



**15<sup>th</sup> PECC General Meeting**  
**Brunei Darussalam**



**Focus Workshop on Trade**

**September 1, 2003**  
**Room J-3**  
**International Convention Centre**

**PECC Position on Agriculture Negotiation**

**PECC Agriculture Trade Study Group**

**Pacific Economic Cooperation Council**

4 Nassim Road Singapore 258372 Tel: +65 67379822 Fax: +65 67379824 Email: [info@pecc.org](mailto:info@pecc.org),  
[www.pecc.org](http://www.pecc.org)

# **PECC POSITION ON AGRICULTURE TRADE NEGOTIATION**

PECC Trade Forum  
Agriculture Trade Study Group (ATSG)  
September 2003

# 1. Why PECC Position Paper

- All APEC/PECC member economies supports the WTO/DDA but their diverse interests in individual issues impede negotiation progress on schedule
- Agriculture represents the most difficult issue resulting from conflicts between exporters, importers, and developing members
- ATSG consisting of experts of 6 members, China, Japan, Korea, NZ, Thailand, & USA

## 2. Why PECC Position Paper (Continued)

- ATSG studied individual members' positions and identified common interests and conflicts, thereby gaining a PECC overview
- And it searched for a possible consensus package of liberalization and regulatory reform

### 3. DDA Agriculture Trade Negotiation

- URAA Article 20 set the continuation of the reduction and reform process
- Agri. Negotiation has started since Feb 2000. Major participants submitted proposals as well as Harbinson's overview paper by end'02
- It was schedule to establish the modalities by the end of March 2003
- First Harbinson's modality paper was discussed at the informal MM Tokyo on Feb 14-16, without any result

## 4. DAA Agri Tr Negotiation (cont'd)

- Second Harbinson modality paper was discussed at the Agri. Trade Negotiation Group meeting in Geneva on March 24-31 but failed again.
- ATSG procedure:
  - Mar: Circulated our draft to TF members
  - April: Presented at TF in Washington D.C.
  - May: Presented at TF in Phuket and finalized for *PECC Issues*

## 5. EU-US Joint Text on Agriculture

- Substantial reduction in most trade-distorting domestic subsidies (recourse to less t.d. ones)
- Substantial improvement in market access:
  - blended formula of Swiss and UR
  - for these import sensitive tariff lines, market access increase should be secured through TRQs as well
  - Special Agricultural Safeguard: to be negotiated

Disciplines shall be established on all forms of export subsidies

- Included in amended draft agreement for Cancun MM

## **6. PECC Position Package (1): General Elements**

- Bringing agriculture into Competition, by establishing the disciplines and rules in agriculture trade
- It should promote structural reform of agriculture in food-importing economies
- Developing economies be given flexibility in implementing liberalization but not in a manner admitting double standard

# 7. PECC Position Package (2): Market Access

- Tariff reduction: combine the Swiss Formula and the UR approach
- Apply Cairnes Group formula for developing economies to all members (close to the Harbinson's. Fig 2)
- Tariff quotas be increased by 20% over 5yrs
- Minimum access and special safeguard shall be allowed only as temporal measures
- Import STEs: be monitored transparently



# **8. PECC Position Package (3)**

## **Domestic Support**

- Basic criterion of the Green Box items shall be re-examined.
- Blue box shall be eliminated
- Amber Box: UR formula be applied to reduce the total AMS, 20% over 5 yrs for developed and 9 yrs for developing econ.
- Importing economies make reform efforts transparent and expenditures monitored

# 9. PECC Position Package (4): Export Competition

- Export subsidies shall be reduced to zero through equal installments over 5 yrs
- Quarterly notification shall be required for export STEs
- Strengthened rules and disciplines on food aid
- Export restrictions and/or prohibitions be quantified and shall be reduced

# 10. PECC Position Package (5): Non-Trade Concerns

- Multi-functionality of agriculture, such as land conservation, natural environment, rural community, is now recognized
- But its relationship with agricultural production is not straightforward and make quantitative assessment difficult
- Direct subsidies are encouraged to achieve it.

# 11. PECC Position Package (6): Food Security and Safety

- Food security cannot be pursued through self-sufficiency from domestic sources but through relying also on imports
- Limiting trade is not the correct measure to achieve it at a minimum social cost
- Stockpiling is a short time measure
- Safety is consumers' legitimate concern, while too strict standard tend to impede food trade: compliance to SPS and need for capacity building for developing exporters

# **12. PECC Position Package: S&D Treatment for Developing Exp.**

- Developing economies shall be excluded , on appropriate thresholds criteria for graduation, from the disciplines on border measures, domestic support and export competition, in order not to cause excessive burden
- Capacity building and other assistance need to be provided in order to mitigate their handicaps