

**GENERAL AGREEMENT  
ON TARIFFS AND TRADE**

RESTRICTED

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PHILIPPINES - RESTRICTIONS ON IMPORTS OF AGRICULTURAL GOODS

Communication from the United States

The following communication, dated 14 October 1993, has been received from the Office of the United States Trade Representative in Geneva with the request that the matter be inscribed of the Agenda of the Council meeting on 27 October 1993.

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In February 1992, the Philippines Congress passed an "Act Providing a Magna Carta of Small Farmers". The Act bars importation of agricultural products "that are produced locally in sufficient quantity". The Philippines Department of Agriculture subsequently certified that a variety of commodities, including corn, corn substitutes (i.e., other feedgrains), poultry and poultry products, and pork and pork products, fall into the "sufficient quantity" category. In a memorandum order signed on 27 February 1993, President Ramos directed the Central Bank and the Bureau of Customs to begin enforcing the Act. This reversed the previous Philippine policy, which had been moving in the direction of ending quantitative restrictions on the above-named products.

The implementation of the Act is a step backward from earlier commitments to open domestic markets and promote fair trade. The United States has expressed its concern regarding the Act to the Philippine Government at senior levels, emphasizing its adverse impact on our agricultural interests. For example, US feedgrains are competitively priced, but US suppliers are unable to sell in the Philippines market because of the Act. Consumers and efficient farmers in the Philippines are losers as well.

It is the view of the United States that the Act and the implementing order are not consistent with the obligations of the Philippines under the General Agreement. In light of the failure of efforts so far to resolve this issue bilaterally with the Philippines Government, and in view of the implications that the Act might have for the trade of other contracting parties, the United States has decided to bring this issue to the attention of the Council of Representatives of the GATT Contracting Parties.