

# WORLD TRADE ORGANIZATION

RESTRICTED

**G/AG/R/5**

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## Committee on Agriculture

### SUMMARY REPORT OF THE MEETING HELD ON 28-29 MARCH 1996

#### Note by the Secretariat

1. The Committee on Agriculture held its fifth meeting on 28-29 March 1996. In the absence of the Chairman, Ambassador Danai Tulalamba of Thailand, it was agreed that Mr. Jorge Riaboi of Argentina would chair the meeting. The agenda of the meeting, contained in WTO/AIR/299, was adopted.
2. The Committee took note that UNCTAD had formally requested observer status in the work of the WTO Committee on Agriculture. The Committee agreed to invite UNCTAD to be represented as observer at regular meetings of the Committee on an ad hoc basis, pending adoption of formal guidelines for the participation of international intergovernmental organizations by the WTO General Council.<sup>1</sup>

#### Part I: The Review Process

3. The Committee reviewed the following notifications as listed on the agenda:
  - (i) on the administration of tariff and other quota commitments (Table MA:1): from Canada (G/AG/N/CAN/2/Add.1), Colombia (G/AG/N/COL/1), the European Communities (G/AG/N/EEC/1, Corr. 1 and 2, Add. 1), Indonesia (G/AG/N/IDN/1 and 3), the Philippines (G/AG/N/PHL/1), Poland (G/AG/N/POL/1), South Africa (G/AG/N/ZAF/1/Rev.1), Switzerland (G/AG/N/CHE/1), Thailand (G/AG/N/THA/6 to 8), Tunisia (G/AG/N/TUN/1) and the United States (G/AG/N/USA/2/Add.2);
  - (ii) relating to imports under tariff and other quota commitments (Table MA:2): from Australia (G/AG/N/AUS/2), Canada (G/AG/N/CAN/4), Norway (G/AG/N/NOR/2) and Thailand (G/AG/N/THA/9);
  - (iii) in the context of the special safeguard (Tables MA:3 to MA:5): from Australia (G/AG/N/AUS/3), Canada (G/AG/N/CAN/3), the Czech Republic (G/AG/N/CZE/2), Japan (G/AG/N/JPN/5), Korea (G/AG/N/KOR/2/Add.1), New Zealand (G/AG/N/NZL/4) and the Slovak Republic (G/AG/N/SVK/2);
  - (iv) relating to domestic support commitments (Table DS:1): from Hong Kong (G/AG/N/HKG/1);

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<sup>1</sup>For the general understanding regarding participation by observer international intergovernmental organizations, see Summary Report G/AG/R/2, paragraph 22.

- (v) relating to export subsidy commitments (Tables ES:1 to ES:3): from Argentina (G/AG/N/ARG/1), the Dominican Republic (G/AG/N/DOM/1), Hong Kong (G/AG/N/HKG/1), Indonesia (G/AG/N/IDN/2), Malaysia (G/AG/N/MYS/2), Peru (G/AG/N/PER/1), the Philippines (G/AG/N/PHL/2), Slovenia (G/AG/N/SVN/2), Trinidad and Tobago (G/AG/N/TTO/1) and Uruguay (G/AG/N/URY/1);
  - (iv) on export prohibitions and restrictions (Table ER:1): from Poland (G/AG/N/POL/2).
4. The Committee agreed to revert to the notifications of Canada (G/AG/N/CAN/2/Add.1 and CAN/4), Australia (G/AG/N/AUS/2), and Norway (G/AG/N/NOR/2) at its next meeting.
5. The following notifications were subject to preliminary review and are to be reverted to at the next meeting in accordance with paragraph 9 of the Committee's Working Procedures:
- (i) on the administration of tariff and other quota commitments (Table MA:1): from the Czech Republic (G/AG/N/CZE/1/Rev.1), Morocco (G/AG/N/MAR/1), Poland (G/AG/N/POL/1/Rev.1) and the Slovak Republic (G/AG/N/SVK/1/Rev.1);
  - (ii) relating to imports under tariff and other quota commitments (Table MA:2): from the Czech Republic (G/AG/N/CZE/3), Morocco (G/AG/N/MAR/2), the Slovak Republic (G/AG/N/SVK/3), Slovenia (G/AG/N/SVN/3) and the United States (G/AG/N/USA/3);
  - (iii) in the context of the special safeguard (Tables MA:3 to MA:5): from Morocco (G/AG/N/MAR/5) and the United States (G/AG/N/USA/4);
  - (iv) relating to domestic support commitments (Table DS:1): from Morocco (G/AG/N/MAR/3);
  - (v) in the context of export subsidy commitments (Tables ES:1 to ES:3): from the Czech Republic (G/AG/N/CZE/4), Morocco (G/AG/N/MAR/4), Norway (G/AG/N/NOR/3), the Slovak Republic (G/AG/N/SVK/4) and Thailand (G/AG/N/THA/10).
6. Specific points raised during the meeting with respect to these notifications (paragraphs 3 and 5 above) are summarized in the Annex to this report.
7. The Committee took note of the room document entitled "Notification Obligations: Agriculture" which the Secretariat had prepared with a view to reminding each Member of the Committee of its notification obligations in 1996. The information contained in this room document is complemented by the Secretariat's note on implementation dates for of each type of commitment (G/AG/W/2/Rev.4) which determine when notifications in accordance with G/AG/2 are due.
8. With respect to points raised concerning notifications at previous meetings, which have been pursued bilaterally, the representative of Japan informed the Committee that Japan had held several informal bilateral consultations with Hungary on Hungary's implementation of export restrictions on maize (G/AG/N/HUN/2 and G/AG/R/4, page 15, refer). The representative noted that Japan, being the largest cereals importer in the world, was concerned about the adverse effects of this measure on the international markets for cereals in an already tight market situation. Japan was seeking to continue these informal consultations with a view to clarifying the issue involved. The representative of Hungary undertook to provide further information if requested by Japan.
9. Under this agenda item, the representative of Canada informed the Committee that the European Communities had resolved a technical matter concerning the product definition of pizza cheese for

the purpose of a tariff quota opened by the European Communities (G/AG/R/4, page 11, refers). He noted that the European Communities had recently circulated a rectification to the WTO on the product definition of pizza cheese (G/MA/TAR/RS/6, refers). The representative of Canada sought further clarification from the European Communities on a related issue, as to why quarterly import allocations under the tariff quota for pizza cheese were largely filled despite a previous product description for pizza cheese (before rectification) which Canada considered prohibitive.

**Matters Relevant to the Implementation of Commitments under the Reform Programme:  
Article 18:6**

10. The Committee took note that, as agreed at the November meeting, informal consultations regarding the domestic absorption-related aspects of Colombia's tariff quota allocation as notified in G/AG/N/COL/1 had taken place which had been useful in helping to clarify the issues involved (G/AG/R/4, paragraph 7, refers). The Committee agreed to the continuation of such informal consultations, as appropriate.

11. On the issue of Hungary's compliance with its export subsidy commitments, the Committee took note that several informal consultations on a bilateral and plurilateral basis had taken place and that, although a range of issues relating to Hungary's export subsidy commitments and practices had been clarified, no progress was made which would have warranted continuation of these informal consultations. The representative of the United States informed the Committee that the United States had recently requested, together with Argentina, Australia, Canada, New Zealand and Thailand, formal consultations with Hungary under Article XXII of the GATT 1994 (WT/DS35/1 and G/AG/W/23, refer). The United States considered the matter relating to Hungary's non-compliance with export subsidy commitments as a very serious one which called for a quick resolution. The representative of the United States as well several of the other Members seeking the consultations with Hungary noted that they would approach the formal consultations in a constructive spirit with a view to exploring mutually satisfactory solutions. The representative of New Zealand underlined that New Zealand's decision to join the consultations under Article XXII of the General Agreement was founded on the extreme seriousness with which his government regarded any attempt by WTO Members to modify export subsidy commitments. The representatives of Australia and Argentina expressed similar concerns in this regard.

12. The representative of Hungary assured the Committee that Hungary would give a positive response to the request for Article XXII consultations. The representative of Hungary reiterated a point made at the September meeting of the Committee in noting that Hungary's export subsidy commitments were the result of a grave error in establishing base period levels for 1986-90 which was related to Hungary's difficulties in the transition process towards a market economy at a crucial time during the Uruguay Round. He noted that Hungary's current export subsidies were considerably below levels which Hungary considered to be the correct commitment levels. The representative stated that Hungary's export subsidies had decreased by approximately 70 per cent in real terms since 1991 and that the number of eligible products had been reduced by half. His delegation regretted the fact that during the informal consultations it had not been possible to advance the discussion with a view to correcting Hungary's commitment levels. The representative drew the attention of the Committee to the fact that Hungary had so far refrained from redressing the situation resulting from the error by taking steps which Hungary considered to be fully in accordance with the provisions of the General Agreement, but which some Members might qualify as an unprecedented solution. In so doing, Hungary had acted with due respect for the concerns of the complaining parties with regard to the implications of such action but Hungary would, if necessary, consider taking recourse to any legal options available to it to defend its interests.

13. The representative of the European Communities noted that the Communities considered the Hungarian position to be unacceptable. The European Communities took the view that each Member had to respect its commitments, in particular since there were no procedures available which would allow such corrections. The European Communities were not convinced, on the basis of the evidence provided, that the situation was the result of an error and urged Hungary to comply with its commitments. Several delegations expressed their concerns in this matter and reserved their right to revert to this issue or to join the formal dispute settlement consultations.

14. The representative of the United States sought clarification from the Dominican Republic in relation to the status of implementation of its commitments, a matter raised at the previous meeting of the Committee (G/AG/R/4, paragraph 12, refers). The representative of the Dominican Republic informed the Committee that the Dominican Republic had begun to remove restrictions and to revise legislation which was not in conformity with the Agreement on Agriculture, although most of the measures concerned were not implemented in practice. She noted that no direct subsidy measures were in operation. The representative assured the Committee of the firm will of the government of the Dominican Republic to ensure full implementation of its agricultural commitments as soon as possible and expressed confidence that the Dominican Republic would shortly be able to announce the conclusion of its work.

15. The representative of Thailand raised a matter in respect of quantitative restrictions maintained by Egypt on the importation of poultry and fowls, a measure which appeared to be in conflict with Article 4.2 of the Agreement on Agriculture. The representative noted that Egypt had so far failed to respond to Thailand's written communications seeking clarification in this matter and urged Egypt to bring its measure into conformity with obligations under the WTO Agreement. The representative of Egypt acknowledged receipt of the communications and undertook to provide to a response to Thailand shortly.

16. Australia raised a matter in relation to the allocation of m.f.n. tariff quotas by certain WTO Members to non-members. The representative expressed the view that access opportunities under these concessions should, in view of the way in which they were negotiated, be made available exclusively to WTO Members.

17. The representative of Australia raised a matter with regard to possible changes in the application of the European Communities' special safeguard for fresh fruit and vegetables. The representative sought clarification with regard to a number of points which Australia understood were part of proposed changes to the effect that: (i) all products facing the entry price system would in the future be subject to the special safeguard, regardless of origin, including within duty-free or preferential tariff quotas under free trade agreements; (ii) the special safeguard would be applicable even in the period when the entry price system is not applicable; (iii) the special safeguard would be applied immediately on imports without the application of the tariff equivalent; and (iv) the price-based and volume-based special safeguard could be applied simultaneously and thus a high price would not prevent the implementation of the volume-based special safeguard. He noted that it would be of concern to Australia if preferential tariff quotas were not exempt from the application of the special safeguard provision since this would lead to the early triggering of the special safeguard and the imposition of additional duties on third country imports. He urged the European Communities to honour its trigger levels as notified and not to apply the special safeguard on fruits and vegetables which are subject to entry price provisions.

18. As a related point to the matter raised by Australia, the representative of New Zealand sought clarification with regard to the possible introduction by the European Communities of automatic import licensing procedures and expressed concerns about the possibility of further administrative hurdles for imports of fruits and vegetables. He expressed the view that New Zealand considered the volume-based special safeguard to be inappropriate in cases where the entry price system had been respected

and the tariff equivalent had not been applied. New Zealand would consider it a serious deterioration of access conditions compared with the pre-Uruguay Round import regime if the volume-based special safeguard were to be invoked by the European Communities. A number of delegations associated themselves with the concerns expressed.

19. The representative of the European Communities acknowledged that the European Communities were considering policy changes in the area referred to by Australia. He noted that, by virtue of Article 5 of the Agreement on Agriculture together with Communities' Schedule, the European Communities were entitled to invoke the special safeguard. He categorically ruled out, as a matter of principle laid down in the Agreement on Agriculture, the simultaneous use of the price-based and the volume-based special safeguard. The representative noted that the EC Commission considered the price-based special safeguard to be inappropriate for the products concerned and was considering introducing the volume-based special safeguard. At the appropriate time, the European Communities would be willing to consult bilaterally on the issues involved and provide further clarification to the Committee on Agriculture, as appropriate. He assured the Committee that the European Communities would, at any rate, scrupulously adhere to its commitments. In relation to the import licensing issue raised by New Zealand, he noted that it would be the intention of the European Communities to introduce automatic import licensing procedures so as to enable the EC to monitor imports for the purpose of the volume-based special safeguard. The modalities under consideration were such that import licenses would be issued automatically on the day of application, subject to a security of ECU 1.5 per 100 kgs.

20. The representative of Argentina expressed the view that the proposed automatic import licensing scheme would introduce a considerable degree of uncertainty among operators during the current marketing year which might result in a deterioration in product quality and a decrease in prices. The representative of the European Communities recognized the possibility of some disturbance in the fruit and vegetable market as the result of the introduction of the volume-based special safeguard and undertook that the European Communities would take into account the concerns expressed by trading partners.

21. With regard to a matter raised by Australia and the United States in relation to the implementation of commitments by the Philippines as indicated on the agenda, the Committee took note of the points made in the course of the Committee's review of notification G/AG/N/PHL/1 at the present meeting (page 14 of this report, refers).

22. In relation to a matter raised by Canada with regard to the use of exempt export subsidies by Thailand, the representative of Canada noted that Canada's request for this matter to be put on the agenda had been overtaken by Thailand's subsequent notification G/AG/N/THA/10 (paragraph 5 of this report, refers).

23. The representative of the United States raised a matter with regard to new domestic support measures for dairy products introduced by Australia, a matter previously raised at the September meeting of the Committee (G/AG/R/3, paragraph 17, refers). The representative noted that the United States had consulted with Australia on how these new measures would affect Australia's ability to meet its AMS commitments. He noted that, on the basis of the information provided by Australia, it would appear that Australia intended to alter its method of calculation with respect to the support price provisions of the dairy policy. The representative of Australia noted that, under the new arrangements, there was a change in the way support is delivered to the Australian dairy industry necessitating a slight change in the support calculation for the base period, the result of which was not inconsistent with AMS calculations of other Members.

24. The representative of the United States sought clarification from Guatemala with respect to progress in the implementation of commitments in view of the fact that for a number of commodities

tariff quotas had not yet been opened, a matter also raised by the United States at the previous meeting (G/AG/R/4, paragraphs 12-13, refer). The representative of Guatemala informed the Committee that Guatemala was respecting its market access commitments with imports effectively equal to, or at higher levels than its commitments. For a number of products, including maize, rice, wheat and wheat flour, administrative procedures would shortly be submitted for congressional approval and the results would be duly notified to the Committee. Regarding other products such as tobacco and apples, the tariff quota administration was in the stage of consultation among domestic operators with the expectation that the outcome would be considered for final approval soon. The representative of the United States stressed that, despite progress being made, Guatemala was over one year late in implementing some of its commitments and expressed the hope that Guatemala's commitments would be implemented in full in the course of the coming months.

25. The representative of the United States raised a matter concerning Kenya's import ban on dairy products. The representative sought a justification for Kenya's measure in light of Kenya's obligations under Article 4:2 of the Agreement on Agriculture. The representative of Kenya acknowledged the 12 month suspension on the importation of prescribed dairy products with effect from 5 January 1996. He noted that Kenya had taken recourse to this measure as the result of a surge in untaxed and therefore illegal imports which had given rise to what Kenya considered to be unfair competition on the domestic market. Kenya's efforts to curb tax evasion had been successful and the ban was therefore under review with the intention of it being lifted. The representative of the United States, while appreciating Kenya's problems, stressed that the WTO Agreements offered remedies, such as safeguard action, countervailing and anti-dumping duties, which were available to Members where imports were causing harm to the domestic industry. The import ban as implemented by Kenya, however, was not sanctioned by the General Agreement. He expressed the hope that the import ban would be lifted as soon as possible.

26. The representative of the United States stated in relation to the status of implementation in Morocco that the fact that Morocco had recently submitted a MA:1 notification (G/AG/N/MAR/1, refers) appeared to dispel the concerns of the United States with regard Morocco's slow pace of implementation of its tariff quota commitments. The representative of Morocco noted that Morocco had implemented all of its commitments.

27. The United States raised a matter with regard to Turkey's restrictions on imports of corn seed maintained through a system of discretionary import licensing. The representative of the United States noted that a number of importers of United States corn seed had been denied import licenses on the grounds that domestic supplies were sufficient to meet market demand. He sought clarification from Turkey with regard to the justification of this measure in light of Article 4:2 of the Agreement on Agriculture and on whether Turkey had notified the measure in question to the WTO Committee on Import Licensing Procedures. The representative of Turkey undertook to provide a response to the United States.

### **Counter Notifications under Article 18:7 of the Agreement on Agriculture**

28. The representative of Australia sought clarification from Mexico, in the absence of an MA:1 notification, with regard to the tariff quota for raw sugar and sugar containing products, the expectation being that Mexico had a minimum access commitment for these products. The representative of Mexico noted that Australia's concerns were not entirely clear to Mexico but acknowledged that this might be due to Mexico's failure to provide a notification. It appeared to Mexico that there were two issues involved, one relating to sugar and the other relating to products which contain sugar. The representative noted that raw cane sugar (HS 1701.11) was not subject to a tariff quota commitment. The reference to minimum access was a source of confusion since this term appears only in Article 5 and Annex 5 of the Agreement on Agriculture and Mexico has neither used any special safeguards under Article 5

nor had it invoked special treatment under Annex 5. With regard to the second issue as to whether Mexico was applying higher tariffs than its bound tariffs on products containing sugar, the representative of Mexico stated that this was not the case.

29. The representative of Canada sought clarification from Brazil as to when Brazil would be submitting the comprehensive MA:1 notification originally due in 1995 on the administration of its tariff and other quota commitments as well as a MA:2 notification showing actual imports under these tariff quota commitments. The representative of Brazil recognized Brazil's delay in notifying the administration of tariff quota commitments for apples and pears and for wheat. He indicated that Brazil had implemented the tariff quota for apples and pears via the applied tariff of 10 per cent which was lower than the bound in-quota tariff of 15 per cent. The tariff quota for wheat had not yet been opened for reasons which were related to the continued efforts by the Brazilian government to liberalize the economy (e.g. elimination of all subsidies and deregulation of the wheat trade). The representative noted that, in any case, the implementation of Brazil's tariff quota commitment of 700,000 tons of wheat would not have any impact on its overall import needs of some 4 million tons of wheat annually.

## **Part II: Other Matters within the Purview of the Committee**

### **Decision on Measures concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Developing Countries**

30. The Committee took note that, with a view to establishing a list of WTO Net Food-Importing Developing Countries ("the list") for the purposes of the Marrakesh Ministerial Decision at the present meeting of the Committee, WTO net-food importing developing country Members were invited to submit notifications in accordance with paragraphs 1(b) and 2 of G/AG/3 by 12 March 1996 (WTO/AIR/276, refers). As of 12 March 1996, ten WTO developing country Members had notified the WTO Secretariat of their decision to be inscribed on the list (G/AG/W/21, refers). The Committee took note that subsequently four developing country Members - Barbados, the Dominican Republic, Honduras and Venezuela - had formally notified their intention to be listed as net food-importing developing countries.

31. In addition, the representative of Kenya presented a formal request at the meeting that Kenya be included in the list. He noted that, while recognizing Kenya's delay, a notification including relevant statistical data referred to in paragraph 2 of G/AG/3 was imminent. The Committee approved Kenya's request to be listed.

32. The representative of Mexico reserved Mexico's right to be listed at a later stage, if the statistical data required under paragraph 2 of G/AG/3 were to show that Mexico could exercise its right.

33. The representative of Korea stated that Korea had not submitted a notification for the purposes of being listed since Korea, although on purely conceptual terms it would fall into this category, had not the intention to claim such benefits as referred to in the Marrakesh Ministerial Decision. Korea wished nonetheless to reserve its rights regarding Korea's status as a developing country.

34. The Committee, acting under paragraph 3 of G/AG/3, established a WTO list of Net Food-Importing Developing Countries comprising:

- (i) least-developed countries as recognized by the Economic and Social Council of the United Nations; plus
- (ii) 15 developing country Members which had formally notified their decision to be listed as WTO Net Food-Importing Developing Country Members.

35. The list was subsequently issued as document G/AG/5. The Committee noted that the inclusion in the list of Members which had not yet submitted relevant statistical data in accordance with paragraph 2 of G/AG/3 was on the understanding that the Members concerned undertook to do so in due time so as to allow other Members to examine the information.

**Preparatory Work Programme concerning Paragraph 3(i) and (ii) of the Marrakesh Ministerial Decision**

36. The representative of Egypt noted that the Committee's decision to establish a WTO list of Net Food-Importing Developing Countries constituted a procedural step towards implementation of the Marrakesh Ministerial Decision. He stated that the Ministerial Meeting in Singapore should be devoted to examining how Members concerned had implemented their commitments under the Ministerial Decision in a concrete manner and to identify any additional steps that may be necessary. He expressed the view that lack of concrete action would create an environment of uncertainty with regard to the balance of benefits and costs of the Uruguay Round in Egypt and other countries concerned and impair the credibility of the international trading system. The representative of Egypt noted that prices for basic foodstuffs had increased since, or even before, the entry into force of the WTO on 1 January 1995, while food aid levels had declined to their lowest level in 20 years. The representative expressed the view that the increase in prices, while in part being due to adverse weather conditions, was largely the result of the Uruguay Round Agreement on Agriculture, including structural changes associated with the implementation of the Uruguay Round commitments; supply control measures resulting in stock depletion; and budgetary cuts related to export subsidy reduction commitments. He stressed that the commitments undertaken by developed country Members under the Marrakesh Ministerial Decision had to be implemented faithfully at both the multilateral and the bilateral levels. Egypt proposed that the Committee, with a view to elaborating a plan of action in advance of the Ministerial Meeting in Singapore, consider: (i) agreeing on an early time limit for the submission of proposals in respect of Part C of the Work Programme G/AG/4; (ii) requesting developed country Members to present actions taken as well as proposed actions within the framework of the Ministerial Decision, and (iii) forwarding a report on the price increase for foodstuffs as well as the decrease in food aid to the relevant international organizations and institutions with a view to seeking their suggestions on how to implement the Marrakesh Ministerial Decision, the responses to which would be for consideration by the Committee and for inclusion, as appropriate, in its report to the Ministerial Conference in Singapore. The representative reiterated Egypt's disappointment at the position of the IMF and World Bank as elaborated at the November meeting of the Committee and urged the organizations concerned to reconsider their positions in light of the recent market developments for foodstuffs.

37. Jamaica suggested that the WTO Secretariat, in consultation with the IMF, the World Bank and the FAO, undertake an analysis on the relationship between the recent price increase for foodstuffs and trade liberalization resulting from the Uruguay Round, a proposal which was supported by the representative of Peru. The representative of Jamaica urged furthermore that the pace towards full implementation of the Ministerial Decision be accelerated and commitments under the Decision be honoured.

38. The representative of Canada noted that one of the questions facing the Committee was with respect to the appropriate forum to initiate discussions on the appropriate level of food aid. The representative recommended that the WTO Secretariat draw up a list of the specific decisions implicit in the Marrakesh Ministerial Decision as a basis for informal consultations to "refine" the work programme, and to determine appropriate time frames as well as bodies best placed to advise the Committee on these matters. He expressed the view that the Singapore Ministerial Meeting called for a report on steps taken by the Committee to monitor the impact of the reform process on food supplies as a basis for the Ministerial review, and proposed that the Committee consider the nature



of such review. The representative of Japan supported the proposal made by Canada. The representative of the United States welcomed the fact that the Food Aid Committee of the Food Aid Convention had agreed to commence background work on the matter under consideration and supported Canada's proposal that the Committee identify elements of the work programme which might benefit from the expertise of the Food Aid Committee and other relevant international organizations.

39. The representative of the European Communities recognized that, any weather-related impact notwithstanding, the results of the Uruguay Round and the beginning of the reform process had indirect effects on the availability of foodstuffs. He noted that, although it had not been anticipated that the market situation would change so quickly and drastically, the Marrakesh Ministerial Decision foresees the possibility of providing assistance to countries negatively affected by the reform process. The representative supported the idea that the Committee continue on the basis of its work programme with a view to reaching appropriate conclusions at the Singapore Ministerial Conference.

40. The Committee agreed that the Chairman undertake informal consultations on the implementation of the preparatory work programme as set out in G/AG/4, taking into account the proposals made during the present meeting of the Committee.

41. The representative of the International Grains Council informed the Committee that the Food Aid Committee had recently considered its response to the invitation by the WTO Secretariat to make a contribution to the WTO's review of food aid needs and availabilities as well as guidelines on concessionality. The Food Aid Committee had confirmed its willingness to cooperate with the WTO and to provide appropriate information that may be requested for this purpose. Meanwhile, the matter would be kept under review in the Food Aid Committee. The representative noted that the issue of improving the "quality" of the assistance provided so as to enhance the value of food aid to final recipients would be further examined in the Food Aid Committee.

#### **Notification Requirements in respect of Subsidies under the Agreement on Subsidies and Countervailing Measures and the Agreement on Agriculture**

42. The Committee took note that Ambassador Tulalamba, as Chairman, had received from the Chairman of the Working Group on Notification Obligations and Procedures a communication inviting the Committee on Agriculture to give further consideration to the issue of duplication of notification formats and requirements.

43. The representative of the United States informed the Committee that the United States had circulated to an informal meeting of the Working Group draft notification formats modelled on the formats of the Committee on Agriculture G/AG/2 and modified to include the substance of notification obligations under the Agreement on Subsidies and Countervailing Measures ("the Subsidies Agreement"), the idea being to consolidate both notification formats without sacrificing anything in the way of transparency. The objective would be to establish a compromise in the Working Group, the resulting notification format of which would be presented as a whole to both Committees concerned, without re-opening the debate on notification requirements and formats in the Committee on Agriculture. The representative of the European Communities noted that the EC had also submitted a paper identifying what it considers to be overlap in notification requirements. Other Members expressed doubts about re-opening the notification issue but expressed a willingness to examine the proposal of the United States and the paper of the European Communities.

### **Formal Rules of Procedures for the Committee on Agriculture**

44. The Committee took note that, as agreed at the November meeting of the Committee, the Chairman, Ambassador Tulalamba, had consulted informally on the matter of formal rules of procedure for the Committee on the basis of a Secretariat draft, the resulting revised version of which was before the Committee for consideration and approval (G/AG/W/22). The Committee adopted the rules of procedure contained in G/AG/W/22 on the basis that they would be forwarded for approval to the Council for Trade in Goods in accordance with paragraph 6 of Article IV of the WTO Agreement.

### **Preparatory Work by the Committee on Agriculture in the Context of the Singapore Ministerial Meeting**

45. The Committee took note that the Committee on Agriculture would be required to provide a report to the Council of Trade in Goods or other information for the purpose of the Singapore Ministerial Meeting. The Committee therefore requested Ambassador Tulalamba to carry out informal consultations, including on matters, such as any issues involved in the Marrakesh Ministerial Decision on Measures concerning the Possible Negative Effects of the Reform Programme on Least-Developed and Net Food-Importing Developing Countries, that may be necessary in order to have an appropriate basis for consideration by the Committee at its next regular meeting in September.

### **Other Business**

46. Under "other business", the representative of Argentina expressed concerns in relation to a communication of the European Communities circulated as document G/L/65/Rev.1, in which the European Communities had notified the conclusion of negotiations with most trading partners under Article XXIV:6 of the General Agreement regarding the accession of Austria, Finland and Sweden to the European Communities. The representative took exception to the reference to trigger prices under Article 5 of the Agreement on Agriculture in the communication attached to the draft Schedule CXL, where the European Communities stated that the trigger prices should be considered as an "integral part" of its Schedule. He expressed concern over the procedure chosen by the European Communities which Argentina considered to be an amendment to the Schedule and a poor precedent for the multilateral trading system. In his view, the Committee on Agriculture was the relevant forum to deal with issues concerning the special safeguard. With reference to the European Communities being prepared to bind other commitments in its Schedule CXL (paragraph 3 of G/L/65/Ref. 1, refers), the representative of Argentina questioned the legal basis for the European Communities requesting comments on subsidy commitments, given that the provisions of Article XXIV:6 were only applicable to the tariff concessions, not subsidy commitments. In Argentina's view, any decision on this matter should be prepared in the Working Party on the enlargement of the European Communities for consideration and adoption by the Council for Trade in Goods. The representative of Australia expressed the view that it had been ensured in the Uruguay Round negotiations that commitments in Part IV of Schedules could not be subject to modification or withdrawal under Article XXVIII of the General Agreement. He noted that it would therefore be most disturbing if a Member were to unilaterally withdraw or modify its subsidy commitments. He endorsed the view that mutually satisfactory solutions on the specific issue involving the European Communities should be sought in the context of the Working Party on the enlargement of the European Communities.

47. A number of delegations flagged similar concerns on this issue. The representative of Mexico expressed the view that the trigger prices notified by the European Communities ought to be subject to multilateral verification.

48. The representative of the European Communities noted that the European Communities had not the intention of unilaterally modifying its domestic support and export subsidy commitments. It considered that it was not a question of modifying existing commitments but one of merging the commitments of the European Communities (12) with those of its new member states. The European Communities had deemed it time to circulate its draft Schedule CXL in order to enable Members to examine its Schedule, not least in view of the fact that the Working Party on the enlargement of the European Communities had not yet taken up its work. In any case, the European Communities would be amenable to further discussing solutions with Members on the procedural point raised Argentina. With regard to the trigger price issue, the representative of the European Communities stated the European Communities had always made it clear in each of its communications to the WTO regarding the Schedule of the European Communities that it considered the trigger prices as part of its Schedule; the list of trigger prices attached to its draft Schedule CXL was in keeping with previous practice.

#### **Appointment of Chairperson**

49. The Committee took note that the Council for Trade in Goods had appointed Ambassador Tulalamba of Thailand to hold the office of Chairperson of the Committee on Agriculture in 1996 (G/C/M/8, page 12, refers).

#### **Date of Next Meeting**

50. The next meeting of the Committee on Agriculture will be held on 24-25 September 1996. The airgramme convening this meeting and the draft agenda will be issued on 12 September 1996.

ANNEXReview of Notifications by the Committee on Agriculture at its Meeting on 28-29 March 1996Summary of Specific Points Raised and Responses Thereto

<b>Canada G/AG/N/CAN/2/Add.1 Tariff Quota Administration (Table MA:1)</b>	
<b>Points raised by other Members</b>	<b>Response by Notifying Member</b>
<p>European Communities/New Zealand - Expressed concerns regarding the allocation of the tariff quota for butter to the Canadian Dairy Commission.</p> <p>New Zealand - Noted that no butter under tariff quota had been imported into Canada despite the price gap between Canada's internal price and the world price. This situation was solely due to the import monopoly powers that have been granted to the Canadian Dairy Commission. Canada had thereby reverted to a measure required to be converted into ordinary customs duties, contrary to Article 4:2 of the Agreement on Agriculture. The representative of New Zealand reminded Canada of its obligations under Article II:4 of the GATT 1994.</p> <p>New Zealand expressed concern with regard to Canada's interpretation of paragraph 3b(i) of the Committee's notification requirements and formats G/AG/2 (page 3 thereof, refers).</p>	<p>Canada noted that the Canadian Dairy Commission and the New Zealand Dairy Board were commercially operated entities and governments should not intervene in pricing.</p> <p>Canada would submit an MA:2 notification prior to the September meeting of the Committee which would show whether or not butter was imported under the tariff quota.</p>
<p>European Communities/New Zealand/Australia - Noted that the allocation of the tariff quota for butter was subject to the condition that imported butter be used by processors or further processors. New Zealand and the European Communities considered that this requirement was an additional restriction not bound in Canada's Schedule.</p> <p>United States - Noted that there were no clear rules which would prohibit allocating tariff quotas to processors. However, Members have the obligation under the Agreement on Import Licensing Procedures and other provisions of the WTO to ensure that the method of tariff quota administration does not impair the value of the concession.</p>	<p>The country reserve of 1,200 tons of butter for New Zealand represented the only condition attached to the allocation of the tariff quota for butter. The Canadian retail market of butter had been declining, whereas the industrial market had been growing. The Federal Government had therefore decided to provide imported butter on a priority basis to the industrial sector.</p>

<b>European Communities G/AG/N/EEC/1, Corr.1 and 2, Add.1 Tariff Quota Administration (Table MA:1)</b>	
<b>Points raised by other Members</b>	<b>Response by Notifying Member</b>
Australia - Noted that bilateral informal consultations would continue on the issue of the allocation of m.f.n. tariff quotas to preferential supplying countries.	
Canada - Clarification sought regarding the tariff quotas which had not been notified under Table MA:1. Did lack of notification mean that the initial access level was zero? Could the EC provide information on how the tariff quotas for the remaining products would be administered, in particular for pigmeat.	Products for which the initial access level was zero had not been notified in Table MA:1. The EC would notify the tariff quota administration in due course.
United States - When will the tariff quotas be notified for lemons and oranges?	Tariff quotas for lemons and oranges are administered on a calendar year basis and will be notified shortly.

<b>Indonesia G/AG/N/IDN/1 and 3 Tariff Quota Administration (Table MA:1)</b>	
<b>Points raised by other Members</b>	<b>Response by Notifying Member</b>
New Zealand - Expressed the view that the notification does not reflect the understanding reached in the Uruguay Round and the bilateral discussions, in particular with respect to the applied tariffs and the tariff line coverage. Clarification sought regarding the possible intensification of restrictions on the imports of dairy products.	There is no intensification of restrictions. Technical difficulties in preparing the notification will be solved. Bilateral discussions with New Zealand will continue.
Australia - Clarification sought regarding the tariff quota for rice. Which tariff lines are covered by the global quota? What is the meaning of the footnote indicating that the allocation of the tariff rate quota is made on the basis of previous domestic consumption and procurement plans (G/AG/N/IDN/1, footnote (b), iii, page 2)? Does BULOG call for tenders? Could Indonesia confirm its intention to adjust the arrangement for rice over the next ten years? United States - Clarification sought as to whether Indonesia had invoked the special treatment for rice under Annex 5 of the Agreement on Agriculture.	Indonesia has implemented a tariff quota for rice, which has been notified to the Committee of Agriculture. The additional questions will be reverted to.
Australia - Clarification sought regarding milk and cream of fats and its products. Does the notification cover tariff lines HS 0403.90100 and HS 0405.00100? Could Indonesia give an indication of the current ratio of domestic production to imports?	Indonesia will provide information.

<b>Philippines G/AG/N/PHL/1 Tariff Quota Administration (Table MA:1)</b>	
<b>Points raised by other Members</b>	<b>Response by Notifying Member</b>
<p>Australia/Canada/European Communities/United States - When will the tariff rate quotas be implemented for the remaining products? Given the delay in implementation, how will the Philippines ensure that tariff rate quotas will be filled before 30 June 1996?</p> <p>Canada - Confirmation requested that there will be an increase of the tariff quota for pork in line with the commitments undertaken in the Uruguay Round.</p>	<p>Noted that the Congress of the Philippines had adopted the Agriculture Tariffication Act and the President had signed it. The Agriculture Tariffication Act repeals laws and provisions requiring the use of non-tariff measures against imports of agricultural products, except for rice. The Government of the Philippines would take all necessary measures to implement its minimum access commitments as soon as possible. As of December 1995, the Philippines had imported: 192,000 head of cattle; 2,400 head of swine; 44,000 tons of beef, 776,000 tons of sugar; 61,000 tons of coffee; 208,000 tons of corn; 263,000 tons of rice; 2,000 tons of pork and poultry. The Philippines has thus complied with its minimum access commitments with the exception of pork and poultry meat where imports are expected to catch up by the end of the year. Except for beef which was imported at the bound in-quota tariff, imports entered at lower rates than the respective bound in-quota tariffs.</p>
European Communities - Clarification sought regarding the liberalization of imports of live horses? Does this mean that the duty rate is zero?	The imports of live horses were liberalized in 1992 and the applied customs duties range from 3 to 10 per cent.
United States/Canada - Clarification sought regarding the implementation of the tariff quotas for pork and poultry meat. When will the tariff rate quotas be opened? Are there sub-allocations of the HS four-digit access commitments at the HS six-digit level? If so, how does the system work?	The Philippines is currently determining sub-allocations of the HS four-digit access commitments to the HS eight-digit level. A notification will be forthcoming.
United States/Australia/New Zealand/European Communities - Concerns raised regarding the administration of tariff rate quotas by state trading enterprises and their potential to impair the value of concessions.	The importation of rice and other bulk products is undertaken solely by state trading enterprises. Under this system market access opportunities are fully provided and state trading enterprises are not a means to dampen domestic demand. This aim is to facilitate small importers to group themselves in order to be able to purchase in bulk.
United States/Argentina - Noted that the imports under tariff rate quotas are subject to the condition that importers be registered or accredited. Who is eligible to register/apply for accreditation? Are non-citizens eligible? Are firms, organizations, individuals who are duly registered/accredited permitted to import or are they only eligible to receive products imported by the state trading enterprise?	At the moment, only end-users and processors are eligible to register/apply for accreditation. Registration/accreditation allows the monitoring of the activities of firms in order to ensure quantitative requirements and is for tax purposes.

South Africa G/AG/N/ZAF/1/Rev.1 Tariff Quota Administration (Table MA:1)	
Points raised by other Members	Response by Notifying Member
Canada - According to the South African Schedule, the in-quota tariffs will not exceed 20 per cent of the bound rate. Thus for pork, the in-quota rate should not exceed 9 per cent in 1996. How does South Africa explain the rate of 15 per cent applied to almost all cuts of pigmeat, except ribs which enter duty free? Canada considered that no tariff should be higher than the bound rate, including on trade in sub-items.	South Africa's commitments are made at the HS four-digit level. 80 per cent of the imports of pigmeat (under tariff heading HS 0203) are ribs. Once the quota has been filled, South Africa has no further obligations to continue to apply the in-quota tariff rate, nor to extend it to other products which are under the same four-digit heading line.
European Communities - Clarification sought regarding the exclusion of sweet milk and cheddar cheese from the global tariff quota for cheese. New Zealand and the EC considered that no products should be excluded from the tariff quota.	The reasons why sweet milk and cheddar cheese have been excluded from the global tariff rate quota for cheese are the following: firstly, South Africa is selfsufficient in these two products and secondly, the tariff quota is filled by other cheeses, which reflects the trade pattern of the past. During the first nine months of 1995, imports exceeded the annual tariff quota by 80 per cent.
European Communities - Noted that the tariff rate quota for dried grapes is sub-allocated between 100 tons of currants and other dried grapes. On what basis is the tariff rate quota allocated?	The currently applied m.f.n. tariff is lower than the in-quota tariff and it is therefore not necessary to administer a tariff quota. A corrigendum to the notification will be forthcoming.
New Zealand - Clarification sought regarding the date of implementation of access commitments. Will South Africa allow additional tariff quota access opportunities in 1996 to compensate for late or non-implementation of tariff quotas in 1995?	The implementation of tariff quotas in South Africa is a long process involving three different government departments. Due to the extensive tariffication process tariff quotas were not implemented for all products in 1995. However applied tariffs were in most cases lower than the in-quota rate listed in the Schedule and imports increased in most other cases where a commitment existed. South Africa does not therefore intend to add any 1995 quantities to its 1996 tariff quota access opportunities.
New Zealand - Clarification sought regarding the validity period of import permits, which is three months in the notification and four months in the government gazette.	If there is a need, the three month validity period can be extended without prior notification to the WTO. The longer period of validity assists importers.
New Zealand - Does South Africa credit import quantities allocated under preferential trade agreements against its minimum access commitments? If so, what are the duty rates applied? New Zealand and Argentina expressed the view that imports under preferential agreements should not be credited against minimum access commitments. New Zealand considered that imports under preferential agreements could not be charged a lower duty rate than those applied to m.f.n. tariff quotas.	Imports under preferential agreements were included in the calculation of market access commitments. The duty rates applied to preferential imports are by definition lower than those applied to global suppliers.

<b>South Africa G/AG/N/ZAF/1/Rev.1 Tariff Quota Administration (Table MA:1)</b>	
<b>Points raised by other Members</b>	<b>Response by Notifying Member</b>
New Zealand - Noted that 85 per cent of the tariff rate quota for milk powder and butter was reserved for traditional manufacturers. How does South Africa explain this allocation to the domestic industry, with which imports will be competing in the South African market?	Prior to the Uruguay Round, traditional manufacturers accounted for more than 85 per cent of milk powder and butter imported.
Argentina - Clarification sought regarding the allocation of tariff rate quotas to "traditional suppliers", on a priority basis, for bovine meat, sheepmeat and sugar. What does traditional suppliers mean? What does the criterion "pro rata basis " mean? Is there any provision for other countries?	Traditional suppliers are those countries which supplied the South African market during the most recent three years. The "pro rata basis" means that the allocations are made on the basis of the past relative shares in imports in the 1992-1994 period. In most cases an amount, typically 5 to 10 per cent of the quota, is reserved for new importers.

<b>Switzerland G/AG/N/CHE/1 Tariff Quota Administration (Table MA:1)</b>
<b>Points raised by other Members</b>
Australia/European Communities/New Zealand/Canada/Mexico - Clarification sought on the functioning of the "prise en charge" system. Does Switzerland claim that the domestic purchase requirement is in conformity with Article III:1 of the GATT 1994 and Article 4:2 of the Agreement on Agriculture?
<b>Response by Notifying Member</b>
The "prise en charge" system is being handled in a manner which in no case constitutes, either de jure or de facto, market access conditions more restrictive than those applied during the base period. The following principles are applied in conformity with the Agreement on Agriculture, in particular Article 4.2 thereof, and Article 3 of the Agreement on Import Licensing Procedures: no "prise en charge" applies to imports outside access commitments; no domestic purchase obligation is higher than during the base period; and no product is subject to a ratio for imports versus domestic purchases which would pre-empt the possibility of full absorption by the domestic market of the total tariff quota for that product. For example, if total consumption for one product is 1,000 tons and the tariff rate quota is 500 tons, the obligation to purchases domestically must not exceed 1:1. In addition, producers and their organizations are not entitled to tariff rate quotas for products subject to "prise en charge". The "prise en charge" system has therefore no trade-restrictive effect over and above the restriction inherent in any tariff quotas. Switzerland's forthcoming MA:2 notification regarding quota utilization will show that in most cases the WTO-bound tariff rate quotas have been fully used. The system does not in any way influence import origin, import prices or quality. It could be argued that "prise en charge" enhances quota fill, since the authorities handling quota imports might find it difficult to prove lack of demand in cases where products subject to "prise en charge" are not imported up to the scheduled quantities. In other words, the Swiss "prise en charge" system means that market access opportunities have a tendency, through the application of "prise en charge", to become market access "obligations". In summary, the "prise en charge" system is a tariff quota allocation system which in legal terms constitutes an internal measure which deals elegantly and efficiently with the inevitable problem of quota rents. It is not (and cannot be) a way of ensuring absorption of domestic production at the expense of imports. There is thus no infringement of WTO rights of other Members or obligations of Switzerland under the various WTO Agreements which may be applicable.



Switzerland G/AG/N/CHE/1 Tariff Quota Administration (Table MA:1)
<b>Points raised by other Members</b>
European Communities/Canada - Clarification sought on the use of auctioning.
<b>Response by Notifying Member</b>
<p>As regards auctioning, the situation is similar to the one applicable to the "prise en charge" in legal terms. The question as to whether auction fees are levies in the sense of Article II:1(b) and Article VIII:1(a) of the GATT 94 has to be answered in light of the <i>ratio legis</i> of these provisions. A distinction should be made between in-quota tariff rates and out-quota tariff rates. Auctioning tariff rate quotas may (or may not) replace a measure with similar effect in place during the base period, in which case it would appear to be in conformity with provisions relating to the current access definition of the Agreement on Agriculture. Switzerland has no intention of auctioning minimum access quotas. Both Articles II and VIII apply to border measures. Their purpose is to ensure that the only form of legitimate border protection is expressed in tariffs and their equivalent, and to provide equal market opportunities to all WTO Members. Auctioning does not in any way restrict market access opportunities.</p> <p>Auctioning is therefore an internal measure used to allocate tariff rate quotas at the bound rates, primarily intended to increase competition and to shift the quota rent from importers to the Government. Auction premia are thus a charge on the right to obtain import licences, but not a charge imposed on, or in connection with, importation.</p> <p>As an additional consideration it may be argued that, although auctioning might be questionable from a purely legalistic viewpoint, it constitutes in the Swiss case "a best available option" compared with alternatives such as the historically very high importer rents prevalent during the base period; in some cases auctioning appears even preferable, from an economic and procedural point of view, to the "first-come-first-served" system. In summary, auctioning does not constitute a border measure in the terms of Articles II and VIII of the GATT 1994. It is an economically efficient and equitable way of ensuring that the quota rent which is inherent in any tariff rate quota goes at least partly to the government. Exporters' rights and interests are not affected.</p>

<b>Switzerland G/AG/N/CHE/1 Tariff Quota Administration (Table MA:1)</b>	
<b>Points raised by other Members</b>	<b>Response by Notifying Member</b>
Australia - How does Switzerland sub-allocate tariff quotas for dairy products, bread grains and coarse grains?	Switzerland undertook to respond in writing.
New Zealand - Clarification sought regarding the Butter Supply Board.	The import monopoly for butter has been a traditional monopoly and has been notified for many years under Article XVII of the GATT. The Swiss government has the intention to abolish this Board.
United States - Noted that the administration of tariff rate quotas for wine encountered difficulties in 1995. Can Switzerland confirm that the system will be altered before the beginning of the 1996/97 marketing year? If so, could Switzerland provide some information on the new system?	Since 1996 import licences are issued on a first-come-first-served basis. As this system met with a number of problems the government is currently looking for better ways to allocate tariff quotas in 1997.
Argentina - Clarification sought with regard to the statement in the notification for vegetables and fruits that "the allocation of tariff rate quota shares may be subject to purchase commitments in order to ensure that for each year a product under tariff quotas does not exceed market demand"?	The government relies on advice given by an expert group composed of importers, producers and consumers. Their recommendations are based on estimates of production and demand forecasts.
Argentina - Clarification sought regarding the persons eligible for tariff quota shares for fruits, cider and seeds fruit products. Are foreigners based in Switzerland eligible?	Foreigners based in Switzerland are eligible.
Argentina - Noted that the allocation of tariff quotas for bread grains is subject to the condition that "a permanent ratio of 85 per cent purchases in Switzerland to 15 per cent imports must be observed" and the allocation of the tariff quotas for horses are made on the basis of purchases of Swiss horses. Does Switzerland claim that these requirements are in conformity with Article III:4 of the GATT 1994 and the TRIMs Agreement?	With regard to the "prise en charge" system, see answer to the general question above. For bread grains, imports equal or exceed the tariff rate quota.
Mexico - Noted that import permits for cut flowers and vegetable products are granted on the basis of purchase of domestic products and licences are not granted when they go beyond market demand. Does Switzerland claim that these requirements are in conformity with the GATT 1994?	These criteria are used in order to adjust Switzerland's demand seasonally. Notification MA:2 will show that tariff quota imports in 1995 have considerably exceeded the levels bound in the Schedule.

Thailand G/AG/N/THA/6 to 8 Tariff Quota Administration (Table MA:1)	
Points raised by other Members	Response by Notifying Member
New Zealand/European Communities/Australia - Clarification sought regarding the allocation of tariff quotas to domestic producer organizations, in particular for dairy products.	Tariff quotas for dairy products are allocated to juridical persons with historical performance during 1991-1994. There are three groups of importers: the Dairy Farming Promotion Organization; the Ministry of Agriculture and Cooperatives; manufacturers of condensed milk. In 1995, Thailand imported 53,500 tons of milk and cream as compared to a commitment of 45,000 tons. For milk and cream (not concentrated) there have been no imports.

Poland G/AG/N/POL/1 Tariff Quota Administration (Table MA:1)	
Points raised by other Members	Response by Notifying Member
Argentina - Clarification sought regarding the footnote indicating that the "quantity allocation for each importer may be limited, in particular for meats, milk and eggs (G/AG/N/POL/1, footnote (b) iii). How will Poland limit the quantity allocated?	The criterion applies when demand for tariff quotas exceeds the tariff quota.
Australia - Clarification sought regarding the tariff quotas which have not yet been notified. Can it be assumed that the tariff rates applied are lower than the in-quota rates listed in the Schedule?	The tariff rate applied is lower than or equal to the in-quota rates.
Australia/United States/New Zealand/Uruguay - Clarification sought regarding the allocation of m.f.n. tariff quotas to preferential supplying countries.	Import quantities allocated under preferential trade agreements are not credited against the minimum access commitments.
United States - The notification states that tariff rate quotas are allocated by the Ministry of Foreign Economic Relations and licences are issued by the Department of Trade Relations - Agriculture Section. Are there any restrictions on the eligibility of applicants for an import licence?	Undertook to provide response.
Mexico - Clarification sought regarding the allocation of the global tariff rate quota for item HS 22.08? Does Poland take into account any type of preferential agreement?	Undertook to provide response.

<b>Thailand G/AG/N/THA/9 Tariff Quota Fill (Table MA:2)</b>	
<b>Points raised by other Members</b>	<b>Response by Notifying Member</b>
European Communities/Argentina - Clarification sought regarding the tariff rate quotas which have not been filled, in particular for coffee, longans, onions, garlic, raw silk, coconut oil, milk and cream.	Tariff rate quotas have not been filled because there was no demand for imports. For onions there were no imports, but Thailand exported 12,700 tons (20% of production) and domestic prices were well below world prices. The 1996 tariff quota has already been opened for onions and other products.

<b>Canada G/AG/N/CAN/4 Tariff Quota Fill (Table MA:2)</b>	
<b>Points raised by other Members</b>	<b>Response by Notifying Member</b>
European Communities - Noted that tariff quota for margarine amounts to 4,535 tons, whereas Canada had imported 87 tons. EC would like to revert to this matter.	Tariff quotas for margarine are administered on a first-come-first-served basis. The allocation was initially subject to three conditions: 1) a quarterly limit; 2) a limit of 100 tons per company per year and 3) a reserve of 50 tons for kosher margarine which is not made in Canada. Canada has imported 87 tons of kosher margarine. Although the conditions were relaxed progressively, there was no demand for other margarine.

<b>Korea G/AG/N/KOR/2/Add.1 Trigger Prices (Table MA:4)</b>	
<b>Points raised by other Members</b>	<b>Response by Notifying Member</b>
European Communities - Clarification sought regarding the base period used to calculate trigger prices. United States - The United States had agreed during Uruguay Round to Korea's choice of the base period 1988-90 for the tariffication exercise.	For reasons of consistency, Korea has used the base period 1988-90 instead of base-period 1986-88. The same prices have been used for the calculation of tariff equivalents due to the transition from the CCCN to the HS in 1988.
Australia/New Zealand - Clarification sought regarding a press report indicating that the Korean Government would seek to impose a special emergency tariff for 31 products due to be liberalised on 1 July 1997 in order to discourage imports.	That is only a rumour.

<b>Malaysia G/AG/N/MYS/2 Export Subsidies (Table ES:1 To ES:3)</b>	
<b>Points raised by other Members</b>	<b>Response by Notifying Member</b>
Canada - The notification indicates that Malaysia had no export subsidy programme subject to reduction commitments in 1995. Are there other export subsidy programmes not subject to reduction commitments?	Malaysia did not maintain any export subsidies.

United States G/AG/N/USA/3 Tariff Quota Fill (Table MA:2)	
Points raised by other Members	Response by Notifying Member
Argentina - Clarification sought regarding peanut butter and paste. Could the United States explain why the tariff quota was only two third filled?	To be reverted to.

United States G/AG/N/USA/4 Summary of Special Safeguard Actions (Table MA:5)	
Points raised by other Members	Response by Notifying Member
New Zealand - Clarification sought with regard to the use of the special safeguard on 15 kilograms of cheese imported from New Zealand.	To be reverted to.