

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

RESTRICTED

MTN.GNG/NG5/W/174

10 July 1990

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Group of Negotiations on Goods (GATT)

Negotiating Group on Agriculture

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

(15 June 1990)

Note by the Secretariat

1. The following summary, which has been prepared in accordance with paragraph 6 of MTN.GNG/NG5/22, should be read in conjunction with documents NG5/W/167, W/168 and Corr.1, W/170, W/171 and NG5/WGSP/5.

2. Introducing document W/168 (and Corr.1), the Austrian representative described it as a refinement of Austria's previous submissions. He emphasized the need for precise definition of an instrument for evaluating support and protection (AMS), which in Austria's view should cover the most important products in world trade. Internal support payments connected with non-trade objectives should be excluded from the liberalization process. Concerning market access, he noted the positive trade impact of supply control measures. Tariffication seemed a rather inflexible approach which Austria did not feel was applicable or practicable in its own situation. A new system had nonetheless to be found; it could perhaps involve fixed and variable components. On export competition, Austria favoured a greater discipline but did not find elimination to be consistent with the ministerial mandate for the negotiations. The harmonization of sanitary and phytosanitary measures was necessary but should not lead to a lowering of national standards.

3. Concerning the modalities for negotiations on internal support, border protection and export competition, the Chairman reported to the Negotiating Group on his informal consultations. The Chairman of the Working Group on Sanitary and Phytosanitary Regulations and Barriers likewise reported on the Working Group's meetings in May and June. These reports have been circulated as documents NG5/W/170 and NG5/WGSP/5, respectively.

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4. Under the agenda item "Short-term elements", one participant mentioned a proposal by another participant to begin subsidizing dairy product exports. He expressed concern that such a move should be under consideration and added that this underlined the need for real reform in this most trade-distorting area of agricultural subsidization.

5. Concerning the draft framework agreement to be presented by the Chairman in July, a participant emphasized that it should fully reflect special and differential treatment for developing countries in all aspects of the negotiation. Their support to agriculture had different objectives - e.g. development - from that of developed countries and should not be subject to the same criteria. Furthermore, the level of commitments undertaken by developing countries might relate to certain objective economic factors.

6. A participant introduced a statement on behalf of net food-importing developing countries (NG5/W/171) containing comments on the Secretariat Note NG5/W/167, on "Food Balances in Selected Countries". This statement was endorsed by other members of the W/74 Group. Questions of definition should not, it was stressed, detract from the legitimacy of the case of these countries or delay work on it.

7. Another participant noted that it was important to realize that his country exported the items listed under category "B" in the secretariat paper while it imported the items under "A". He reiterated his country's position that all agricultural products should be included in this negotiation, especially - but not only - fruit and vegetables. This was a point of major importance. A further participant also backed a comprehensive commodity coverage, and noted that in this context the idea of rebalancing could be problematic. He also saw a need to address the issues of what was considered as food, and as basic food.

8. A participant commented on the economic changes in Eastern Europe and in her own country in particular. There was pressure from farmers' organizations to cushion the impact of reform, which the government was answering partly by reference to the beneficial results hoped for in the Uruguay Round. These results were therefore crucial for the reform programme in her country, and the negotiation should be seen in the broader terms of its importance in assisting the creation of a new economic order. This increased the urgency of the need for a positive outcome.