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PROGRESS REPORT ON THE GATT MULTILATERAL
TRADE NEGOTIATIONS (URUGUAY ROUND)
AND IMPLICATIONS FOR FAO

1. Progress in the GATT multilateral trade negotiations (the Uruguay Round) particularly as regards agriculture, tropical products and natural resource-based products, was reviewed by the Conference at its Twenty-fourth session. Subsequently, the Council at its Ninety-fifth session was informed of developments up to April 1989. The present report therefore focusses on recent progress, and on the implications for FAO.
2. At the mid-term ministerial meeting of the Trade Negotiations Committee at Montreal (5-9 December 1988), apart from taking stock of the progress made in the first two years of the negotiations, agreement was reached on future work in eleven of the fifteen negotiating areas. Included in these decisions were a package of tropical product trade concessions, detailed measures to reform the GATT dispute settlement procedure and a new trade policy review mechanism in the GATT. However, since there was no consensus in the areas of agriculture, textiles and clothing, safeguards and intellectual property rights, it was decided to put all agreements "on hold" up to April 1989 to allow for high-level consultations which would attempt to forge a consensus in these areas. Ministers also declared their determination to press forward and complete the Uruguay Round negotiations, as foreseen, in 1990.
3. The consultations envisaged by the mid-term ministerial meeting culminated in a meeting of the Trade Negotiations Committee at the level of high officials (Geneva, 5-8 April 1989) which succeeded in adopting agreements which set out the scope for the negotiations in the four areas, namely agriculture, textiles and clothing, safeguards and intellectual property rights, thus allowing the Uruguay Round Negotiations as a whole to be resumed.

Committee also monitors developments in protectionism and action taken to reduce barriers to trade in individual commodity sectors and reviews policy measures taken in relation to the Guidelines for International Action on a number of commodities. At its Fifty-seventh session in June 1989 the Committee strongly endorsed FAO support to the GATT negotiations through its participation in the Negotiating Groups on Agriculture, Tropical Products and Natural Resource-based Products.

12. Moreover, the Committee undertook an analysis of alternative ways of strengthening the market orientation of agricultural policies and of the scope and implications of direct income support to farmers as an alternative to the use of price supports. Inter alia, the CCP set out areas in which further analysis and research were needed, in relation to these subjects. It also "requested the FAO Secretariat to consider undertaking further research on the design and implementation of policies, at both domestic and international levels, which could assist developing countries in averting or limiting the adverse effects of possible increases in food prices, especially on the poor, as a result of increasing market orientation to long-term developments".

13. Specifically as regards sanitary and phytosanitary regulations and barriers, the Punta del Este Declaration, which launched the Uruguay Round in September 1986, referred to the need for "minimizing the adverse effects that sanitary and phytosanitary regulations and barriers can have on trade in agriculture, taking into account the relevant international agreements". Pursuant to this, the Negotiating Group on Agriculture established (September 1988) a Working Group on Sanitary and Phytosanitary Regulations and Barriers to consider and report on a common approach towards the promotion of greater harmonization and acceptance of international standards, including those of the FAO/WHO Codex Alimentarius Commission, the International Plant Protection Convention (IPPC) and the International Office of Epizootics, by improving the liaison between GATT and the relevant international organizations. FAO, in view of its functions in relation to the Codex Alimentarius and the IPPC, participates actively in this Working Group and has made presentations on the scope and coverage of the international standards, procedures for adoption of such standards, and arrangements for dispute settlement.

14. Moreover, FAO is likely to be called upon to play a more important role in relation to sanitary and phytosanitary regulations and barriers in view of the endorsement by the Trade Negotiations Committee, at its meeting in April 1989, of harmonization of national regulations in this area as a long-term goal and the work programme embodying a number of objectives, referred to in paragraph 7 above. In this connection, it was agreed by the GATT Negotiating Group on Agriculture in July 1989 that the Mid-Term Review Decision as it relates to sanitary and phytosanitary regulations should be formally drawn to the attention of the Codex Alimentarius Commission, the International Plant Protection Convention and the International Office of Epizootics with the request that the organizations co-operate as appropriate in the work of the Working Group on Sanitary and Phytosanitary Regulations and Barriers.

15. Thus, the decisions of the Trade Negotiations Committee have substantial implications for the future work programme of the Codex Alimentarius Commission. The Commission is well-placed to respond positively and constructively to this new situation and already it has considered, at its 18th session held in Geneva in July 1989, the possible links between the developments in the Uruguay Round and its own future

work. The Commission expressed its support concerning cooperative efforts with GATT, and noted that the mechanism of this relationship was subject to further development. The Commission stressed the need to continue to assure that possible areas of conflict are harmonized and duplication of effort is avoided with the GATT Committee on Technical Barriers to Trade, and that the existing notification mechanism for the exchange of information should be examined for possible revision and use by the Codex Alimentarius Commission.

16. Similar considerations apply in relation to the International Plant Protection Convention (IPPC) for which FAO is the depositary, and given that FAO also provides technical assistance to member Governments to strengthen their plant quarantine services. Thus, FAO has scheduled a meeting with Regional Plant Protection Organizations for early September 1989 in order to obtain technical advice in defining FAO's specific involvement in the GATT efforts regarding harmonization of phytosanitary regulations. Subsequently, taking into account that all IPPC signatories are expected to participate in the Twenty-fifth Session of the Conference, the Director-General has arranged for discussion, under the present agenda item, of the implications of the proposals in GATT with a view to developing a stronger relationship between FAO and the GATT in this area.