

MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND

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

Statement by Argentina

We too wish to begin by expressing our satisfaction at your presentation of the draft framework for the negotiations. We view it as a major effort which particularly reflects your sensitivity by taking into account the general objective of the negotiations, as set forth in the Punta del Este Declaration and the Mid-Term Review, as well as the course of the formal and informal discussions within the Negotiating Group. We wish to emphasize that our own view is perfectly reflected in the statement made this morning by Peter Field on behalf of the delegation of Australia, and endorse the position of the Cairns Group Ministers that your document be taken as a basis for pursuing the negotiations.

In our view, this document touches inter alia upon a fundamental aspect, which is the adoption of commitments in the four main areas of the negotiations, namely, market access, internal support, export subsidies and sanitary and phytosanitary measures. We all understand that these aspects are closely linked, and that without commitments in each specific area it will be impossible to attain the objective of the Punta del Este Declaration of freer agricultural trade integrated into fundamental principles of the General Agreement.

I should like to mention our concern with regard to certain statements we have heard today; they may perhaps reflect domestic political situations, but some of them unquestionably appear to take us back to the beginning of the negotiations and I think that we are now at a stage, and the Cairns Group is particularly committed to this, at which we must be constructive and work and co-operate to bring about or strengthen the possibility of obtaining commitments in all areas and in the negotiations as a whole.

Statements concerning the specific nature of agriculture and exceptions of a blanket nature, could mean in practice a blank cheque for the adoption of rules in a vacuum, that is to say, without taking account of an objective. We therefore agree with you, Mr. Chairman: first we must set objectives, establish a direction and develop the rules and all the commitments on that basis. In other words, in our view from now on we must adopt pragmatic, constructive positions in order to attain the negotiating objectives, naturally taking into account the concerns of the various delegations.

We should like to stress in particular among the concerns of the delegation of Argentina, which coincide with those expressed by Peter Field this morning, that in our view, as is correctly stated, this document is a basis for pursuing the negotiations and accordingly the Cairns Ministers expressed their support for it. This means that after July, once the meeting of the Trade Negotiations Committee is over, we must continue working with you to try to obtain the necessary clarifications, precisions and improvements in order effectively to attain the objectives we are pursuing.

By way of example I should like to mention some of our main concerns with regard to this subsequent stage after the Trade Negotiations Committee meeting, which I think may also help to further a discussion on these aspects in this later stage.

With regard to internal support, the delegation of Australia and other delegations, including those of the Nordic countries and various Cairns Group countries, have stressed the importance of policy commitments, that is to say, that we should not merely take into account the use of an aggregate measure, but more fundamentally that specific policy commitments be adopted.

With regard to the aggregate measure itself, from the wording of the document the commitment to a reduction in total support, in other words on the basis of the aggregate measure or PSE as the OECD calls it, is not clear to us. We think this is really important and some concerns were mentioned, I believe, by the Nordic countries and also in some measure by the Community, that there must be a reduction in total support, so as to avoid a shift in support from one category to another, while of course allowing the possibility of implementing policies that are permissible under criteria to be established, provided this commitment to a reduction in total support is observed. If this is measured, for example, on the basis of the aggregate measure, it would imply a reduction in total PSE.

Another important point in our view is a clarification with regard to what the document calls the bound ceiling, and also to the fact that this bound ceiling is certainly subject to this overall reduction commitment.

Another question relating to internal support concerns the base period for the calculation of reference prices. In our view, this must be carefully studied, because the choice of base period could mean that even with significant reduction commitments we would not be carrying out a real reform of agriculture. We think this is also something that must be discussed later.

With regard to border protection, we also think it is important to make it clear that the reduction commitments, more than applying to averages or average rates, should be carried out on existing tariffs and tariff equivalents to be determined on the basis of a harmonization formula that would lead to a balance, taking into account, as is correctly

stated in the document, the different levels in agricultural protection and support. With regard to the reference to flexibility in paragraph 13, we agree that this may give rise to attempts at rebalancing, which the Cairns countries, and particularly the Argentine Republic, consider unacceptable. We believe that what has been negotiated, and paid for, in the GATT must definitely be respected, and that the objectives in agriculture are a reduction in support and protection and in no way any increase in the latter.

Another point we consider important, with respect to border measures, concerns the safeguard clause. We think the safeguard clause should always be linked with increases in imports and should also be subject to a time limit; in the draft text this remains an open question, in other words, there could be an application of a safeguard clause with a certain amount of discretion in the interpretation concerning the continued existence of the conditions giving rise to its application, and also because of price fluctuations. In our view, the safeguard clause, as provided for in the General Agreement, should be applied when injury caused by a sudden and substantial increase in imports actually exists.

With regard to export subsidies, we should like to point out that there is no mention of the objective which many delegations have referred to as being important, namely that of elimination, which in the case of tariff restrictions is in some sense implicit in tariffication.

We also wish to express our agreement with regard to broader coverage. This is the position of the Cairns countries, and it has also been made clear by you, Mr. Chairman, during the clarification exercise and in the course of informal consultations. I think this is also something worth pointing out, because you have made this clear, or at least we have noted this very clearly.

With regard to the GATT rules, to which various delegations have referred, we too believe that clear and strengthened rules are necessary, in order to reinforce the objective of liberalization. Obviously, our view does not coincide with that expressed by some delegations with regard to the maintenance or re-drafting of rules which would lead to the status quo, which is not the objective of these negotiations.

A final aspect concerns sanitary and phytosanitary matters. We are somewhat concerned at the maintenance of an element of discretion in the way in which some paragraphs of the text are drafted. On this point we consider that the discussions should be pursued in order to try to obtain effective multilateral disciplines which will lead to a reduction in the use, or elimination, of such measures as disguised trade barriers.

These are the main points we wanted to mention as a contribution to our work after July. We should like to congratulate you once again on your efforts. We would only be sorry if these efforts are in some way connected with your bout of 'flu, but in any event we are heartened to see you once

again fully in the Chair. We should also like to repeat that it is our hope that the general trend that we observe here today, to use the document you have submitted as a basis, will be confirmed by all delegations, because we think that all of us here are not only interested in making progress in the negotiations in agriculture, but also aware that success in this area is of fundamental importance for strengthening the multilateral system and for the success of the Uruguay Round.