

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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Trade Negotiations Committee

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AGRICULTURE

Jamaican Proposal

Part B - Points for Decision

The Negotiating Group on Agriculture has made substantial progress in elaborating the elements of the negotiating proposals and submissions under the subsequent negotiating process. The stage has now been reached in this process where the general direction and procedures to be followed in the final phases of the negotiations need to be defined in operational terms so as to provide a framework for liberalising trade in agriculture and bringing all measures affecting import access and export competition under strengthened and more operationally effective GATT rules and disciplines.

There is a broad measure of consensus that agricultural policies should be responsive to international market signals in order to meet the objective of liberalization and expansion of international trade. Support and protection which distorts trade should be progressively reduced and eliminated as appropriate. Incentives for increasing output, productivity and development of developing countries are recognised as not being trade distorting.

Ministers accordingly endorse a framework approach comprising the following interrelated long and short term elements and arrangements on sanitary and phytosanitary regulations and barriers.

A. Long-term elements

Ministers agree that the long-term objective of the agricultural negotiations is to integrate trade in agriculture into the GATT system. This will ensure a fair and market-oriented agricultural trading system. A reform process is agreed in which commitments are undertaken to reduce and eliminate, as appropriate, trade distorting support and protection.

(a) Ministers agree:

- there should be a substantial reduction of trade distorting support and protection in all agricultural sectors and, as appropriate, their elimination;
- the establishment of strengthened rules and disciplines as an integral part of the General Agreement should provide the

framework for the reduction of support and protection in the long term.

Guidelines for reform

(b) The following are guidelines for a reform programme. This programme will incorporate as an integral element, special and differential treatment for developing countries in accordance with the General Principles governing the negotiations as elaborated in section B of Part I of the Ministerial Declaration, in particular, paragraphs (iv) to (vii):

- (i) it should result in progressive reduction in all direct and indirect subsidies and import barriers which directly or indirectly affect trade in all agricultural products. This programme should be subject to surveillance and other procedures necessary to ensure full compliance with commitments and should be completed by a date to be negotiated and agreed before the end of the Round;
- (ii) the strengthened GATT régime should encompass the incorporation under clear and enforceable re-inforced GATT rules and disciplines of all measures affecting directly or indirectly import access and export competition:

Import access

- all measures maintained under waivers, protocols of accession or other derogations and exceptions should be eliminated or brought under the strengthened GATT régime;
- conditions should be established governing the maintenance, elimination or removal in favour of tariffs, of quantitative or other non-tariff access restrictions and of measures not explicitly provided for in the General Agreement, including specification of access levels.

Export competition

- conditions should be established under which direct budgetary assistance to exports and deficiency payments on products exported and other forms of export assistance should be progressively reduced or eliminated.

Internal support

- conditions should be established under which price and income support measures should be subject to disciplines in order to make such policies more responsive to international market signals.

- (iii) Government measures to encourage agricultural and rural development are an integral part of the development programmes of developing countries; such measures may involve direct or indirect government support and protection.
 - (iv) non-economic factors shall be taken into account in the negotiations on the GATT rules and disciplines and related commitments.
- (c) Negotiations under (i) (ii) (iii) and (iv) shall begin in February, 1989;

B. Short-term elements

- (a) Ministers agree to implement the following, in the course of 1989 and 1990, based on agreed terms and conditions which shall be reached by 31st March, 1989 (including measures coverage, commodity coverage, reference prices, etc.);
- a freeze on trade distorting support and protection provided to their agricultural sectors;
 - reduction of such trade distorting support and protection;
 - increase in market access opportunities;
 - measures to offset any possible negative effects of short-term measures on the net food (and other agricultural products) importing developing countries;
 - developing countries shall be exempted from applying any measures in the short term;
 - measures to minimise the adverse effects of sanitary and phytosanitary measures affecting international trade in agriculture.
- (b) Ministers agree:
- that the freeze and reduction shall be expressed in accordance with the agreed terms and conditions and may be based on an aggregate measurement of support and/or specific policies and measures appropriate to each situation, so as to ensure mutual advantage and a balance of benefits.

C. Sanitary and Phytosanitary Regulations

Ministers should be invited to endorse harmonization of national regulations as a long-term goal and a work programme embodying the following objectives:

- (1) strengthen Article XX so that measures taken to protect human, animal or plant life or health are based on sound scientific evidence and recognize the principle of equivalency;
- (2) review existing notification and counter-notification procedures to ensure the existence of an effective notification process for national regulations;
- (3) develop a consultative process which allows opportunity for the bilateral resolution of disputes;
- (4) improve the multilateral dispute settlement process within the GATT in order to provide where necessary input of scientific expertise and judgement, relying inter alia on the Codex Alimentarius Commission, the International Office of Epizootics, and the International Plant Protection Convention;
- (5) assess the possible effects on developing countries of the GATT rules and disciplines for sanitary and phytosanitary measures and evaluate the need for special measures including technical assistance.