

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

RESTRICTED

MTN.GNG/W/21  
1 December 1988

Special Distribution

Group of Negotiations on Goods (GATT)

Original: Spanish/  
English

COMMUNICATION FROM THE DELEGATION OF ARGENTINA

The delegation of Argentina has requested the circulation to the Group of Negotiations on Goods, for transmission to the Trade Negotiations Committee, of the following proposal concerning agriculture, which was submitted during consultations aimed at the formation of a consensus in the negotiations on agriculture (see paragraph 4(i) of MTN.GNG/13).

I. Long-term clause

The Ministers undertake to begin as from 1 January 1991 a process of continuous and permanent reduction of policies for the support and protection of agriculture. This process shall be divided into stages; the time period and scope of the reduction for each stage shall be fixed at the end of the previous stage.

To this end, each State shall present at the beginning of each stage a national implementation programme which will be negotiated among the contracting parties. These programmes shall include specific commitments for the reduction of support, reduction of export subsidies and greater market access and openness, and shall take into account the principle of special and differential treatment for developing countries.

The Ministers agree that the objective of this reduction process shall be to put an end to the exceptional treatment for agriculture within the GATT and bring it into line with the rules governing industrial products. This process shall be concluded on ..... years.

The Ministers agree that as from 1 January 1989 and up to the end of the Uruguay Round the following shall be negotiated:

- (1) mechanisms and rules for the transitional period mentioned in the previous paragraphs;
- (2) a safeguards régime for the transitional period;
- (3) a system of notification, consultation, surveillance and dispute settlement;

- (4) the modification of GATT rules to adapt agriculture to the agreed objectives;
- (5) provisions to compensate eventual adverse effects on trade in agriculture products for the least-developed countries should be included, examining food aid and agriculture development programmes.

## II. Short-term commitments

As an integral part of the agreed long-term reform programme, the Ministers decide on the following short-term actions to be implemented from 1 January 1989 up to 31 December 1990.

- (1) Prohibition on the introduction of new protective and distorting measures, including measures not based on the General Agreement, and freeze of existing measures, which shall not be modified except to reduce their adverse effects on trade.
- (2) Maintenance of existing production control measures in contracting parties that have structural surpluses stemming from the application of protective and distorting measures.
- (3) Reduction of the aggregate monetary level of output-based support by 10 per cent in each of the years 1989 and 1990.

As part of this reduction, participants shall undertake reductions of X per cent in administered prices and X per cent in export subsidies, and provide for an increase of X per cent in levels of access or for minimum access of Y per cent calculated on the basis of domestic consumption, where imports do not exist. The base period for the adjustment mentioned in this paragraph shall be the year 1988.

- (4) Appropriate stocks management with consultation with concerned exporting countries in the event of subsidy-based operations.

The participants in the negotiations shall define by 31 January 1989 the administered prices for each of the participants, the terms of the freeze in accordance with sub-paragraph (1) above and the aggregate monetary level of output-based support.

Developing countries should be excluded from the short-term obligations.

## III. Sanitary and phytosanitary measures

Ministers should agree on the general framework for negotiations on sanitary and phytosanitary measures to be pursued in 1989 and 1990. This framework should permit the identification and elimination of sanitary and

phytosanitary measures used as barriers to trade, in accordance with the terms of Article XX of the GATT. Negotiations should result in agreement to harmonize sanitary and phytosanitary measures which should encompass multilateral standards and, where not feasible, in the acceptance of suitable principles of equivalency in the application of measures.

Effective procedures for notification, conciliation, consultation, dispute settlement and compensation should be contemplated to reinforce the results of this negotiation.

Ad-hoc negotiations on specific areas of importance for contracting parties should be carried out at the same time of implementation of the general framework.