

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

RESTRICTED

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Statement by Austria (28 August 1990)

Document MTN.GNG/NG5/W/194 on Basic Features of Special Safeguard Provisions for Agriculture is very useful for the ongoing negotiations and thanks are expressed to the secretariat who prepared that note.

As the note states its reflections and proposals are geared to tariffication and the subsequent reduction of tariff equivalents.

When discussing tariffication a number of participants have seen it as one way to redress market access regulations provided certain elements were taken into account. A number of references have been made in that context on fluctuations of world market prices as elements beyond the influence of policies and measures set on a national level. These fluctuations will continue to exist. Various negotiating positions, amongst them also the Austrian, included consequently corrective provisions in their understanding of a feasible tariffication.

Document W/194 of the secretariat does in principle the same if one leaves terminology for a few moments aside:

1. it sees the usefulness of either volume or price-based safeguards;
2. it assures situations with decreasing world market prices (paragraph 8) coupled with expanded market access and it recognizes the disruptive effects on domestic production;
3. furthermore, it contains suggestions as to the conditions that would trigger safeguard actions; and
4. it recognizes the need for adjusting the tariff equivalent resulting from the conversion of non-tariff measures;
5. it recognizes that the size of the adjustment will depend on the variations of world market prices or prices recorded at the border.

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A price-based safeguard mechanism seems to serve best the objectives underlying the safeguard provisions proposed by the secretariat. This being said would, however, not rule out a distinct and positive rôle of a volume-based safeguard provision. Decreased market prices are normally first recorded at the border and precede any evidence of volume changes. Data on volume-based changes may be available too late for taking safeguard measures as described in the note of the secretariat and hence not be able to achieve the purpose for which safeguard measures are designed.

The Austrian delegation will revert at a later stage on specific trigger parameters such as the difference between the world market price for a commodity at a given point in time compared with that existing for some previous representative periods and the resultant tariff increases. For the time being we also want to leave the question open whether there should be the same trigger level for all commodities. So far I have not encountered convincing arguments that would justify country-specific trigger parameters. The time-limit on safeguard actions should be linked to the duration of certain price decreases. Equally the question whether a safeguard measure would be repeated depends on how often price decreases occur and certainly not on a formula that is not based on a rational cause.

There were certain views expressed linking the length of applying safeguard provisions with a certain negotiated transitional period. The causes of the safeguard situation are fundamentally linked with developments on the world market. There should therefore be no time-limit as to safeguard provisions as outlined in document W/194.

The safeguard provisions for agriculture included in the secretariat note cover some of the safeguard needs that may be better known when negotiations come to an end. The Austrian delegation reserves its right to elaborate on them at a later stage.

Finally, I see scope for elements of the secretariat's note on safeguard provisions for agriculture to be meaningfully merged with tariff-ication approaches proposed by various delegations including the Austrian.