

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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TWENTY-THIRD SESSION OF THE NEGOTIATING GROUP ON AGRICULTURE: JULY 1990

Statement by Korea

Introduction

1. I would like to begin by saying that my delegation also appreciates the tremendous efforts that have been made by yourself and the secretariat on this draft text. We fully understand the difficulties that were encountered due to the diversity of positions of participants defending their own interests and concerns.

2. However, it is the overall impression of my delegation that the framework, as currently drafted, fixes the parameters of the reform movement in a manner which primarily serves the interests of the developed exporting countries, notwithstanding the affirmation, in the introduction of the draft text, that the framework "provides a basis for taking into account in the negotiation of non-trade concerns, special and differential treatment for developing countries, and the situation of net food-importing developing countries". The provisions or conditions for addressing our concerns, and those of other developing countries, are either spelled out inadequately, or simply left undefined to be specified in future negotiations. This is not in accordance with the Punta del Este Declaration, which states that the interests of all participants should be equally ensured and the benefits equally shared.

3. Moreover, considering the diversity of agricultural development stages and subsidy patterns with regard to these development stages, it is not rational to apply parameters of agricultural reform equally to all participants, in a uniform manner.

At last year's April meeting of the TNC, it was agreed that "in the negotiations to achieve the long-term objectives, account will be taken of proposals aimed at addressing participants' concerns, such as food security". This guideline should be fully taken into account during the negotiation. We do not see that this draft text adequately reflects the legitimate concerns and political realities of importing developing countries.

4. We believe that more attention should be paid to the difficult situation faced by the importing developing countries. In the case of Korea, despite a relatively high level of development in the industrial sector, the agricultural sector is at a very low stage of development due to structural weakness, namely overpopulated farmland, small-scale family

farming, and an underdeveloped infrastructure. A substantial portion of the population is engaged in agricultural production. With an average farm size of 1.2 hectares, agriculture is viewed by the farmers not as a business but rather as their basic subsistence.

5. When a final agreement is reached in accordance with this draft text, some participants might be threatened with socio-political instability and, eventually, a collapse of their agricultural production base. It would be almost impossible for these countries to obtain a national consensus on the acceptance of the negotiation results. In this context, the current unbalanced draft text may hinder the negotiations rather than help them to proceed smoothly and successfully.

6. We believe that the draft text should fully reflect each participant's rights and obligations in a balanced manner so that the final agreement is sufficiently fair to facilitate implementation by developed exporting countries as well as developing importing countries.

Therefore, Mr. Chairman, we propose that the present draft text be revised to suitably reflect the legitimate concerns of importing developing countries. The position of Korea is already known to participants and we do not intend to reiterate it, but, we wish to present our vital interests and concerns on this occasion. It is very difficult for Korea to accept any draft text which does not duly reflect these interests. Korea would like to express its position on the following vital points.

Internal support

7. Concerning internal support, the focus of the negotiation should be placed on the policies which have direct impact on production and trade. In this regard, we favour an approach that defines policies subject to reduction commitments rather than permitted policies.

8. It is our position that policies to maintain a necessary level of domestic production to carry out non-trade concerns, including food security of basic foodstuffs, should be exempt from reduction commitments. Proposals have been made by several participants including Korea on the conditions or disciplines applicable to this policy category. We are ready to negotiate on them.

9. The conditions or criteria for permitted policies illustrated in the draft text are strict and restrictive. It seems very difficult, in particular, for the developing countries to meet those conditions. Even though we are not fully in agreement with the policies stated in paragraph 8, and believe that some revision and additions should be made, these policies should be deemed to be permitted, provided that they have no, or only a minimal effect, on trade. The criteria, if necessary, should be minimal in this context.

Border protection

10. Concerning border protection, tariffication cannot resolve several problems inherent in the agricultural sector, such as structural instability of supply and demand, differing situations among countries, and the diverse nature of agricultural policies.

We also believe that non-trade concerns including food security, cannot be ensured only by tariffication.

11. Therefore, Mr. Chairman, those products which require maintenance of a necessary level of domestic production to ensure non-trade objectives, including food security of basic foodstuffs, and those products which are under effective government production control should not be subject to tariffication. We want this idea stated explicitly in the draft text.

12. Many important factors have been raised which will affect tariffication such as corrective factors, rebalancing, and safeguard measures. These factors require further discussion and will be important in determining whether tariffication should be used as a tool of negotiation.

Export competition

13. Concerning the issue of export competition, we view the current distortion of the world agricultural trade market to be caused mainly by excess supply due to excessive export subsidies by major developed countries. These countries should take more responsibility for the existing problems in the world agricultural market. Therefore, export subsidies should be reduced at a more rapid pace, and prior to internal support and border measures.

Country list

14. Lastly, Mr. Chairman, concerning the country list, it is Korea's position that if the negotiations on the country lists proceed in advance of a consensus on the modality, they may turn out to be negotiations without rules. Therefore, the country list should be submitted after consensus on the draft text is reached by all participants.

Thank you, Mr. Chairman.