

WORLD TRADE ORGANIZATION

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JOINT STATEMENT ON THE FIRST REVISION OF THE FIRST DRAFT OF MODALITIES FOR FURTHER COMMITMENTS (TN/AG/W/1/REV.1) OF BULGARIA, ICELAND, ISRAEL, KOREA, LIECHTENSTEIN, MAURITIUS, NORWAY AND SWITZERLAND

Statement made by Switzerland at Formal Meeting of 31 March 2003

We appreciate the efforts the Chairman has made to prepare the revised version of the First draft of modalities for further commitments [TN/AG/W/1/Rev.1]. We recognise that this is an extremely difficult task due to the wide divergences prevailing between the positions of the Members. Nevertheless and as we already stated during the Formal Meeting of 28 February this year (TN/AG/GEN/1), we should remind ourselves that, even if we miss our deadline, this process will only be more successful if the interests of *all* participants are duly taken into account.

I have to say that there are no significant modifications in the first revision that would change the fact that only a handful of developed and developing countries would be the beneficiaries of a final outcome in these negotiations.

We cannot muster political support for this reform process unless vital national policy objectives and fundamental civil society expectations are being respected. In concrete terms, we need a proper balance between trade and non-trade concerns. The latter must be taken into account based on Article 20 and the Preamble to the Agreement on Agriculture of Marrakesh. Our Ministers have all reconfirmed this commitment in Doha. We therefore deeply regret that they are only very partly, or indirectly, taken into account in the revision. We also regret that the *demandeurs* in this negotiation are still unwilling to comply with the Doha mandate in this respect.

We are ready to make substantial improvements of our market access through tariff reductions. But we need adequate instruments and flexibility to implement the reductions in order to respect the specific needs of our society and our farmers. In this process of progressive liberalization, NTCs can only be properly addressed with sufficient flexibility.

75 Members from diverse agricultural situations are supporting the UR formula; that is the majority of Members. Both in numbers and in trade volume (50 per cent of the total agricultural imports) this is certainly far more than what is represented by the 20 or so Members that the friends of the "Swiss" formula can muster. We think there is no other option than having this strong collective guidance fully reflected in any future market access' modalities.

On domestic support the integrity of the Green and Blue Boxes must be preserved without limitations, based on the existing framework and with necessary adjustments to take non-trade concerns duly into account. As to Amber support, we have great difficulties with the indicated level of ambition.

On export subsidies our position is flexible. We are ready for substantial reductions and believe that the reform process should have a special focus on such measures, in conformity with the Doha Declaration. It goes without saying that all forms of export competition would need to be treated on the same footing.

We are supportive of effective and meaningful Special and Differential Treatment and we welcome the opportunity to further work on the concept of strategic products. We are deeply concerned about the negative effects on the erosion of preferences that will flow from very ambitious tariff proposals. At present, least-developed countries, small island developing states and other vulnerable developing countries are heavily relying on preferences to developed markets. These developing countries will see their market access opportunities *deteriorating* as a result of such proposals, facing the risk of being crowded-out by a handful of low-cost, efficient countries. This is particularly worrisome because many of these vulnerable countries are single-commodity exporters with few alternative options.

To conclude, we must say the revised version of the First draft, in its approach and numbers, fails to provide the necessary flexibility to address our trade and non-trade concerns. We are committed to Article 20 and the Doha mandate which does not foresee the completion of the agricultural reform process in this Round. We also would like to caution against departure from the UR modalities on market access and domestic support, as this would lead to a lengthy and protracted process and could easily serve to derail the Round without leading to an acceptable result for all participants.

Last but not least, we again insist on the fact that we remain committed to these negotiations and that we are ready to work hard with you and all Members, for instance in technical consultations, in order to reach a result to which all can adhere.
