modifying the existing pattern of food consumption. The achievement of these objectives and the maintenance of a viable agricultural sector warranted Government assistance. State intervention was, however, kept to the minimum to reduce the costs of maintaining the agricultural sector in viable conditions. The domestic agriculture support programmes based on domestic policy objectives were mainly used to stabilize domestic production in order to maintain adequate supplies for domestic consumption. Measures under these programmes influenced, in particular, production methods, land utilization and conservation, technological innovation, farm incomes and the development of the infrastructure. Services related to quality and veterinary inspection, cultivation, cattle breeding, soil improvement and so on could also be considered for indirect assistance to agricultural production.

4. Specifically commenting on the notification, he said that since domestic or production assistance measures did not result into trade effects that could lead to import substitution or production surpluses, they had not been indicated in columns 2 and 14 of the notification. With regard to Czechoslovakia's agricultural trade regime, he mentioned that state-trading, tariffs and sanitary and phyto-sanitary regulations had been indicated as the only measures affecting exports and imports. State-trading was, however, operated by foreign trade enterprises for imports and exports in a non-discriminatory manner in accordance with Article XVII. Imports were allowed from all sources and the purchases and sales were based on commercial considerations. Tariff rates on agricultural imports were generally lower and bound on most items. Sanitary and phyto-sanitary regulations were applied, as in other countries to protect human, animal and plant health. These regulations, however, were not restrictive in character and had not been a subject of complaint by any country. He concluded that although the format laid down had been very carefully followed, any remaining errors or omissions could be rectified if considered necessary by the Committee.

5. The representative of the EEC asked what type of State trading regime was followed in Czechoslovakia and whether it operated in accordance with the spirit of Article XVII of GATT.

6. Replying the representative of Czechoslovakia explained that foreign trade organizations operated in a non-discriminatory manner purely on commercial principles and, like private traders, were concerned with elements like price, quality of goods, availability and other conditions of purchase and sale. He emphatically denied that State trading, regardless of its effects on trade, could be automatically deemed as a discriminatory regime working on non-commercial principles. State trading in his country for the agricultural sector had positively contributed to an expansion of trade and had in no way acted as a barrier to trade.

7. The delegate of the EEC repeated his question and further wished to know whether Czechoslovakia intended to bring about any improvements in its State trading policies in accordance with the efforts of the Committee to strengthen such disciplines.

8. The representative of Czechoslovakia replied that the question of improvements in the working of State trading system was of a general nature and as such should be addressed to all contracting parties who practised State trading. He himself was not a specialist on this question and therefore had no proposals to make for an improvement in the rules of State trading.

9. The Committee took note of the statements made.

Iceland (AG/FOR/ISL/1)

1. The representative of Iceland apologized for the delay in the submission of his country's documentation, which in any case had involved lot of efforts to produce. Commenting on the notification, he briefly remarked that agricultural production of Iceland mainly consisted of meat, dairy products and potatoes. The aim of agricultural policy was therefore to achieve self-sufficiency in these products, while importing all other agricultural requirements. Thus, 10 to 11 per cent of the total imports of Iceland consisted of agricultural products. Only 1 to 2 per cent of the agricultural products were exported, provided climatic conditions were favorable in the producing regions. One of the main objectives of the agricultural policy was to maintain a geographical balance of population and to ensure year-round supplies of these products in all coastal and densely populated areas of Iceland. He concluded by inviting questions, if any, which he could answer at this meeting or could transmit to his authorities for reply later.

2. The Committee took note of the statement.

Poland (AG/FOR/POL/1)

1. While introducing the documentation concerning his country, the representative of Poland mentioned that agriculture was dominated by private farming, which accounted for three-quarters of the total agricultural land and about 80 per cent of output in this sector. The share of agriculture in the Gross National Product had come down from

70 per cent in the 1940's to about 15 per cent at present, but agriculture still provided employment to nearly 30 per cent of the active population. It was significant to note that the share of agriculture in the total exports of his country to all destinations, other than Eastern trading area, had declined from 23 per cent in the second half of the 1960's to about 12 per cent in the 1980's. Just the opposite had happened in the case of agricultural imports, which in the early 1980's exceeded 44 per cent of the total imports, twice the percentage level of the 1960's. The import levels had suffered a setback in the previous two years due to a credit squeeze and other restrictions applied by some major suppliers of Poland.

2. He drew the attention of the Committee to recent changes in agricultural policies of his country whereby agricultural producers and distributors had become more responsive to market situation. Domestic prices were largely the result of supply and demand forces and fluctuations in the costs of production. The private farmers were under no obligation to make contracts with public organizations if their produce could be sold in the private market. Referring to domestic price subsidies he indicated that as a result of a general reform of the economic system radical changes had been made in subsidies for agricultural products. Such subsidies were gradually being phased out, except for a limited group of staple foods of high social priority for which a limited subsidy would be maintained. Limited subsidies would also be maintained for technological inputs in order to encourage more intensive farming techniques.

3. The Committee took note of the statement.

Turkey (AG/FOR/TUR/1)

1. The delegate of Turkey also expressed his appreciation for the help of the secretariat provided in the preparation of his country's documentation. He informed that since the submission of that notification, nine more items had been liberalized with zero tariffs on them, and tariffs had been reduced on seven other items. These items, which were previously prohibited, had now been included in the list of products subject to licensing. The duty on cigarettes, which constituted the main form of manufactured tobacco imports, had now been reduced to 25 per cent. All these measures were a part of the scheme to liberalize trade in Turkey. Referring to the notification itself he said that most restrictive measures indicated therein had been taken under Article XVIII of GATT since Turkey consulted regularly under the Balance of Payments Restrictions. In concluding, he recalled that the procedure agreed for the remaining notifications was that questions, if any, would be submitted in writing to the country concerned. He would therefore be glad to transmit such requests for information to his authorities for an early reply.

2. The Committee took note of the statement.

3. Concluding the discussions on country notifications, the Chairman took the opportunity of thanking the representatives of these five countries for their notifications and the explanations they had provided during the meeting.