

PREPARATIONS FOR THE 1999 MINISTERIAL CONFERENCE

Negotiations on Agriculture

Objectives for the Agriculture Negotiations: Market Access

Communication from the United States

The following communication, dated 27 July 1999, has been received from the Permanent Mission of the United States.

Proposal

1. That the objective for the WTO negotiations on agricultural market access be to maximize improvements in market access opportunities and to make more uniform the structure of tariff bindings for all WTO Members. WTO Members agree that a variety of approaches will be necessary to ensure that this objective is met and agree that modalities will need to be developed to achieve:

- lower tariff rates and bind them, including, but not limited to zero/zero initiatives for agriculture;
- expanded market access opportunities for products subject to tariff rate quotas (TRQs);
- reductions in the disparity between applied and bound tariff rates;
- simplification of complex tariff regimes;
- greater certainty and transparency in the operation of tariff regimes;
- disciplines governing administration of TRQs and transparency and competition for import STEs; and
- improved market access through a variety of means to the benefit of least-developed Members by all other WTO Members.

2. As noted in WT/GC/W/186, on the Objective and Overall Framework for the Agriculture Negotiations, WTO Members should agree to present proposals on specific modalities for the agricultural market access negotiations beginning in January 2000 and agree that each WTO Member will table a comprehensive offer following agreed parameters no later than y date. WTO Members

will task the WTO Secretariat through the Committee on Market Access and Committee on Agriculture to develop, no later than x date, data profiles and analyses to assist Members in the negotiations.

Background

3. Tariffs remain excessive on too many agricultural products in too many countries. This threatens to effectively exempt agriculture from WTO disciplines despite progress made in the Uruguay Round. In some instances tariffs are applied at levels below the bound rates and may operate under tariff regimes that appear complex, non-transparent and discriminatory. The upcoming negotiations should improve and expand market access opportunities by lowering bound tariff rates to eliminate the disparities between applied and bound rates. Negotiations should ensure that the market access results provide greater certainty and transparency in the operation of tariff regimes.

4. Administration of TRQs has proven to be challenging for importing countries and troublesome for exporting countries. Existing rules do not always provide adequate guidance or discipline for TRQ administration. Monopoly import authorities have the ability to restrict or otherwise distort trade in several ways. This authority, and other purchasing and marketing practices, may act to raise domestic prices and impair market access opportunities for other Members.

5. The United States supports further market access negotiations in the WTO that will complement the mandated negotiations that will be launched in services and agriculture.
