

MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND

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Group of Negotiations on Goods (GATT)

Negotiating Group on Agriculture

SYNOPTIC TABLE OF NEGOTIATING PROPOSALS SUBMITTED
PURSUANT TO PARAGRAPH 11 OF THE MID-TERM
REVIEW AGREEMENT ON AGRICULTURE

Note by the Secretariat

Introduction

1. This document has been prepared by the secretariat on its own initiative, and therefore cannot be considered to bind the participants in the negotiations in any way. Its purpose is to present, as succinctly and systematically as possible, the various positions that have been expressed during the negotiations on agriculture thus far.
2. This summary cannot claim always to be perfectly accurate. It can sometimes be very difficult to summarize briefly a large number of complex proposals, some detailed, other more vague.
3. Likewise, it is not claimed that the classification used is either the only or the best one possible. Its main advantage is that it offers an overview of some of the major issues which the negotiations will have to resolve in the coming months.
4. The secretariat considered that this work had to be done in order to improve its own grasp of the many inputs concerning the problem which are scattered throughout a copious array of documents. Its sole aim is to make it easier to keep in mind a number of reference points in this wealth of diffuse documentation. It is not altogether impossible that it may be of similar use to the participants in the negotiations.

<u>INTERNAL SUPPORT</u>		<u>CAIRNS GROUP (NG5/W/128)</u>	<u>EUROPEAN COMMUNITY (NG5/W/145)</u>
1. AIMS	More effective orientation of domestic agricultural policies to market forces through substantial progressive reductions in trade-distorting elements of internal support policies.	Substantial progressive reduction in the most trade-distorting policies. Minimum specific policy adjustments with some flexibility overall.	Progressively reduce support and protection to extent necessary to re-establish balanced markets and a more market-oriented agricultural trading system.
2. REFORM PROCESS	<ul style="list-style-type: none"> - Policy Coverage 	<p>All domestic programmes (incl. sub-national) within the scope of the negotiation. Establish general policy categories, classified by degree of trade distortion (most, less, minimal). See Annex 3 for details.</p> <p>Three policy categories: (1) most trade-distorting (market price support, direct payments); (2) trade-impacting (e.g. input subsidies); (3) not linked to production or trade.</p>	<p>By policy category above: (1) target reductions to include annual commodity-specific cuts in producer prices and total AMS (where AMS not calculable, producer prices and budget expenditure); (2) annual reductions in budget expenditure; (3) surveillance, possible eventual disciplines.</p> <p>Some flexibility of policy mix to achieve agreed reductions in trade-distorting support.</p>
	<ul style="list-style-type: none"> - Commitments 	<p>Policy-specific and generally commodity-specific. Three levels, corresponding to policy categories above (see page 8): (a) policies to be phased out - e.g. administered prices, production-linked income support; (b) policies to be disciplined - others n.e.s., incl. general input subsidies; see AMS, below; (c) permitted policies - e.g. decoupled income support, disaster aid, some stockpiling programmes.</p>	<p>Means of complementary commitments (above); use in monitoring support reductions needs further consideration, as do S&D aspects. Commodity and country coverage as wide as possible. Base years 1986-1988.</p>
	<ul style="list-style-type: none"> - AMS 	<p>Vehicle for support reduction commitments in category (b), above. Bind at progressively reduced rates over transition period. AMS to include all support not either prohibited or permitted under new rules (below). Excludes border measures.</p>	<p>Over "an agreed period of time" (ten years or less). Deflator to be applied to high-inflation countries' commitments (see also S+D, below).</p>
	<ul style="list-style-type: none"> - Implementation 	<p>Over ten years. For policies to be phased out, choice of transition mechanism provided this produces equal annual reductions down to elimination. For policies to be disciplined, negotiated level of linear AMS reductions over transition period.</p>	<p>First stage of five years. Market/trade study in fourth year to establish rate and extent of subsequent reductions. Allow for inflation to ensure comparable adjustments.</p>

INTERNAL SUPPORT (cont'd)

UNITED STATES (NG5/W/118)	CAIRNS GROUP (NG5/W/128)	EUROPEAN COMMUNITY (NG5/W/145)
3. GATT RULES AND DISCIPLINES	Must establish criteria for identifying policies to be phased out or permitted. Amend GATT instruments accordingly. Both prohibited and permitted policies to be defined in interpretative note (see pp.9-10). Other policies subject to disciplines re nullification or impairment of concessions and serious prejudice/ material injury, plus AMS bindings (above).	Three policy categories: (1) prohibited; (2) permitted but subject to discipline; (3) permitted (strict criteria for inclusion - see para. 29). Rules and disciplines on policy-specific parameters to bind reform results for (1) and (2). Improved rules and disciplines on countervailing practices.
4. SPECIAL AND DIFFERENTIAL TREATMENT FOR DEVELOPING COUNTRIES	New rules and disciplines should apply to all contracting parties. Degree of any developing-country variance from implementation schedule on demonstrated need basis. Full compliance with commitments and implementation by advanced developing countries. Less developed can maintain certain development-oriented subsidies, to be reduced as performance improves. Accelerated reductions in developed country support to products of priority export interest to developing countries.	Internal support measures forming integral part of development programmes (indicative list paragraph 39) not subject to any reduction commitments. For trade-distorting support measures, lower commitment to reduce. Time-frame for implementation to be extended by agreed period, with possible readjustment on need basis. Specific needs of net food-importing countries must be taken into account, following principles in para.41.
5. NON-TRADE FACTORS		Food security through supply diversification, stockpiling instead of self-sufficiency; other concerns to be addressed by decoupled support (see paragraph 44).
6. CREDITS		Positive measures adopted since Punta del Este to be credited through use of 1986 SMU reference year.

INTERNAL SUPPORT

	<u>JAPAN</u> (NG5/W/131)	<u>NORDICS</u> (NG5/W/143)	<u>SWITZERLAND</u> (NG5/W/114)	<u>SWITZERLAND</u> (NG5/W/114)
1. AIMS	Because of multiple roles of agriculture, including food security, domestic support to be clearly distinguished from export subsidies; elimination difficult.	Concerted gradual reduction of support with priority to most trade-distorting and incentives to move to more decoupled forms.	Discipline to be imposed on countries pursuing an essentially non-commercial agricultural policy must have equivalent effects with regard to Mid-Term Review agreed objectives.	Countries undertaking minimum access commitment to have greater flexibility in choice of support instruments, provided that they bear bulk of cost themselves, that support does not freeze output composition and that market signals taken into account.
2. REFORM PROCESS	<p>- Policy Coverage</p> <p>Definite category of subsidies to be disciplined (possibly via a Working Group). Trade distortion a, but not sole, criterion. Exclude (e.g.) structural aid; production and surplus control expenditure, social welfare, research and development and environment-oriented subsidies.</p> <p>- Commitments</p> <p>AMS the only vehicle for reduction commitments - no policy-specific commitments.</p> <p>Subsidies to be disciplined should (1) be placed under "appropriate GATT disciplines such as Subsidies Code"; and (2) be subject to reduction using AMS.</p> <p>- AHS</p> <p>Policy exclusions as above. Commodity coverage to include major traded products, by product sector. All participating countries to be covered. Take into account: ratio of imports to consumption; exogenous influences on external reference price (use fixed?); domestic production (use an average?); and non-trade concerns.</p>	<p>- As above. Decoupled support would mainly address clearly defined food security, regional, social and environmental objectives.</p> <p>In terms of policy elements. Take supply control measures into account.</p>	<p>See also W/49. Use in setting targets and monitoring reduction but not for binding commitments. Policy coverage: most trade-distorting. Non-AMS policies (e.g. payments related to non-trade concerns) subject to monitoring, possible disciplines. Take account of world price and currency fluctuations (fixed external reference price?).</p> <p>- Implementation</p> <p>Monitoring of implementation by a surveillance body (Agriculture Committee under GATT Council?).</p>	<p>Reporting and multilateral surveillance of commitments. Sanctions for non-compliance. Production in excess of agreed level donated to international agency for sale to fund agricultural development assistance.</p>

INTERNAL SUPPORT (cont'd)

	<u>JAPAN</u> (NG5/W/131)	<u>NORDICS</u> (NG5/W/143)	<u>SWITZERLAND</u> (NG5/W/114)
3. GATT RULES AND DISCIPLINES	See commitments, above.	Specific drafting to await clearer picture of reform outcome and extent to which this involves special treatment of agriculture in new rules.	Further proposals possible re support as above. Amend Article XVI to take account of non-commercial policy factors. Three subsidy categories and disciplines as per NG0/W/26 (prohibited, actionable, permitted; injury test). Permitted comprises domestic subsidies necessary to attain non-commercial objectives of agricultural policies (see page 6).
4. SPECIAL AND DIFFERENTIAL TREATMENT FOR DEVELOPING COUNTRIES	Flexibility in reduction commitments and longer time-frames.	Objective needs of LDCs to be taken into account individually. Possibilities include longer time-frames for implementation and other forms of flexibility in application of commitments. Net food-importers need special attention.	General rules apply to net exporters. Minimum access commitment for net importers to depend on individual situation.
5. NON-TRADE FACTORS	Take into account in negotiations on both rules and support commitment. See also proposed treatment of "basic foodstuffs" under market access.	Take into account through decoupled support (see above); exclude from AMS.	Take into account throughout (see above).
6. CREDITS	To be given for measures reducing support and protection since start of Round.	Recall Mid-Term Review Agreement.	Account to be taken of contributions already made.

INTERNAL SUPPORTAUSTRIA (NG5/W/144)KOREA (NG5/W/130)MOROCCO (NG5/W/121)

1. AIMS	Achieve agreed aims of negotiation (reduction, not elimination, of support) while maintaining national agricultural policies, including non-trade elements.	Progressive reduction of inefficient support measures, with due consideration to non-economic factors in agricultural trade.	Reflect specific concerns of developing country undertaking structural reform of agriculture.
2. REFORM PROCESS			
- Policy Coverage	Classify support measures by effect to establish which to be subject to reduction. Support to be permitted, or exempt from commitments, should include measures related to domestic supply control, decoupled income support, and support in pursuit of non-trade objectives, e.g. social and infrastructural (see indicative list para. 6).	Measures to be allowed (listed para. 15) include subsidies to non-economic function of agriculture, supply control and food reserve policies, non-commodity-specific and infrastructure aid, direct decoupled income support and some deficiency payments.	See AMS, below.
- Commitments	Specific obligations to be negotiated, following Mid-Term Review options of policy-specific, AMS or combination approach.	Through strengthened GATT rules and AMS. See AMS, below.	
- AMS	See NG5/W/107. Whether monitoring or operational role to be clarified in negotiation. Either way total aggregate value should be used. Policy coverage to exclude general and decoupled support and supply control measures, food aid and disaster relief. Account to be taken of production quotas, non-trade goals. Product coverage initially only major traded commodities (e.g. cereals, milk). Exclude products for which a self-sufficiency target (to be negotiated) not exceeded. Fixed world market reference price; three- to five-year average calculated in national currencies. Take into account transport costs.	Useful as a means of operating and monitoring support and protection reductions. Measure support per farmer. Clarify technical issues (para.20). Exclude or deduct policy measures related to non-trade concerns, and internal support or NTMs permitted under rules and disciplines as revised (listed para. 22). Commodity coverage: major traded product groups. All participating countries to be covered, subject to special and differential treatment.	Prepared to discuss use, taking into account: (1) AMS should cover all the most trade-distorting measures; (2) exclude expenditure on developing-country infrastructure and development projects (etc), see para. 3.2; (3) no fixed reference period; use moving average; (4) provide for relevant technical assistance to developing countries.
- Implementation	Results of negotiation to be implemented by all contracting parties simultaneously and in same manner. Exemptions only for LDCs, especially least-developed.	Decoupled income support very important but difficult to apply to developing countries. See also special and differential treatment, below.	Decoupled support possibilities less for developing countries.

INTERNAL SUPPORT (cont'd)

AUSTRIA	KOREA	MOROCCO
3. GATT RULES AND DISCIPLINES To be adapted once negotiations on material contents concluded, taking results of Round into account. New codes possible, e.g. on AMS.	 Must allow internal support measures required for non-trade concerns, e.g. food security. See also list of measures to be allowed in para. 15.	 Must reflect special and differential treatment; support instruments to be codified.
4. SPECIAL AND DIFFERENTIAL TREATMENT FOR DEVELOPING COUNTRIES Domestic support, especially development oriented, to be viewed differently from developed country support. Possibly reflect S+D in use of AMS. Encourage measures to increase self-sufficiency of net food importers.	 Should be reflected both in rules and disciplines (make S+D more concrete) and implementation of reform (longer time-frames, policy and product flexibility, concessional sales and food aid, financial support from international agencies). Developing countries should also contribute fully to implementation of results of this negotiation.	 See above; also, support for structural reform from concessional finance/investment through improved co-operation GATT/international financial institutions.
5. NON-TRADE FACTORS Contracting parties retain sovereign right to take measures in pursuit of socio-political objectives through agriculture. Such measures, not aiming at market access or export competition, to remain outside new or strengthened GATT rules and disciplines. (See above, and para. 6).	 Imperative that negotiations accept special nature of agriculture and minimum levels of agriculture production, to be embodied in agreement on minimum self-sufficiency/market access for essential products.	
6. CREDITS To be given for measures implemented since 1986 contributing positively to reform of agricultural trade.		

INTERNAL SUPPORT

	<u>Egypt, JAMAICA, MEXICO, MOROCCO AND PERU (NG5/W/119)</u>	<u>BRAZIL AND COLOMBIA (NG5/W/132)</u>	<u>BANGLADESH (on behalf of least-developed countries) NG5/W/126</u>
1. AIMS	<p>Alleviate the burden of increased prices on net food-importing developing countries; enhance their capacity to increase agricultural production, especially food. (See also NG5/W/74 and W/101.)</p>	<p>Elaboration of Cairns Group statements; non-exhaustive list of possible modalities for concrete application of the principle of special, differential and more favourable treatment for developing countries in the different areas and phases of the negotiation.</p>	<p>Reforms and new disciplines should allow for the right of the least-developed developing countries to provide protection, support and assistance, including assistance to export development, in the agricultural sector.</p>
2. REFORM PROCESS	<ul style="list-style-type: none"> - Policy Coverage 	<p>Elimination of trade-distorting support and protection measures; offsetting measures for net food-importing developing countries to include provision of additional resources to increase their agricultural productivity.</p>	<p>Priority to elimination of most trade-distorting support, especially that affecting developing countries.</p> <p>Measures crucial to economic and social development in developing countries, e.g. government expenditure on infrastructure and human resources development, not to be included in negotiation.</p>
	<ul style="list-style-type: none"> - Commitments 	<p>Additional financial resources consistent with assessed negative effects of reform process, devoted to enhancing net importers' capacity to import and to produce food.</p> <p>Additional food aid and concessional sales.</p>	<p>Developing countries committed to reform process but require specific provisions, e.g. flexibility in application of commitments. This could mean lower cuts in support (plus exceptions above). Developing countries should have flexibility in selection of measures to be disciplined initially.</p> <p>Increased food import prices to be taken into account by international financial organizations.</p>
	<ul style="list-style-type: none"> - AMS 	<ul style="list-style-type: none"> - Adapt to GATT use and principles; exclude development-oriented support as above. 	<p>Developing countries to have a grace period before they begin implementation of commitments, plus a longer time-frame in which to do so, subject to case-by-case readjustment following procedures to be defined.</p>

INTERNAL SUPPORT (cont'd)

EGYPT, JAMAICA, MEXICO, MOROCCO AND PERU (NG5/W/110)

BRAZIL AND COLOMBIA (NG5/W/132)

BANGLADESH (on behalf of least-developed countries) NG5/W/126

- Implementation
(cont'd)

Establish a multilateral funding facility to finance commitments above. To be transitional, relating to scale and timing of the reform process. Administered through existing international organizations. Exempt from conditionality. Bilateral contributions untied. Drawings determined in relation to food import cost impact of reform process.

Develop co-ordination GATT/other organizations to implement and monitor commitments.

3. GATT RULES AND DISCIPLINES

4. SPECIAL AND DIFFERENTIAL TREATMENT FOR DEVELOPING COUNTRIES

As above; also, least-developed countries which are net food importers should be assisted to overcome any erosion in their food purchasing power consequent on the reform process through food aid and direct technical and financial assistance.

Embody throughout as above.

Specific situation of net food-importing developing countries must be taken into account; NG5/W/119 a basis for further work.

5. NON-TRADE FACTORS

6. CREDITS

<u>BORDER MEASURES</u>	<u>UNITED STATES (NG5/W/118)</u>	<u>CAIRNS GROUP (NG5/W/128)</u>	<u>EUROPEAN COMMUNITY (NG5/W/145)</u>
1. AIMS	After an agreed transition period, import protection should be in the form of low or zero-bound tariffs only.	To implement a reform process aimed at reducing substantially border protection and correct and prevent restrictions and distortions. Protection levels for any product should not be increased.	Progressive reduction of border protection in conjunction with support to the extent necessary to re-establish balanced markets and a more market-oriented trading system.
2. REFORM PROCESS			
- Modalities	All tariffs to be bound and reduced. Tarification: no new non-tariff measures to be permitted. Conversion of all existing non-tariff measures (quotas, variable levies, VRAs, restrictive licence practices, and any other import restriction or prohibition however administered) into ad valorem or per unit basis tariff equivalents on the basis of average prices for 1986-1988 (cf. also NG5/W/97).	Tariffs: existing tariffs should be reduced on a formula basis consistent with the Mid-Term Review tariff agreement, and supplemented with request/offer where appropriate. Base rate as in the MTR tariff agreement. Cf. also NG5/W/105.	Commitments to be taken in terms of the SMU: see "Internal Support" above, and NG5/W/96.
	All tariff-quotas to establish, on a transitional basis, quotas (by tariff line) at levels equivalent to (i) levels of imports in 1990 or a recent reference period; (ii) a negotiated minimum level in case of no previous imports; and (iii) a tariff rate at a level to be agreed upon for each quota.	Tarification: conversion of other border measures (including variable import levies, minimum import prices, etc.) to tariff equivalents subject to maximum ad valorem levels. No new NTMs allowed. Global tariff quotas: where necessary, on a transitional basis. In the absence of, or low, imports, initial tariff rate or tariff quota would be set at a level to allow, as a minimum, access equivalent to a specified level of domestic consumption or production.	Tarification: consider including elements, given that problem of rebalancing can be solved in this context. Border protection for SMU products, their derivatives and substitutes would be assured by a fixed component, expressed in absolute value. Deficiency payments would be converted into tariff equivalents. Quantitative restrictions may be maintained in exceptional circumstances.
- Product Coverage	CCCN: 1 to 23 plus 24-01; 32-03; 33.01; 35.01-35.03; 41.01-41.03; 43.01-43.02; 44.01-44.12; 51.01-51.03; 52.01-52.02.	All agricultural products. A precise definition of the products negotiated in NG5 is required.	All agricultural products. SMU products include: cereals, rice, sugar, oilseeds, milk, beef and veal, pigmeat, poultry meat and eggs.
- Commitments and Implementation	Binding of all tariffs, including those resulting from tariffication and those within each tariff quota. Reduction of all tariffs, including progressive annual reduction of over-quota tariffs, to final bound rates. Expansion of initial quotas by agreed minimum amounts during the transition period.	Phase-in of new rates for existing tariffs, as above. Progressive reduction of initial tariff equivalents to final bound low rates and expansion of global tariff quotas. Access to be expanded on a global basis from current levels. Tariff quotas would permit phasing out of existing country-specific access. Phased elimination of voluntary restraint agreements.	The fixed component of border protection would be reduced at similar rate as the SMU. Tariff equivalents of deficiency payments would be treated in the same way. Equivalent commitments should be undertaken for products not subject to SMU. Processed agricultural products should also be covered.
		Removal of global tariff quotas when the final bound rates are implemented.	

BORDER MEASURES (cont'd)

<u>UNITED STATES (NG5/W/118)</u>	<u>CAIRNS GROUP (NG5/W/128)</u>	<u>EUROPEAN COMMUNITY (NG5/W/145)</u>
- Commitments and Implementation (cont'd)	Removal, at the end of the transition period, of any remaining quotas. Final tariffs at zero or low levels.	Binding of all tariffs on agricultural products at low levels or zero.
	Transition period of ten years from 1 January 1991, implemented through agreed country implementation schedules.	The reform process should take place over ten years or less.
- Safeguards	Within each year during the transition period, a requesting country would be allowed to revert back to a specified level of tariff protection for the remainder of the year whenever imports in that year exceed a certain proportion of imports in the preceding year. This proportion would also be a function of the imports/domestic consumption ratio of the commodity in question. Shorter time periods may be appropriate for perishable commodities. At the end of the year, further tariff reductions would be implemented as agreed in the country's schedule. After the transition period, safeguard actions would be based on Article XIX as revised.	Existing BOPs and safeguards provisions are fully applicable. In addition, a special safeguard mechanism, applicable only during the transitional period, can be explored. It should provide for a temporary interruption to agreed tariff reductions where NTBs have been converted to tariffs.
3. GATT RULES AND DISCIPLINES	Article XI:2(c) to be eliminated. Articles XVII and XIX to be applied as revised.	Strengthened rules and disciplines, including: (a) prohibition on the introduction or continued use of all measures not explicitly provided for (including NTBs and other measures such as minimum import prices); (b) elimination of all provisions for exceptional treatment (waivers, protocols of accession, etc.).
4. SPECIAL AND DIFFERENTIAL TREATMENT FOR DEVELOPING COUNTRIES	Rules and disciplines should be applicable to all contracting parties. On the basis of a country's demonstrated needs for special treatment, developing countries can maintain bound tariffs at moderate levels. These tariffs would be progressively lowered to low or zero levels as these needs were reduced.	(See also NG5/W/132.) Longer time-frame for implementation of the reform commitments. It could be readjusted on a case-by-case basis in the event of genuine difficulties. Lower depth of cuts in import access barriers.

BORDER MEASURES (cont'd)

<u>UNITED STATES</u> (NG5/W/118)	<u>CAIRNS GROUP</u> (NG5/W/128)	<u>EUROPEAN COMMUNITY</u> (NG5/W/145)
4. SPECIAL AND DIFFERENTIAL TREATMENT FOR DEVELOPING COUNTRIES (cont'd)	<p>Accelerated trade liberalization for products of priority export interest to developing countries.</p> <p>Needs of net food-importing countries should be taken into account according to the principles in para. 41.</p>	<p>Accelerated reductions in trade barriers of products of priority export interest for developing countries.</p> <p>Needs of net food-importing countries should be taken into account according to the principles in para. 41.</p>
5. NON-TRADE FACTORS	<p>Recognition of food security (as distinct from self-sufficiency) as a concern of all contracting parties. To this effect, Article XI:2(a) can be amended by removing the possibility of restrictions or prohibiting exports of agricultural food products to remove critical shortage (cf. NG5/W/61).</p>	<p>Food security, social, environmental and other such concerns should be met through policies which do not distort production and trade.</p> <p>Food security can be achieved through:</p> <ul style="list-style-type: none"> (a) the maintenance of adequate stockpiles; (b) the diversification of sources of supply. <p>Other non-trade concerns should be addressed by support measures not linked to production or trade.</p>
6. EXPORT RESTRICTIONS AND PROHIBITIONS		<p>Ready to consider relevant proposals as part of a satisfactory comprehensive reform package, without prejudice to measures applied consistently with, among others, Article XX of the General Agreement.</p> <p>Elimination of export prohibitions and restrictions on products referred to in A.III above: (i) provisions relating to prohibitions and restrictions in Article XI:2(a) (see also NG5/W/61) to be removed with effect from 1 January 1991; (ii) if a contracting party maintains export taxes, duties or charges on products that are used as inputs for the production of other products, and if such taxes, duties or charges are higher than the rate charged on the secondary products, then the differential between such taxes, duties or surcharges should be progressively reduced and eliminated. The purpose of this provision would be to prevent countries from using a different tax structure to discourage exports of raw materials and thereby ensure a ready supply of artificially low-priced inputs for domestic processing industries. Elimination of the differential to be implemented over a five-year period.</p>

BORDER MEASURES

	JAPAN (NG5/W/131)	NORDICS (NG5/W/143)	SWITZERLAND (NG5/W/114)
1. AIMS	To negotiate new rules and disciplines together with commitments to reduce protection and support, while giving full recognition to the special nature and roles of agriculture, such as food security.	Reduced protection, gradual liberalization of trade and increased market orientation. The reform process should, as long-term goal, provide for border protection by other means than quantitative restrictions.	To reduce protection through rules equally applicable to all and which should recognize the non-commercial objectives of national agricultural policies.
2. REFORM PROCESS	<ul style="list-style-type: none"> - Modalities <p>Re-examination of Article XI together with negotiations on AMS commitments (cf. Annex 2 of W/131).</p> <p>Quantitative restrictions and variable import levies can be maintained in specified circumstances and under clear disciplines. Border adjustment measures to be permitted where necessary for security in basic foodstuffs (see below).</p> <p>Quantitative restrictions taken under waivers or other derogations should be placed under new general rules and disciplines.</p>	<p>Tarification: not applicable across the board; based on a formula which would allow starting with high tariff equivalents and the incorporation of stabilizers.</p> <p>Variable levies should remain an alternative (under strengthened disciplines).</p> <p>Quantitative restrictions would be allowed in exceptional cases.</p>	<p>Countries undertaking overall minimum market access commitments would benefit from greater flexibility in the choice of protection and support instruments, within the framework of strengthened rules and disciplines.</p> <p>Minimum market access defined as percentage ratio between agricultural imports and domestic consumption of foodstuffs (three-year average). To be negotiated at level enabling maintenance of essential domestic agriculture.</p> <p>Rules negotiations.</p>
	<ul style="list-style-type: none"> - Product Coverage - Commitments and Implementation 	<p>All agricultural products. AMS: major agricultural products having a certain volume of international trade.</p> <p>Commitments to reduce protection and support should be made on an AMS basis and not on the specific policies and measures.</p>	<p>All agricultural products.</p> <p>Conversion, in certain cases, of NTBs into high tariff equivalents.</p> <p>Reduction of tariff equivalents under conditions to be agreed.</p>
			<p>Negotiation of levels of overall minimum market access.</p> <p>Undertakings in terms of overall minimum market access.</p> <p>If current level of access is below the negotiated overall minimum market access, a sufficient transitional period should be fixed.</p> <p>Article XIX as revised in the course of the Uruguay Round.</p>
	<ul style="list-style-type: none"> - Safeguards 	Article XI notwithstanding, contracting parties may take necessary border adjustment measures to maintain domestic production of basic foodstuffs for food security reasons.	Appropriate safeguard mechanism is required. Stabilizers should be introduced in the tariffication formula and subsequently relaxed in line with the conditions to be agreed upon and the degree of reciprocity achieved.

BORDER MEASURES (cont'd)

	<u>JAPAN</u> (NG5/W/131)	<u>NORDICS</u> (NG5/W/143)	<u>SWITZERLAND</u> (NG5/W/114)
3. RULES AND DISCIPLINES	Article XI:2(c)(i) should be maintained and reviewed to make it more effectively applicable. Consideration should be given to the following aspects of the article: "governmental measures"; "production restrictions"; "like product" and "perishability".	Article XI:2(c) should be clarified as to the extent to which quantitative restrictions in exceptional cases should be allowed.	Article XI:2(c)(i) should be revised to take account of undertakings in terms of overall minimum market access.
4. SPECIAL AND DIFFERENTIAL TREATMENT FOR DEVELOPING COUNTRIES	Longer time-frame in attaining the long-term objectives of the negotiation.	Flexibility in fulfilling commitments to reduce protection and support.	Article XI:2(c)(ii) should be strengthened.
5. NON-TRADE FACTORS	Food security a permanent non-trade concern. This requires that it be included in rules and disciplines enabling border adjustment measures, giving consideration to the following aspects: definition of basic foodstuff (a major source of nutrition); conditions for applying border measures; discussions with other contracting parties concerned.	Clearly defined national policies pertaining to food security, regional, social or environmental policies should be allowed to continue in a manner consistent with the objectives of the negotiations.	Article XI:2(c) should be revised to state trading be explicitly subjected to Article XI.
6. EXPORT RESTRICTIONS AND PROHIBITIONS	Application of border adjustment for food security concerns shall not affect commitments made in the negotiation concerning the same basic foodstuff.	Review of the provisions of Article XVI:2(a) including the need for a clearer definition of the term "critical shortage".	Export prohibitions and restrictions to be brought under more stringent GATT rules and disciplines. The use of food as a means of political pressure should be effectively proscribed (NG5/W/10).
			Article XI:2(a) should be revised to take better account of the needs of importing countries.

BORDER MEASURES

AUSTRIA (NG5/W/144)	KOREA (NG5/W/130)	MOROCCO (NG5/W/121)
<p>1. AIMS</p> <p>Substantial and progressive reduction of protection and support together with the legitimate maintenance of policies aiming at securing domestic food supply.</p>	<p>Strengthened rules and disciplines on reduction of protection should be a balanced reflection of special characteristics of agricultural trade and the diversities of agricultural policies of each country.</p>	<p>Commitments to introduce a fair and market-oriented agricultural trade should also reflect the concerns of developing countries which have embarked on a process of reform of their agricultural policies.</p>
<p>2. REFORM PROCESS</p> <ul style="list-style-type: none"> - Modalities <p>Rules negotiations. AMS (cf. also NG5/W/107).</p> <p>Variable levies should be maintained.</p> <p>Quantitative restrictions would be allowed in specific cases.</p>	<p>Rules negotiations.</p> <p>All NTBs, whether maintained under waivers, protocols of accession, etc., including measures not explicitly provided for in GATT, should either be phased out or incorporated into strengthened Article XI:2.</p> <p>Tariffication could be applied to those NTBs to be phased out. Other NTBs, in specified cases, should be maintained under strengthened Article XI.</p> <p>AMS (covering measures to be brought into conformity with strengthened rules).</p>	<p>Tariffication - one possible technique based on the following:</p> <ul style="list-style-type: none"> - world prices (in the absence of reference prices) could be calculated on the basis of average export values adjusted for quality standards; - reference period to be determined in consideration of inter-annual variations and exchange-rate variations. AMS - covering the measures which have most trade-distortionary effect. <p>All agricultural products.</p> <p>AMS: major agricultural products only.</p> <p>Negotiations of minimum market access or minimum rate of self-sufficiency.</p> <p>Establishment of tariff equivalents for NTBs subject to tariffication.</p> <p>Implementation of commitments in terms of AMS (all participating countries).</p> <p>All agricultural products.</p> <p>AMS: major agricultural products only.</p> <p>Establishment of tariff equivalents.</p> <p>Prepared to discuss commitments in terms of AMS.</p> <p>Tariffication should not impede the supplementary mechanisms which might be made necessary by abrupt variations in world prices in situations where tariff ceilings exist.</p>

BORDER MEASURES (cont'd)

	<u>AUSTRIA (NG5/W/144)</u>	<u>KOREA (NG5/W/130)</u>	<u>MOROCCO (NG5/W/121)</u>
3. GATT RULES AND DISCIPLINES	Total elimination of Article XI:2 not possible. It should be modified, notably in connection with the application of production control measures. Article XVII should also be reviewed.	Revision of Article XI:2, taking into consideration the following: like products, governmental measures, proportionality clause, "in any form", and minimum level of allowed production. Revised Article XI should apply to state trading.	Codify instruments to be used in protection and support. Reflect S+D treatment.
4. SPECIAL AND DIFFERENTIAL TREATMENT FOR DEVELOPING COUNTRIES	Measures aimed at increasing net food-importing developing countries' self-sufficiency in food should be intensified. Needs of other developing countries, particularly least-developed countries, should also be taken fully into account.	Special and differential treatment should be specified in concrete terms in the rules. Longer time-frame for implementing the adjustment process, flexibility in product and policy coverage, favourable treatment re NTMs. Developing countries should also contribute fully to implementation of the negotiated results.	Special and differential treatment should include improvement of market access and the necessary protection of agricultural output at a reasonable level primarily tariffs but with possible safeguards as above. Net food-importing countries, cf. also NG5/W/74 and NG5/W/119.
5. NON-TRADE FACTORS	Sovereign right to take measures, in order to pursue, via agriculture, overall socio-political objectives, should be maintained. These measures should remain outside new and strengthened rules and disciplines.	Essential right of each country to maintain certain level of domestic production. Strengthened rules and disciplines must be established to allow quantitative restrictions (and internal support measures) required for non-trade concerns, including food security.	Export prohibitions and restrictions should only be permitted to meet certain minimum levels of self-sufficiency in exporting countries.
6. EXPORT RESTRICTIONS AND PROHIBITIONS			Interests of importing countries should be equally taken into account in the negotiation.

BORDER MEASURES (cont'd)

<u>EGYPT, JAMAICA, MEXICO, MOROCCO AND PERU (NG5/W/119)</u>	<u>BRAZIL AND COLOMBIA (NG5/W/132)</u>	<u>BANGLADESH (on behalf of least-developed countries) NG5/W/126</u>
<p>1. AIMS</p> <p>Alleviate the burden of increased prices on net food-importing developing countries; enhance their capacity to increase agricultural production, especially food. (See also NG5/W/74 and W/101.)</p>	<p>Elaboration of Cairns Group statements: non-exhaustive list of possible modalities for concrete application of the principle of special, differential treatment for developing countries in the different areas and phases of the negotiation.</p>	<p>Reforms and new disciplines should allow for the right of the least-developed developing countries to provide protection, support and assistance, including assistance to export development, in the agricultural sector.</p>
<p>2. REFORM PROCESS</p> <ul style="list-style-type: none"> - Modalities <p>See also under Internal Support. Increase net importers' export earning capacity through improved market access conditions for agricultural exports. Early improvement in this considered part of indirect transfer to net food-importing developing countries.</p>	<p>Cuts in tariffs and non-tariff barriers for developing countries to be lower than generally-agreed target.</p> <p>Tarification: could introduce more transparency; could be useful negotiating tool only if effective in improving access conditions.</p> <p>For products of priority export interest to developing countries, reduction of trade barriers and internal support by developed countries on accelerated basis.</p>	<p>For products of priority export interest to developing countries, reduction of trade barriers and internal support by developed countries on accelerated basis.</p> <p>Developing countries committed to reform process but require specific provisions, e.g. flexibility in application of commitments. This could mean more flexible commitments on access.</p> <p>Developing countries should have flexibility in selection of measures to be disciplined initially.</p> <p>Developing countries to have grace period before they begin implementation of commitments, plus a longer time-frame in which to do so, subject to case-by-case readjustment following procedures to be defined.</p> <p>Rate at which developing countries would open their markets determined by the rate at which markets of particular export interest opened to them.</p> <p>Implementation of access commitments by developing countries to take place after these corresponding concessions received.</p>

BORDER MEASURES (cont'd)

<u>Egypt, Jamaica, Mexico, Morocco and Peru (NG5/W/119)</u>	<u>BRAZIL AND COLOMBIA (NG5/W/132)</u>	<u>BANGLADESH (on behalf of least-developed countries) NG5/W/126</u>
- Safeguards		
3. GATT RULES AND DISCIPLINES	Stricter discipline on exceptions under Article XI. Developing countries, whose situation could be covered in an Interpretative Note, to be allowed to maintain QRS under specific disciplines.	As above; also, least-developed countries which are net food importers should be assisted to overcome any erosion in their food purchasing power consequent on the reform process through food aid and direct technical and financial assistance.
4. SPECIAL AND DIFFERENTIAL TREATMENT FOR DEVELOPING COUNTRIES	Embody throughout as above.	Embody throughout as above. Specific situation of net food-importing developing countries must be taken into account; NG5/W/119 a basis for further work.

EXPORT COMPETITION

<u>UNITED STATES (NG5/W/118)</u>	<u>CAIRNS GROUP (NG5/W/128)</u>	<u>EUROPEAN COMMUNITY (NG5/W/145)</u>
<p>1. AIMS</p> <p>To orient more effectively domestic production to market forces through the elimination of all export subsidies on products covered by the Negotiating Group on Agriculture.</p> <p>2. REFORM PROCESS</p> <ul style="list-style-type: none"> - Policy Coverage <p>Export subsidies to be prohibited as per illustrative list of export subsidies contained in the Subsidies Code. Right reserved to propose amendments to this list to ensure that it is consistent with any changes agreed upon in the Subsidies Negotiating Group and/or to ensure that it precludes export subsidies which could be specific to the agricultural trading system. Bona fide food aid excluded from prohibition.</p>	<p>To prohibit new, and phase out existing, export subsidies as part of a reform process which is comprehensive, integrated and equitable and involves parallel reductions in import access barriers, export subsidies and internal support measures.</p> <p>2. REFORM PROCESS</p> <ul style="list-style-type: none"> - Product Coverage <p>Chaps. 1-24.01 plus additional products. All agricultural products.</p>	<p>Improvement of existing rules and disciplines relating to export competition to provide a regulatory framework for export subsidization practices linked to and integrated with reductions in levels of support (see NG5/W/106).</p> <p>Prohibition of all export subsidy practices, to be clearly identified and defined. All food aid should be provided on a grant basis.</p> <p>(See below.)</p>
		<p>Two-step phase-out process for each commodity:</p> <ul style="list-style-type: none"> (i) freeze current maximum level of export subsidies (per unit and total outlay); (ii) in each year thereafter these maximum levels would be progressively phased out in accordance with an agreed timetable and formula. Phase-out period of ten years or less. <p>(i) Disciplines concerning the level of export subsidies for products/priority sectors in respect of which SMU calculations are feasible or in respect of which the use of a world market price (an f.o.b. price on a representative market) is possible. The level of such subsidies should not exceed the difference between the world market price and the exporting country's domestic price, with the amount granted to exports of products subject to SMU commitments not exceeding that levied by the exporting country on imports. Appropriate provisions should be adopted for other products;</p>

<u>EXPORT COMPETITION (cont'd)</u>			
<u>UNITED STATES (NG5/W/118)</u>	<u>CAIRNS GROUP (NG5/W/128)</u>	<u>EUROPEAN COMMUNITY (NG5/W/145)</u>	
- Commitments and Implementation (cont'd)	<p>(ii) The equitable share concept in Article XVI:3 should be made operational as a preventive measure: by defining the "previous representative period", or reference level, as the average of three of the five most recent calendar years; by deleting the reference to "special factors"; and by making the exporting country responsible for proving that a share in excess of the reference level is not more than equitable;</p> <p>(iii) Limitation of subsidies applied to exports of commodities incorporated in processed agricultural products to the difference between the prices of the commodity on the domestic and the world market, provided such difference is not minimal;</p> <p>(iv) SMU related disciplines: initially five years.</p>	<p>To avoid export assistance being shifted into concessional food aid shipments, all food aid should be provided on a grant basis and, to maximum extent possible bearing in mind legitimate donor priorities, channelled through relevant international organizations. Existing international commitments and understandings regarding bilateral food aid shipments to be strictly complied with.</p>	<p>Provision should be made in Article XVI for monitoring concessional sales and food aid donations, <u>inter alia</u>, to ensure maximum transparency.</p>
- Food Aid and Concessional Transactions	<p>Improved disciplines on food aid need to be developed to ensure that such activities meet the needs of developing countries but do not distort normal commercial sales.</p>	<p>(i) Contracting parties would agree not to grant any form of subsidy on exports of the listed products;</p> <p>(ii) new rules/guidelines to clarify such issues as the conditions under which food aid may be provided, the categories of countries eligible, the kinds of commodities which could be provided and permissible terms, i.e. what concessional arrangements would be acceptable.</p>	<p>(i) Prohibition of export subsidies; appropriate amendments to Article XVI (and provisions of Subsidies Code) will be required;</p> <p>(ii) an associated rule, to be incorporated in the General Agreement, but linked to FAO/CSD procedures would be that all food aid be provided on a grant basis.</p>
3. GATT RULES AND DISCIPLINES			

<u>EXPORT COMPETITION</u> (cont'd)		<u>CAIRNS GROUP</u> (NG5/W/128)	<u>EUROPEAN COMMUNITY</u> (NG5/W/145)
<u>UNITED STATES</u> (NG5/W/118)			
4. SPECIAL AND DIFFERENTIAL TREATMENT FOR DEVELOPING COUNTRIES	The degree to which any developing country departs from the implementation schedules in respect of matters other than internal support and import access should be commensurate with that country's demonstrated need for exceptional treatment.	General I: longer time-frames for implementation, which could be readjusted on a case-by-case basis.	General: developing countries with, <u>inter alia</u> , a significant export interest considered to have a genuine interest in participating in commitments. Special and differential treatment should consist, <u>inter alia</u> , of a degree of flexibility in the application of whatever rules will be adopted for the reduction of support and protection according to level of development and development needs of the countries concerned. Take into account the possible negative effects of the reform process on net food importers.

<u>EXPORT COMPETITION</u>			
	<u>JAPAN (NG5/W/131)</u>	<u>NORDICS (NG5/W/143)</u>	<u>SWITZERLAND (NG5/W/114)</u>
1. AIMS	Export subsidization, which constitutes the major source of distortion, should be progressively reduced and eventually eliminated.	Gradual elimination of most export subsidies in the context of a concerted gradual reduction of support to agricultural products under which priority would be given to the most trade-distorting policies.	Enhanced GATT disciplines on subsidies according to their categorization, in terms of specified criteria, as prohibited, actionable (counteravailable), or permitted domestic subsidies.
2. REFORM PROCESS			
- Policy Coverage	As above.	Other forms of subsidies may indirectly produce the same results as clear-cut export subsidies and would have to be dealt with in a corresponding manner (NG5/W/100).	Prohibited subsidies: (i) export subsidies which have the effect of lowering the price of the subsidized product below the price normally prevailing for like products on the market of the importing country; (ii) export subsidies which over-compensate the difference between the domestic and world market prices of agricultural products incorporated in processed agricultural products.
- Product Coverage			Agricultural products, including those incorporated in processed agricultural products.
- Commitments and Implementation		Commitments in terms of policy elements (reduced export volumes or reduced subsidies: NG5/W/35).	Multilateral determination, at request of injured contracting party, as to whether the subsidy is to be categorized as a "prohibited export subsidy". If so, the subsidy has to be eliminated or brought into line with the GATT rules, failing which injured contracting party may be authorized to take effective countermeasures.
- Food Aid and Concessional Transactions		Future rules must allow for continuation/expansion of food aid and concessional sales to food deficit developing countries but with a clear distinction between genuine food relief and disguised (subsidized) export competition (NG5/W/100).	Contributions to food aid permitted.
3. GATT RULES AND DISCIPLINES	Amendment of Article XVI:B and the Agreement on subsidies and countervailing measures to provide for progressive reduction and eventual elimination of export subsidies.	More stringent GATT disciplines on export subsidies (NG5/W/100).	Enhanced GATT rules and disciplines as above.

EXPORT COMPETITION (cont'd)

	<u>JAPAN (NG5/W/131)</u>	<u>NORDICS (NG5/W/143)</u>	<u>SWITZERLAND (NG5/W/114)</u>
4. SPECIAL AND DIFFERENTIAL TREATMENT FOR DEVELOPING COUNTRIES	<p>Longer time-frame for developing countries in achieving the objectives of the negotiations and flexibility regarding fulfilment of the commitments to be made by developing countries in the reduction of support and protection.</p>	<p>Longer time-frames for implementation and other forms of flexibility in the application of commitments, taking into account the objective needs of developing countries individually. Particular problems of least developed countries require more far-reaching remedies. Net food-importing developing countries a category in respect of which attention is called for.</p>	<p>Developing countries that are net exporters of agricultural products would be subject to the same rules and disciplines as developed countries. Specific treatment for developing countries that are net importers of agricultural products and for least developed countries.</p>

EXPORT COMPETITION

	<u>AUSTRIA</u> (NG5/W/144)	<u>KOREA</u> (NG5/W/130)	<u>MOROCCO</u> (NG5/W/121)
1. AIMS	Improving export competition through new and adjusted disciplines, including a substantial and progressive reduction of export subsidies to a certain level.	Measures aimed at increased export markets should be phased out over an agreed period of time.	Commitments to introduce a fair and market-oriented agricultural trade system should also reflect the concerns of developing countries which have embarked on reform of their agricultural policies.
2. REFORM PROCESS			
- Policy Coverage	Direct export subsidies.	As above. Export subsidies on food aid and concessional sales to the developing countries should be recognized as exceptions.	
- Product Coverage			
- Commitments and Implementation	A reduction of export subsidies would have to be implemented in a way that would allow domestic adjustments in an orderly manner over a period of time to be agreed.	Phase out over an agreed period of time.	Progressive elimination of the distortions characterizing world agricultural markets.
- Food Aid and Concessional Transactions	Excluded from elimination.	Recognize as exceptions (see above).	Hust reflect special and differential treatment; support and protection instruments to be codified.
3. GATT RULES AND DISCIPLINES	Strengthened Article XVI rules would have to be applied by all contracting parties in the same way.	Amend Article XVI in line with above.	General: create a favourable environment for pursuing structural reform policies in agriculture.
4. SPECIAL AND DIFFERENTIAL TREATMENT FOR DEVELOPING COUNTRIES	Due account should be taken of, e.g. reduced export subsidies on net food-importing developing countries. The particular needs of the other developing countries, in particular least developed countries, should be taken fully into account within the future results of the Uruguay Round.	Longer time-frames and flexibility. Recognition of concessional sales and food aid.	Use part of resources freed by reform to alleviate negative effects on net food-importing developing countries and finance their agricultural development. Proposals of "W/74" group (see NG5/W/119) a suitable basis for identifying appropriate measures.

EXPORT COMPETITION

<u>EGYPT, JAMAICA, MEXICO, MOROCCO AND PERU (NG5/W/119)</u>	<u>BRAZIL AND COLOMBIA (NG5/W/132)</u>	<u>BANGLADESH (on behalf of least-developed countries) NG5/W/126</u>
1. AIMS Alleviate the burden of increased prices on net food-importing developing countries; enhance their capacity to increase agricultural production, especially food. (See also NG5/W/74 and W/101.)	Elaboration of Cairns Group statements: non-exhaustive list of possible modalities for concrete application of the principle of special, differential treatment for developing countries in the different areas and phases of the negotiation.	Reforms and new disciplines should allow for the right of the least-developed developing countries to provide protection, support and assistance, including assistance to export development, in the agricultural sector.
2. REFORM PROCESS		
- Product Coverage	Priority to elimination of most trade-distorting support, especially that affecting developing countries. Export subsidies to be outlawed.	
- Policy Coverage	Elimination of trade-distorting support and protection measures; offsetting measures for net food-importing developing countries to include provision of additional resources to increase their agricultural productivity.	
- Commitments and Implementation	See under Internal Support.	As above; ban on export subsidies effective from the outset.
3. GATT RULES AND DISCIPLINES		
4. SPECIAL AND DIFFERENTIAL TREATMENT FOR DEVELOPING COUNTRIES	Embody throughout as above.	As above; also, least-developed countries which are net food importers should be assisted to overcome any erosion in their food purchasing power consequent on the reform process through food aid and direct technical and financial assistance.

SANITARY AND PHYTOSANITARY MEASURES

<u>UNITED STATES</u> (NG5/W/118)	<u>CAIRNS</u> (NG5/W/112) (BRAZIL and COLOMBIA W/132)	<u>EUROPEAN COMMUNITY</u> (NG5/W/146)	
1. PRINCIPLES TO BE ACCEPTED	<p>Harmonization of health and sanitary measures (NG5/W/76).</p> <p>Measures to be based on sound scientific evidence and recognition of the principle of equivalency.</p> <p>Codex standards and OIE and IPPC risk assessment guidelines deemed to be based on sound scientific evidence</p> <p>National treatment with respect to all regulations, measures, approvals, etc.</p> <p>Omnis on contracting party not using international organization standard/guideline to show that its measures based on sound scientific evidence</p>	<p>Sanitary and phytosanitary measures only to the extent necessary and based on verifiable scientific evidence</p> <p>Measures taken on basis of acceptable levels of risk.</p> <p>Use of harmonized standards, methods, technologies, treatments and methodology of risk assessment</p> <p>Regional harmonization first step</p> <p>Recognition of pest/disease-free areas, and of equivalency</p> <p>National treatment with respect to regulations, standards, and inspection systems</p>	<p>Increase harmonization on basis of Codex standards, OIE and IPPC guidelines</p> <p>Use as necessary guidelines of other international or regional technical bodies</p> <p>Regional harmonization as move towards global harmonization</p> <p>Differentiate between sanitary/phytosanitary vs. quality aspects of international standards</p> <p>Establish list of standards considered as accepted unless contracting party indicates otherwise and justifies nonacceptance</p> <p>Countries retain right to apply non-obligatory standards more stringent than international standards, as necessary</p> <p>Accept disease/pest-free regions</p> <p>Accept other countries' measures which achieve equivalent results through different procedures</p> <p>Establish acceptable levels of risk. Measures should not be maintained contrary to scientific evidence</p> <p>If conditions same, provide national treatment</p>

The following abbreviations have been used in these tables:

CAC or Codex - Codex Alimentarius Commission

IPPC - International Plant Protection Convention

OIE - International Office of Epizootics

PPMs - Production and Processing Methods

TBT Code - Agreement on Technical Barriers to Trade

SANITARY AND PHYTOSANITARY MEASURES (cont'd)

UNITED STATES	CAIRNS (W/112) (BRAZIL and COLOMBIA W/132)	EUROPEAN COMMUNITY
2. GATT RULES AND DISCIPLINES	Formal amendment of Art. XX(b) to require consistency with sound scientific evidence and recognition of equivalence	Classification or modification of Article XX, or modification of TBT Code or distinct code Measures based on international standards should be deemed necessary Ad hoc negotiations to complement general rules
3. DISPUTE SETTLEMENT	Panels to give primary consideration to judgement of a technical advisory group, drawn from a list of experts provided by technical international organizations	Provide for technical advice from technical international organizations or experts sanctioned by them Compensation to LDCs for trade loss in case of unjustified stricter regulations or frequent changes
4. CONSULTATIONS	Encourage use of good offices, especially of international scientific organizations	Informal consultations may use experts nominated by technical international organizations, or agreed by both parties Ad hoc negotiations on significant issues
5. NOTIFICATIONS	- Bilateral - Ad hoc	Free availability of information; transparency in regulations, pest/disease profiles, production and quarantine treatments, inspection and certification systems, bilateral agreements Notify GATT of all proposed or adopted measures including PPMs and bilateral agreements, and including those of non-governmental or regional bodies, for circulation to CONTRACTING PARTIES and all interested standardizing bodies
6. SPECIAL AND DIFFERENTIAL TREATMENT FOR DEVELOPING COUNTRIES	Evaluate effects of enhanced disciplines on LDCs, request FAO to provide technical assistance if appropriate	Longer time-frames where risk allows. Participants to provide technical assistance including advice, credit, donations, training and equipment
7. OTHER, INCLUDING TIME-FRAMES	Fully implemented by 1991	Freeze - no introduction of new measures unless necessary because of imminent threat
		Short term: identification of sanitary/phytosanitary elements of proposed disciplines on LDCs and their need for technical assistance Identify issues for ad hoc negotiations; develop notification procedure; immediate actions for LDCs

SANITARY AND PHYTOSANITARY MEASURES

	<u>JAPAN</u> (NG5/W/131)	<u>NORDICS</u> (NG5/W/143 NG5/TWSSP7R/9, W/10, W/11)	<u>AUSTRIA</u> (NG5/W/144)
1. PRINCIPLES TO BE ACCEPTED	<p>Sanitary and phytosanitary measures within scope of what necessary to protect human, animal or plant life or health, with allowance for differences in sanitary and geographic conditions, dietary habits. Minimize adverse effects on trade</p> <p>Greater harmonization of measures based on sound scientific evidence, using guidelines or standards of technical international organizations</p> <p>Harmonization to include principles on sanitary and phytosanitary measures and methods of proof and inspection</p>	<p>Use of international standards except: national security, deceptive practices, climatic factors, dietary habits, spread of specific diseases or vermin. Explain reason for non-use if requested</p> <p>National, non-discriminatory treatment; encourage recognition of equivalency, Harmonization of requirements, methods, procedures, etc.</p> <p>Regional harmonization as appropriate</p> <p>Extension of rights and obligations to local governmental and non-governmental bodies</p>	<p>Measures to be based on sound technical advice.</p> <p>Recognition of the principle of equivalence when judging certain measures.</p>
2. GATT RULES AND DISCIPLINES	<p>Sanitary and phytosanitary measures based on international guidelines or standards deemed to be consistent with Article XX(b)</p> <p>If no international standard exists, or not used but scientific evidence made clear, assumed conformity subject to dispute settlement</p>	<p>Establishment of separate Code or merging with TBT Code</p>	<p>Modification of Article XX(b), or specific code of conduct</p>
3. DISPUTE SETTLEMENT	<p>Use dispute settlement procedures of technical international organizations. If not successful, request technical organizations' participation in GATT dispute settlement - as per TBT</p>	<p>Establish specific code-type dispute settlement procedures. Examination first by Standing Committee. Panels may establish technical expert groups to assist them</p>	<p>Strengthen technical dispute settlement capacity of OIE, IPPC and Codex, so they provide conclusive judgements and/or recommendations.</p> <p>Trade-related dispute settlement in GATT if the contracting party concerned has not taken measures in accordance with technical judgement/recommendation.</p>
4. CONSULTATIONS	<p>Continuation of TBT-type procedures for consultations</p> <ul style="list-style-type: none"> - Bilateral - Ad hoc 	<p>Sympathetic consideration to and opportunity for consultations</p>	

SANITARY AND PHYTOSANITARY MEASURES (cont'd)

	<u>JAPAN (NG5/W/131)</u>	<u>NORDICS (NG5/NGSP/W/9)</u>	<u>AUSTRIA (NG5/W/144)</u>
5. NOTIFICATIONS	Notify GATT of measures likely to significantly affect trade and establish inquiry points. Use of technical international organizations, notification systems where appropriate, and TBT system for food hygiene	Publication of measures with reasonable interval before implementation. Establish inquiry points. Notify GATT if not using international standard and allow for comments except in emergency	
6. SPECIAL AND DIFFERENTIAL TREATMENT FOR DEVELOPING COUNTRIES		Technical assistance from participants	
7. OTHER, INCLUDING TIME-FRAMES			

SANITARY AND PHYTOSANITARY MEASURES

	<u>KOREA (NG5/W/130)</u>	<u>MOROCCO (NG5/W/121)</u>	<u>BANGLADESH (NG5/W/126)</u>
1. PRINCIPLES TO BE ACCEPTED	National regulations should be scientifically proved, transparent and provide national treatment Promote harmonization of domestic rules and standards Recognize different dietary patterns, natural conditions, and technologies for protecting health. Participation of regional experts to improve international conditions	National regulations should be based on internationally recognized standards Harmonize research and analysis methods Strengthen resources of OIE, CAC and IPPC	
2. GATT RULES AND DISCIPLINES	Minimize risk of Article XX(b) use to detriment of trade liberalization		
3. DISPUTE SETTLEMENT	Participation of regional experts in bilateral and multilateral dispute settlement	The standards and findings of OIE, CAC and IPPC should constitute a fundamental element in GATT dispute settlement	
4. CONSULTATIONS			
	- Bilateral - Ad hoc		
5. NOTIFICATIONS	National regulations should be transparent		
6. SPECIAL AND DIFFERENTIAL TREATMENT FOR DEVELOPING COUNTRIES	Participation of regional experts to improve international sanitary and phytosanitary conditions	Technical assistance for LDCs in preparation of regulations and their implementation	Give special consideration to least-developed countries, including needs for technical assistance
7. OTHER, INCLUDING TIME-FRAMES			