

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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Statement by Austria

Having taken note of the Report by the Chairman of the Negotiating Group on Agriculture which he intends to submit to the 23 July 1990 Meeting of the GNG and the proceedings so far in the 23rd Session of the Negotiating Group on Agriculture, the Austrian Delegation wishes to summarize its comments on the draft of the Chairman on a Framework Agreement on Agriculture Reform Programme:

1. The Chairman's assessment of the present state of negotiations as presented in his draft text is important in order:

- to focus negotiations on central issues;
- to point out possible areas of compromise;
- to propose an effective procedure to continue and complete negotiations.

2. While accepting and appreciating the Chairman's draft text as a document designed and written under his responsibility the Austrian Delegation takes note of the covering report (MTN.GNG/NG5/23) and specifically that the Chairman's text will be attached to it as a draft. This procedure confirms that no formal adoption of the Chairman's draft text is envisaged in the NG5. Some of the elements contained in the text would constitute a prejudgement on future commitments and consequently on the outcome of the negotiations. This must be said even against the background of the Chairman's assurance that agreement to this text is conditional on the satisfactory negotiations of certain issues within it and on the overall balance of agreements in the Round as a whole.

These main elements are:

(a) As to paragraphs 2-11, internal support, the Austrian Delegation agrees in principle with the approach in the field of internal support and in particular with the rôle assigned to the AMS.

A clear definition of measures will be required which would be subject to commitments on reduction of support. Such a definition of trade-distorting measures would have to be complete and will have to be included in future rules.

As to measures which may be excluded from any commitment to reduction, it seems to be appropriate to see them as residual to the defined trade distorting measures. They would be subject to a reporting process. Any country that feels to be impaired in its trading rights by any of these measures may submit such an evidence of trade distortion to a monitoring and surveillance mechanism.

The Austrian Delegation notes the procedures now included in the draft text describing in a demonstrative way measures outside any commitment of reduction and listing the criteria on which these non-trade measures are to be based. The Austrian Delegation reserves its right to revert to these criteria on non-trade concerns and the review mechanism in paragraph 10.

It is understood that paragraph 6 of the draft text would allow to present specific concerns of a country.

Paragraph 8 describes policies which will be excluded from commitments to progressive and substantial reduction. The Austrian Delegation finds an overall ceiling on support inconsistent with its own perception to pursue national policy goals affecting agriculture through policies with minimal trade effects (paragraph 2). Paragraph 9 of the MTR dealing with Non-Trade Concerns will have to be taken into consideration. A ceiling of the support volume for measures not included in commitments to reduction should therefore not be introduced. Furthermore, the text contains no explicit reference to credits for measures implemented since 1986 though the MTR contains an agreed position on that.

All participants will have to be placed on the same comparable level with regard to commitments and related adjustments on inflation (paragraph 10). Irrespective of present or future rates of inflation, targets in all negotiating areas should hence be expressed in real and not in nominal terms.

(b) As to paragraphs 12-16, the Austrian Delegation regards tariffication as one approach among others to tackle issues related to border protection. However, any procedure of converting non-tariff measures into tariffs will have to be accompanied by certain indispensable elements and safeguards taking inter alia fluctuations of world market prices and exchange rates into account.

Efforts and accomplishments aimed at reducing the production volume of certain commodities as part of a government-supported programme must find recognition and must allow for the continued application of an operationally more effective Article XI:2(c).

(c) As to paragraphs 17-23, export competition, the principle of a substantive and progressive reduction of direct and indirect export support measures will have to be reflected in future commitments. Reservations must be expressed, however, on the expectation that export assistance shall be reduced effectively more than other forms of support and protection particularly when expressed in unit export assistance. All three sectors, i.e. internal support, border protection and export competition, are interrelated and reductions of support and protection in one sector lead to a related reduction in the other sectors.

The proposal of submitting by 1 October 1990 country lists on internal support, border protection and export competition is justified and signals a distinct step forward in the negotiations.

Austria regards, however, the country lists on the three areas as an inventory of support and protection and neither as a binding offer list nor as any form of prejudging on commitments still to be negotiated.

As to provisions for developing countries and for net food importers among them Austria shares the concern expressed by the delegate of Egypt and by other participants at the beginning of the 23rd Session of the Negotiating Group on Agriculture. The draft text falls short in spelling out the structures on proceeding further on the consequences of the negotiations on developing countries and on net food importers among them.

(d) The Austrian Delegation takes note of the Chairman's proposals on paragraphs 24-27, i.e. provisions on negotiating Reduction Targets, Sanitary and Phytosanitary Regulations and Barriers, Rules and Disciplines, and Surveillance.

3. I take it that it is undisputed that any commitment as a result of the negotiations on agriculture will be laid down in form of new or adjusted rules and disciplines. The formulation of these rules and disciplines, concurrent with the subject matter negotiations, is hence important and urgent.

Summarizing, Mr. Chairman, the Austrian Delegation accepts your approach as a means to intensify agricultural negotiations.

The Austrian Delegation would appreciate that today's statement be circulated as foreseen in paragraph 6 of your report to the GNG.