

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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Trade Negotiations Committee

**CAIRNS GROUP - COMMUNIQUE ISSUED ON THE OCCASION OF THE FOURTEENTH
MEETING HELD IN MONTEVIDEO ON 19-20 MAY 1994**

In a communication dated 24 May 1994, the delegation of Australia has requested that the Group's Communiqué of 20 May be circulated to the participants in the Uruguay Round as follows.

Ministers of the fourteen member countries of the Cairns Group met in Montevideo, Uruguay on 19 and 20 May to review the outcome of the Uruguay Round negotiations on agriculture, and to agree on a future work program and strategy for the group.

At the outset Cairns Group Ministers noted that this was the first meeting of the group since the conclusion of the Round. They recalled the mutual benefits that had been derived from working closely together throughout the negotiations on agriculture and declared their intention to continue to work together in the post Uruguay Round environment as an effective force promoting fair trade in agriculture and improved access to major markets for agricultural products.

Cairns Ministers noted with satisfaction the achievement of the Uruguay Round in bringing agricultural support and protection more into line with GATT rules. The key features of that outcome had been the tariffication of quantitative restrictions on imports, the reduction on both a volume and value basis of export subsidies, reductions in domestic support, and a sanitary and phytosanitary agreement (SPS Agreement). These measures are expected to have a progressive impact on the trade and production distorting policies of the major agricultural exporting and importing nations, and an overall positive effect on world trade. It was also recognised that in the future, countries including those acceding to the GATT/WTO would be required to ensure that their policies reflect the trade liberalising thrust of the Round outcome on agriculture.

Cairns Ministers expressed disappointment however, that more was not achieved, especially in the area of improved access to key markets. Disappointment was also expressed that in the final stages of the negotiations a bilateral settlement between the United States and the European Commission had resulted in a weakening of the outcome on domestic support and export subsidy disciplines, which will have a negative impact on specific export interests in a number of Cairns Group countries.

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Against this background, Cairns Ministers stressed the critical importance of ensuring that the agreements reached in the Round be strictly adhered to by all participants. They emphasised that they would be vigilant, in Geneva and elsewhere, in ensuring that specific commitments entered into, including those in the SPS Agreement, are fully respected in line with the program of progressive implementation laid down in the agreements in order to ensure that the maximum trade liberalisation available from the negotiated outcomes would be fully realised to the benefit of all.

Cairns Group Ministers agreed that it was important to ensure that new or revised support policies do not undermine the commitments on export subsidies. They indicated that for that reason, they would insist on a strict interpretation of the provisions in the Agreement on Agriculture relating to circumvention and in general the GATT 1994 rules on dumping and unfair trade distorting practices as they relate to agriculture.

Cairns Group Ministers also stressed that the Uruguay Round outcome on agriculture was clearly only a beginning and that much more remained to be achieved to ensure that the welcome change in direction achieved in the Round would deliver a genuinely more market oriented approach to agricultural policies on production and trade in the future.

Cairns Group Ministers also emphasised the critical importance of implementation of the Round outcome on agriculture from 1 January 1995 and called on the majors in particular to ensure that ratification procedures were finalised in time to achieve this. The negotiations had taken more than seven years. Implementation of the results by January next year would already represent a four year delay beyond the time frame envisaged when the Round was launched in 1986 at Punta del Este. Further delays would inevitably raise questions about the commitment of the majors to the outcome.

Cairns Ministers stressed the importance of the role of the Committee on Agriculture which is to be established as part of the WTO to oversee the implementation of the Round outcomes on agriculture and to ensure that the momentum for further reform is maintained. It was essential that the terms of reference of the Committee are sufficiently broad to ensure that all aspects of the Agreement on Agriculture can be effectively monitored. Cairns Ministers indicated their intention to take a very close interest in the coming months in the preparations in Geneva for the establishment of the Committee, and said that Cairns countries would take a very active role in the work of the Committee following its establishment. Similar close attention will be given to the establishment of the Committee on SPS Measures.

Cairns Ministers also indicated their intention to take a close interest in the future development of agricultural protection and support policies in those countries which have a significant impact on world agricultural trade. To this end Cairns Group countries will co-operate closely in monitoring and sharing perspectives on policy developments in major agricultural markets so that future support policies continue to move in a direction which progressively reduces distortions to both production and trade.

Finally Cairns Ministers pledged themselves to continue to work closely together as an informal association of fair trading nations committed to further agricultural policy reform and trade liberalisation with a view to preparing for the future negotiations on reducing support and protection as foreshadowed in the Uruguay Round Agreement.