

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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

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FURTHER EXAMINATION OF PROPOSALS SUBMITTED:

Statement by Jamaica at Eighth Meeting
of Negotiating Group on Agriculture

The representative of Jamaica noted that the Chairman of the Negotiating Group in referring to proposals previously submitted to the Group had not made reference to submissions by his delegation (W/32 and W/42) and several other delegations from developing countries. Some of these submissions had included specific elements to be taken account of by the Group. Without going into the difference between "proposals" and "communications" in the Group, he suggested that the secretariat do a synthesis which should include elements of proposals/communications submitted by developing countries.

He then mentioned that there had been developments outside of the GATT which should have an impact on the work of the Group. He drew attention to the Ministerial Communique of the OECD - Report on Monitoring and Outlook of Agricultural Policies, Markets and Trade - issued on 27 April 1988, and specifically to that section entitled "Summary and Conclusions".

Paragraph 34 of the OECD Report was relevant to Agenda Item A: Further Examination as Appropriate of Proposals. This paragraph stated, inter alia, "many OECD countries are reluctant to rely mainly on price reductions in the pursuit of market balance, and favour a variety of administrative devices to regulate the quantity of output produced. While this can reduce the budgetary costs of disposing of excess supplies, the cost of supporting agriculture borne by consumers through prices remains high". Several considerations should be borne in mind:

- the Negotiating Group had not yet defined agriculture but it seemed of the view that coverage be confined to temperate zone agriculture products;
- proposals which involved the regulation of quantities produced via supply management might be considered contrary to proposals for greater reliance on market signals;

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- it would seem that the intention was to pass on the increased prices (of temperate zone products), as a result of such measures to consumers, many of whom were in food importing developing countries. Many proposals had as their objective to reduce the high prices paid by consumers in developed countries because of subsidies to their farmers, estimated at US\$200 million per annum over the period 1984-86. At the same time these same proposals sought to increase world market prices (paid by importers, largely developing countries) so as to reduce the gap between high domestic prices in the developed countries and "low" world market prices.

The OECD Communique's comments on the extent of market orientation of OECD countries were also instructive. Paragraph 35 was relevant in this regard - "Despite the long-term objective in the Communique to allow market signals to influence by way of a progressive and concerted reduction of agricultural support, as well as by all other appropriate means, the orientation of agricultural production, substantial differences of view amongst countries exist as to the extent and timing of market orientation and adjustment. Access to the domestic market for the main agricultural commodities has not improved and competitive export subsidization shows few signs of easing and in only a few countries have changes in world prices been fully transmitted to domestic markets. Thus given the continuing market imbalance and distortions, the efforts towards the market orientation of policies need to be strengthened".

In this connection he said that Jamaica's agricultural sector had been liberalized and that this process was continuing.

Another important section of the Communique was paragraph 36. This paragraph notes that "there is a preference in several countries for supply control measures which fix both prices and output levels rather than an effective reduction in support prices".

He indicated that the proposals put forward by OECD countries would seem to need further examination and elaboration. Against the background of this Communique it would seem that there was a need for greater transparency in terms of the goals and objectives being sought by the proposals in GATT. In particular, the approaches put forward by the OECD need to be examined and tempered by the concerns put forward in other proposals by Jamaica and developing countries.