

MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND

RESTRICTED  
MTN.GNG/NG5/TG/W/13  
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Group of Negotiations on Goods (GATT)  
Negotiating Group on Agriculture:  
Technical Group on Aggregate Measurement  
of Support and Related Matters

SYNOPSIS OF VIEWS EXPRESSED ON THE AGGREGATE  
MEASUREMENT OF SUPPORT

Note by the Secretariat

At the meeting of the Negotiating Group on Agriculture (NG5) in July 1988, the Chairman of the Technical Group on Aggregate Measurement of Support and Related Matters suggested that in order to facilitate further discussion on issues related to the use of an aggregate measurement of support in the negotiations (NG5/TG/W/11 refers) it could be useful to have at the Group's disposal a synopsis of views expressed so far on the subject (NG5/9).

The attached synoptic table contains a brief summary of views expressed by participants on the aggregate measurement of support. It does not intend to prejudge in any way participants' positions nor further elaboration of views on the subject.

It should also be noted that a number of other views expressed or questions raised on the subject were difficult to summarize in the synoptic table. Attention is therefore drawn to the relevant communications and statements made either in NG5 or in the Technical Group.

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SYNOPSIS OF VIEWS EXPRESSED ON THE AGGREGATE MEASUREMENT OF SUPPORT

	CANADA	EEC	JAMAICA	JAPAN	NORDICS	POLAND	UNITED STATES
CAIRNS	Options I to IV (NG5/TG/W4 refers)	See Cairns	Short-term: Options I and III (SRD)	PSC technique implying binding of specific commitments and trans- parency. Options II/IV	Not yet specified	Options II and III	Options I and II Options II and III
POLICY COVERAGE AND DECOUPLING	All measures, focusing on the removal of trade-distorting subsidies and access barriers. Exceptions: direct decoupled income support; adjustment assistance (non-commo- dity specific); natural disaster assistance. Sub- national policies should be included as appropriate	All measures having a significant impact on producers, including market price supports and direct income payments. Possible exceptions import costs both at national and sub- national levels	Both the question of what could be under- stood to be a binding of a policy which goes beyond trade policy and decoupled income support require some discussion	Not yet specified	Measures which have only minor trade effects could be ex- cluded. They should, however, be clearly defined. Most of the development assistance programmes could be ex- cluded. Sub-national policies included as appropriate	PSE should not be based on too broad approach. CSE advisable	All measures, excluding bona fide food aids and decoupled safety net payments. Case should be made for excluding other items. Sub- national measures should be included as appropriate
COMMODITY COVERAGE	Widest possible range of agricultural pro- ducts. Early action: products for which output-based support is greater than 10 per cent	See Cairns	Products in surplus so far as short-term PSC components are con- cerned. May be other pro- ducts at a later stage	Possibilities to use the PSC for processed agricultural products should be examined (raw material equivalent)	Not yet specified as starting point	OECD product coverage as starting point	Not specified
COUNTRY COVERAGE	Early action (1989-90) by certain developed countries. Full(er) participation thereafter	See Cairns	As wide as possible: necessary to have participating countries; participation even if their PSCs are negative	Not specified	Not yet specified in order to widen the eventual country coverage	Support a pragmatic approach in developing the PSC in order to widen the eventual country coverage	As wide as possible
REFERENCE YEAR	Most recent (1988)	See Cairns. See year/period for all countries and commodities	1986/85: policy profile for all countries and commodities but differ- ent external reference prices used to calcu- late base SHU	Year of period prior to 1986 Punta stand- still	Not yet specified Punta consistent	Multi-year average phe- ceding immediately the Punta consistent	Uniform base is necessary for PSC calculation
REFERENCE PRICE	OECD methodology (country specific border price for competing products)	Reference price as close as possible to current world market conditions and ex- change rate situation. smooth factor. C.i.f./f.o.b.	Lowest external refer- ence price as calcu- lated by OECD (1979-87) to be selected accord- ing to country and commodity. Remains fixed	Requires more discussion	Not yet specified	Depend on option selec- ted. Under [ ] it is feasible to use fluctu- ating market prices. Common reference prices is used should reflect the world market situa- tion. Cif/fob smoothing	Cif/fob smoothing. Uniform world price may not reflect quality/transport differences
MONETARY FLUCTUATIONS	OECD methodology (possible moving average)	See Cairns	Resolved through fixed reference prices	The present meth- odology (OECD) does not adequately address the problem, notably in the case of developing countries	Not yet specified	As for reference prices. Having average currency basket worth exploratory information should be taken into account	Require sound methodological assumptions
SUPPLY CONTROL	Adequately measured by total PSC. No special adjustment technically required	Pragmatic approach: adjustment where supply is controlled at World market price level	Supply controls should not result in import or export restrictions nor be detrimental for terms of trade of net food importing countries	Not yet specified	Supply controls should be taken into account through the use of total PSC. Diversion payments should be excluded from PSC calculation	Should not be con- sidered in calculating total PSC. No blanket credit resources would have to be withdrawn from production for some considerable time. Credits in/debits out	OECD methodology. Possibility of averaging not excluded
S & D	Developing countries should be exempted from contributing to the first steps of the long-term reform. Particular attention should be paid to specific problems of least developed countries	See Cairns	Terms of trade of developing countries should be maintained or improved	Applicable as appropriate	Not specified	Exclude non-commodity specific development subsidies; longer implementation period	/