

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

RESTRICTED

MTN.GNG/NG5/W/169

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Group of Negotiations on Goods (GATT)

Negotiating Group on Agriculture

**SUMMARY OF THE MAIN POINTS RAISED AT THE TWENTY-FIRST MEETING
OF THE NEGOTIATING GROUP ON AGRICULTURE**

(7 May 1990)

Note by the Secretariat

1. The following summary, which has been prepared in accordance with paragraph 4 of MTN.GNG/NG5/21, should be read in conjunction with documents MTN.GNG/NG5/W/161/Add.1, containing clarification of elements of the proposals by the W/74 Group of Net Food-Importing Developing Countries, and MTN.GNG/NG5/W/161/Add.2, containing clarification of elements of proposals by a number of countries relating to non-trade concerns.

2. In discussion of the clarifications submitted by the W/74 Group one participant identified two main approaches to the problems of the net food-importing developing countries. These were, firstly, financial compensation for any losses due to price rises, and secondly preferential improvements in market access for these countries' exports. The problem with the first approach was that such aid could only be provided as and when losses became apparent. Concerning the second, it was hard to envisage providing more favourable access based on an as yet unknown scale and duration of losses; and furthermore the export capacity of some net food-importing developing countries varied widely. Members of the W/74 Group replied that they had in fact proposed a number of offsetting measures, of which improved access was only one. They emphasized a flexible mix of approaches. The timing of access concessions was also stressed; these needed to be made quickly, or the speed at which the countries concerned could themselves make other concessions could be affected. The Group also emphasized that the negotiations on access must take into account products of export interest to net food-importing developing countries, some of which were tropical products. Another developed country participant stated that he believed in some adjustment measures, but was unsure of how they should be calculated; there was a wide range of possibilities. He noted that there were also benefits for developing countries in reform. In addition, his country did not intend to cease food aid operations.

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3. Concerning non-trade concerns, one of the participants whose proposals were clarified in NG5/W/161/Add.2 said these were not an isolated issue, but something to be integrated into the main lines of the negotiation. They had a bearing on both qualitative and quantitative issues - i.e. on the policy coverage of the permitted ("green") category of internal support and on the forms of border protection, as well as on the depth of cuts and the length of the transition period. Another participant endorsed this approach, which he saw as taking account of the motivation of policies rather than seeking exceptions to GATT rules. Another stated that non-trade concerns needed to be taken into account in both rules and commitments; they should form part of the GATT rules. Other participants also endorsed the need to reflect non-trade concerns in both border measures and internal support.

4. The Negotiating Group discussed the modalities for negotiations on internal support, border protection and export competition in the light of the Chairman's account of his informal consultations. The decision of the April TNC requiring framework agreements from all negotiating groups in July was recalled and some participants expressed their concern that the pace of progress needed to be intensified if this aim was to be achieved in a meaningful way. As a preparation for the Brussels meeting in December, one stated, the July agreement needed to be a clear indication of the modalities for negotiation and not just a list of options. Another participant did not disagree that there was a need for intensified effort throughout the remainder of the year, but commented on the vagueness of the term "framework". He agreed that between the present time and July the Group should aim to come to agreement on a basis for negotiation which could lead to agreement in Brussels. To overcome all the outstanding differences by July would, however, not be easy.

5. The participant mentioned above also recalled that his approach to the agricultural negotiations was a global one which did not divide the issues up into categories. If his authorities were prepared to go along with the use of the three categories of internal support, border protection and export competition as a working method, it was without prejudice to their basic position. Concerning internal support, he observed that while sharing a "green" or permitted category with other participants, he, like some others, did not accept a "red" category. He further noted that some use of an Aggregate Measure of Support was proposed by many participants, and urged that all take steps to ensure that the requisite data was made available.

6. The representative of the United States circulated an informal working paper on the methodology of tariffication, based on a study by the United States International Trade Commission. It was not intended as a negotiating document but as a further clarification with specific examples. These covered all United States products subject to quantitative import restrictions as well as selected products in the EEC, Canada and Japan. Another participant recalled the particular conditions his authorities attached to the consideration of tariffication.