

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/5077

25 November 1980

Limited Distribution

MULTILATERAL AGRICULTURAL FRAMEWORK

Director-General's Report on Consultations

In April 1979, the Trade Negotiations Committee recommended to the CONTRACTING PARTIES to further develop active co-operation in the agricultural sector within an appropriate consultative framework. In November 1979, the CONTRACTING PARTIES requested the Director-General to consult with interested delegations on this matter and to report to the next regular session of the CONTRACTING PARTIES.

In accordance with this request, the Director-General and the secretariat have consulted, over the past months, with a large number of delegations.

It appears from these consultations that there is complete agreement on two points: first that the GATT must respond constructively and adequately to the recommendation of the Trade Negotiations Committee and secondly that it must deal effectively with the substance of agricultural trade problems.

The GATT is of course already heavily involved in matters of agricultural trade. Apart from the Dairy and Meat Arrangements several of the Codes are relevant to agriculture and there are a number of Panels dealing with agricultural problems. This, however, is not enough: a more general forum is needed in the GATT for the discussion of agricultural trade, with a view to preventing difficulties from reaching the stage of disputes and to pursuing and maintaining agricultural trade policies consistent with the objectives and principles of GATT.

The conclusion which has thus emerged from the consultations is that there is need for a forum where officials responsible for agricultural trade policy can meet to address themselves frankly and openly, and in a substantive manner, to issues affecting agricultural trade.

A further conclusion which has emerged from the consultations is that the Consultative Group of Eighteen, which has in fact only recently become a permanent part of the GATT structure, provides a forum of this kind.

The Group of Eighteen is fully competent to deal with agricultural trade issues. It should be used for this purpose.

It may be useful to note that in its Mandate, the Group is required to take into account the special characteristics and requirements of the economies and problems of developing countries, and that any contracting party has the opportunity to present its views when a matter of particular importance to it is under discussion. The Group does not impinge upon the competence, authority and responsibilities of other GATT bodies. It should also be noted that the Group meets periodically as necessary and that it is required to submit once a year a comprehensive account of its activities to the Council.

In order to deal with agricultural issues in depth, the Group would have to provide sufficient additional time and its meetings would need to be extended for this purpose.

In the light of the foregoing, I would therefore propose that the CONTRACTING PARTIES request the Consultative Group of Eighteen to provide adequate additional time in its future meetings, for the review of matters affecting agricultural trade and for the receipt of information on activities in the agricultural sector which the secretariat has followed.