

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

RESTRICTED

MTN.GNG/NG5/W/50
8 March 1988

Special Distribution

Original: Spanish

Group of Negotiations on Goods (GATT)
Negotiating Group on Agriculture

NEGOTIATING GROUP ON AGRICULTURE, 15-17 FEBRUARY 1988

Statement by Argentina

The Cairns Group and our delegation consider that special and differential treatment for developing countries is a central issue in the negotiations on agriculture.

It is the developing countries that have most suffered as a consequence of protectionist and distorting policies in agricultural trade.

Document W/6, submitted by Argentina, indicates that between 1970 and 1984 the developing countries' share as net exporters declined by 11 percentage points, almost all of which corresponded to a rise in imports.

This means that the decline in world prices, caused by export subsidy policies and market closure by the industrialized countries, led to a stagnation and decline in production in developing importing countries, thus diminishing their food security. If this trend were to continue, we could reach a situation in which the supply of foodstuffs was solely in the hands of those with the financial resources to subsidize production.

In other words, if this approach, which is widespread in other areas where there is a blatantly lopsided relationship in the distribution of the benefits of world trade, would heighten the vulnerability of developing countries, leading the entire international community to a crisis from which there would be no return.

The solution to the unfavourable situation of developing countries therefore lies first of all in resolving the structural problem caused by the industrialized countries' policies of distortion and protection. This is the foundation for the application of effective special and more favourable treatment for developing countries.

Their policies for the development of agricultural activity, by including vast sectors in the market economy, acts as a stimulus for international trade and economic growth, and therefore should be treated in a suitable manner by the multilateral rules.

Hence the Cairns proposal establishes special and differential treatment for all its elements, with longer timeframes for the implementation of the agreed undertakings and exceptions in connection with their economic development programmes.

The aspects we have mentioned constitute the foundations for the effective implementation of the objectives and principles of the Ministerial Declaration of Punta del Este. We reiterate our readiness to discuss the details and characteristics of special and more favourable treatment with all participants, in connection with all elements of the Ministerial provisions for the short, medium and long terms.

We believe that this is the path by which to avoid confusing objectives, and ensure that the standstill does not become the response to the pressing food needs of the majority of developing countries.

This standstill, as we have pointed out, will merely aggravate the dependency and imbalance that characterize the multilateral trading system.

Cairns is not the product of chance, since it groups together efficient producers who lack power at the world level. What will happen when Argentina (a reliable supplier, as has been amply demonstrated) or other countries lose even more resources and have to stop producing exportable surpluses?

Will the interests of developing importers be better safeguarded? It is worthwhile for all of us to ponder on the desirability of allowing food supply to be concentrated in so few hands as is suggested by the system of market closure and agricultural subsidies, so that only the powerful can decide how much they will sell to whom, and at what price.

We might say that subsidies, together with market closure, are the guarantee of agricultural oligopoly.