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MINISTERS' COMMUNIQUÉ

ALLIANCE FOR STRATEGIC PRODUCTS AND SPECIAL SAFEGUARD MECHANISM

9 September 2003, Cancún Mexico

Communication from Indonesia

The following communication, dated 9 September 2003, has been received by the Chairman of the Ministerial Conference from the Minister of Industry and Trade of Indonesia on behalf of the countries forming the Strategic Products and Special Safeguard Mechanism Alliance.

I have the honor to inform you that 22 developing countries, which form the Strategic Products (SP) and Special Safeguard Mechanism (SSM) Alliance, have met on the eve of the Fifth Ministerial Meeting in Cancún, to discuss the current development of the agriculture negotiations. On their behalf, I have further the honor to transmit to you a Ministers' Communiqué, which outlines our position on the issue of SP and SSM.

In pursuant to the above, we appeal to you that our position, as referred to in the Communiqué, be fully taken into account and reflected in any outcome of the Cancún process. We would also like that this Communiqué be circulated as part of the Ministerial Conference official document.

Ministers' Communiqué

Alliance for Strategic Products and Special Safeguard Mechanism

9 September 2003, Cancún Mexico

The Ministers from developing countries that form the Strategic Products (SP) and Special Safeguard Mechanism (SSM) Alliance¹ welcome the opportunity to meet in Cancún, Mexico, on the eve of the WTO Fifth Ministerial Conference. The Alliance represents the interests of a majority of the world's small vulnerable resource-poor farmers from developing countries across the continents.

Having discussed, evaluated, and coordinated their positions on the current developments concerning the agricultural negotiations in the WTO, Ministers reiterated their call for the recognition and inclusion of an SP and SSM mechanism into the new Agreement on Agriculture currently under negotiation as part of the Doha Development Round of Negotiations. Ministers stressed that their agricultural sectors, and in particular their ability to support their basic legitimate development goals, such as food and livelihood security, and rural development, have been affected by the inequalities inherent to the current Agreement.

Indeed, the current Agreement on Agriculture has effectively enabled trade-distorting measures that are detrimental to the developing countries' trade and development interests on both the domestic and international markets. Ministers said that, since the Uruguay Round, their farmers have had to compete in their domestic markets with foreign competitors who are supported by both trade-distorting export competition and by domestic support measures.

Ministers pointed out therefore that, due to the fact that rural and agricultural populations typically predominate in the societies and economies of developing countries, the latter's agricultural systems and economies suffer from undue stress imposed by the existing inequalities of the international trading environment. Although developing countries each have their own limited areas of competitiveness, trade distortions as well as other types of barriers have either prevented the exploitation of market access benefits or shut developing countries out of the competition altogether. Furthermore, the problem is compounded by the fact that even on their own markets, the producers in developing countries are facing increasingly difficult circumstances and impoverishment.

Thus, Ministers reiterated the need for a fundamental reform of world agricultural trade, which is seen as key to addressing the current imbalance as well as to achieving the development objectives set out in the Doha Development Agenda. For developing countries, these reforms must comprise reductions of, with a view to phasing out all forms of export subsidies, substantial reductions in trade-distorting domestic support, and substantial improvements in market access for products of particular interest to developing countries. Ministers stressed that for any reform to be viable, special and differential treatment for developing countries must be an integral part of all elements of the negotiations in order to be operable and to enable them to effectively take account of their development needs, amongst them food and livelihood security, as well as rural development.

Ministers emphasized that such legitimate non-trade objectives of developing countries as food and livelihood security as well as rural development must not be seen as a smokescreen for protectionist policies. To continue to perceive such objectives as protectionist will merely perpetuate poverty, hunger, and environmental degradation.

¹ Members of the SP and SSM Alliance: Barbados, Botswana, Cuba, Dominican Republic, Honduras, Indonesia, Jamaica, Kenya, Mongolia, Nicaragua, Nigeria, Pakistan, Panama, Peru, the Philippines, Tanzania, Trinidad and Tobago, Turkey, Uganda, Venezuela, Zambia, and Zimbabwe.

Ministers welcome the initial step taken by the Director-General and the Chair of the General Council designed to reflect some of the developing countries' concerns with regard to food security and rural development in their proposed draft framework for establishing modalities in agriculture. However, Ministers emphasized that the special and differential treatment proposed in this draft framework still falls far short of adequately addressing developing countries' food and livelihood security and rural development problems, as well as ensuring the survival of the small vulnerable resourced poor farmers. In this connection, Ministers stressed that the Alliance's proposal for an SP and SSM mechanism, must constitute an integral part of any special and differential treatment for developing countries. Ministers outline the Alliance proposal as follows:

1. Developing countries shall have the flexibility to self-designate a [] per cent of tariff lines as Special Products (SP) which shall not be subject to tariff reductions, and no new commitment regarding Tariff Rate Quota (TRQ).
2. A Special Safeguard Mechanism (SSM) shall be established for use by developing countries.
3. Products designated as SP, shall also have access to a special agricultural safeguard (SSM).

Ministers reaffirmed their commitment and readiness to engage constructively in the Cancún Ministerial Conference. They urge all Members, and especially the developed countries, to help each other deliver this outcome through meaningful engagement and dialogue in order to flush out the appropriate viable modalities in these elements.

Ministers conveyed their gratitude to the Government of Mexico for hosting the WTO Fifth Ministerial Conference, and to the people of Cancún for the hospitality shown thus far. They agreed to coordinate further during this Ministerial Conference and to continue to work in close collaboration to ensure that the needs and concerns of the majority of the world's small vulnerable resourced poor farmers receive the attention and treatment they deserve in the current agricultural negotiations and their outcome.
