

MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND

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

STATEMENT BY ARGENTINA IN THE NEGOTIATING GROUP ON AGRICULTURE

20 April 1988

Our delegation has considered it appropriate to inform the Negotiating Group of the results of the Ministerial Meeting of the Cairns Group countries that was held at the end of last February in Bariloche, Argentina.

A first point highlighted by Ministers concerned the progress observed during the initial stage of the negotiations, in which various proposals had been submitted by participants, including the Cairns proposal, recognizing the critical situation of agriculture and the need to modify present conditions so that market signals have greater influence upon production decision-making.

Despite the importance of the debate and recognition of the need to address agricultural trade problems and reform support policies, Ministers expressed their concern at the significant gap between rhetoric and practice. Instead of facilitating access to markets and reducing subsidies, the main trading countries have intensified protectionist and trade-distorting practices, while the standstill and rollback commitments entered into at Punta del Este have not generally been observed.

These facts lead to the conclusion that the liberalization intentions and purposes contained in the proposals should be translated into specific proposals and understandings, to avoid remaining at the stage of what is so far wishful thinking.

Hence, Ministers identified the meeting of the Trade Negotiations Committee to be held in Montreal (Canada) next December as an appropriate and important opportunity to achieve substantive interim results in the agriculture negotiations.

The outcome of the Montreal meeting should secure a firm commitment on the elements of a long-term framework for agricultural reform, underpinned by reformed and strengthened GATT rules, particularly in respect of eliminating both domestic and export subsidies and quantitative and other import restrictions not explicitly provided for in the GATT.

To reinforce this political commitment and to provide early improvements in the agricultural trading environment, Ministers propose acceptance of a programme of measures for immediate implementation. Such measures include a contractual freeze and phased reduction of agricultural support and protection focused on the most trade-distorting policies. This would constitute a genuine down-payment on long-term reform, which must be directly linked to and consistent with this short-term action.

Ministers considered that such an outcome would constitute a productive first step towards the objectives agreed at Punta del Este. To that end, they called upon other participants in the Negotiating Group to unite their efforts during the current year in order to reach a positive conclusion establishing the outline of a long-term framework for world trade in agriculture.

In order to attain the above objectives, Ministers agreed on the elements of a programme of action for 1988, which includes the following, taking account of the need to strengthen observance of status quo and rollback commitments:

- Clearer definition of the elements of a comprehensive framework and the concept of a down payment on long-term reform. This programme of action should be completed before mid year.
- Utilization of all available opportunities, at the formal and informal levels, to promote the objectives of agricultural reform. Thus, the meetings of the World Food Council, of OECD Ministers and of Heads of State of the most industrialized countries are important forums for positively influencing negotiating positions.
- Extension of the dialogue, in particular with developing countries, bearing in mind that the continuation of the present situation of concentration of supply in the hands of countries able to subsidize it, increases their dependence on food imports, affecting their food security.
- Establishment of an informal group of widely represented interested parties by the Chairman of the Negotiating Group.
- Reaffirmation and further elaboration of the elements of the Cairns proposal concerning differential and more favourable treatment for developing countries.
- Further development of the elements of the proposal relating to sanitary and phytosanitary measures, through the establishment of a technical group for this purpose.
- Need to obtain an early result in the negotiations on tropical products.

As may be seen, the Bariloche Ministerial Meeting led to a detailed analysis of the state of the negotiations and the efforts that will have to be made to achieve significant results as rapidly as possible, in line with the terms of reference for the liberalization of agricultural trade contained in the Punta del Este Declaration.

The Cairns Group delegations are aware that these efforts will have to be appropriately co-ordinated among all participants.

The proposals submitted so far indicate a significant number of differences of approach and emphasis in important areas, but they also contain common ground on which understandings could be built in the course of this year.

Our main concern at this stage is to try to reconcile the positions focusing primarily on short-term measures, essentially through market management or arrangements that do not tackle the deep causes of distortion in agriculture, and positions that only deal with long-term reform objectives without recognizing the benefits of immediate measures initiating the process towards such reform.

Hence the emphasis on the comprehensiveness of the Cairns Group's position and proposal, which we believe points the way towards such reconciliation.

In deciding on a programme of work for this year at Bariloche, and reaffirming the importance of dialogue and of the use of various forums in order to make clear the need for agricultural reform, Ministers are indicating that it is vital to maintain the momentum that has been achieved in the negotiations if an interim agreement is to be reached by the end of the year.

Failure to achieve that objective may adversely affect the climate of the negotiations, favouring instead protectionist and trade-distorting tendencies that must be reversed not only for the success of the Uruguay Round, but also to ensure stable growth of world trade.