

WORLD TRADE ORGANIZATION

G/AG/NG/W/87
5 December 2000

(00-5263)

Committee on Agriculture
Special Session

Original: English

FOURTH SPECIAL SESSION OF THE COMMITTEE ON AGRICULTURE 15-17 NOVEMBER 2000

Statement by the Czech Republic

Market Access (G/AG/NG/W/57)

It is my honour to introduce, on behalf of Albania, Bulgaria, the Czech Republic, Estonia, Georgia, Hungary, Kyrgyz Republic, Latvia, the Slovak Republic, Slovenia, Croatia and Lithuania, a Negotiating Proposal on Market Access, distributed in document G/AG/NG/W/57.

Since the proposal has been made available only shortly before the meeting, we do not expect any substantive discussion today. However, we are looking forward to having a very in-depth debate at the next Special Session in January 2001.

At the outset, I would like to stress that the proposal is about a specific situation of countries undergoing unprecedented transformation of their agricultural sectors that has to be taken into account in new agricultural market access negotiations.

The process of transformation has been extremely difficult and painful and required significant efforts and sacrifices on the part of domestic producers and farmers of countries concerned. In most of those countries this process coincided with the Uruguay Round of multilateral trade negotiations. However, when shaping at that time key parameters of the WTO agricultural reform, including the Modalities for the Establishment of Specific Binding Commitments under the Reform Programme, the specific situation of transition economies was not taken into account.

What specificities we are talking about is explained in more detail in the introductory part of the Proposal. You can see from it that in the course of the transformation process our economies have performed very well in building up open and very liberal trade regimes. All non-tariff measures previously applied have been eliminated and replaced by instruments conforming to market principles. Access to our national markets has been substantially improved, both on a unilateral and a contractual basis. Those of us who did not participate in the Uruguay Round but have become WTO Members only recently or are just about to join the WTO contributed significantly through valuable and commercially meaningful market access commitments undertaken during their accession negotiations. It is worth mentioning, and the proposal points to that, that the pace of liberalization of our market has been multiplied by the gradual erosion of tariff protection at the border due to the strict monetary policy and higher inflation compared to international standards.

In light of this and what is contained in the proposal, we submit that the high level of trade liberalization and market openings as well as the extreme vulnerability resulting from the process of transformation to a fully-fledged market economy should be fully recognized through a flexibility provision to be included in any negotiating guidelines and modalities to be agreed for future tariff reductions and other market access commitments. Such a provision would allow for exemption of

./.

low tariffs from further commitments for these countries as well as for adoption of selective reduction commitments. In other words, we would particularly envisage to have the possibility to maintain the existing tariff protection in those cases when the tariffs are already low.

We wish to underline that this flexibility provision is necessary to be able to pursue transformation goals and for the successful completion of the reform process in agriculture in our countries. At the same time, we believe that it will be in full conformity with the long-term objective of the WTO reform process, that is to establish a fair and market-oriented agricultural trading system.

The proposal contains another important element, the potential of which we believe will also have to be addressed new market access negotiations. I am referring to non-tariff measures. It is true that most of them have been tariffed in the Uruguay Round. However, and it is also true, in many instances, potential transitional economies export markets remain closed despite the fact that single average tariffs of those markets may seem to be low, the reasons being the complexity of many import regimes consisting in application of too many non-tariff, administrative and procedural measures, in operation of various marketing boards, in import monopolies and in other measures which are quite often not only difficult to understand but may, and have, the effect of limiting or even prohibiting access to markets.

Therefore, we proposed that any negotiating guidelines and modalities regarding future reduction commitments and other market access commitments should also address those non-tariff measures and practices that hinder imports and through its effects provide protection to domestic producers.
