

**STATE OF PLAY IN AGRICULTURE NEGOTIATIONS: COUNTRY GROUPINGS' POSITIONS**

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## **INTRODUCTION**

The purpose of the present note is to provide an overview of the position of various countries and group of countries active in the WTO agriculture negotiations with respect to critical issues under discussion. The note is organised on the basis of the three pillars of the agriculture negotiations around which the talks are organised, mainly market access, domestic support and export competition. The text includes a section on cotton as well, with indication of the status of progress on the cotton initiative sponsored by a group of African countries.

The note provides a description of the position of the following countries and groupings: United States, European Communities, G10, G20, Cairns Group, G33, Least Developed Countries (LDCs), the African Group, and the African, Caribbean and Pacific Group of States (ACP). A listing of the countries participating in each of these groupings is also included. Finally, a glossary offers a definition of various concepts and terms used throughout the note.

### MEMBERS OF COUNTRY GROUPINGS

**G10:** Bulgaria, Chinese Taipei, Republic of Korea, Iceland, Israel, Japan, Liechtenstein, Mauritius, Norway and Switzerland.

**Cairns Group :** Argentina, Australia, Bolivia, Brazil, Canada, Chile, Colombia, Costa Rica, Fiji, Guatemala, Indonesia, Malaysia, New Zealand, Paraguay, Philippines, South Africa, Thailand and Uruguay. The Philippines and Indonesia, although members of the Cairns Group do not share many of the positions taken by this group in the negotiations, especially with respect to market access.

**G20 :** Argentina, Bolivia, Brazil, Chile, China, Cuba, Egypt, Guatemala, India, Indonesia, Mexico, Nigeria, Pakistan, Paraguay, Philippines, South Africa, Tanzania, Thailand, Uruguay, Venezuela and Zimbabwe.

**G33 :** Antigua and Barbuda, Barbados, Belize, Benin, Botswana, China, Congo, Cote d'Ivoire, Cuba, Dominican Republic, Grenada, Guyana, Haiti, Honduras, India, Indonesia, Jamaica, Kenya, Republic of Korea, Madagascar, Mauritius, Mongolia, Mozambique, Nicaragua, Nigeria, Pakistan, Panama, Peru, Philippines, Saint Kits and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Senegal, Sri Lanka, Suriname, Tanzania, Trinidad and Tobago, Turkey, Uganda, Venezuela, Zambia and Zimbabwe.

**LDCs :** Angola, Bangladesh, Benin, Burkina Faso, Burundi, Cambodia, Central African Republic, Chad, Ethiopia, Gambia, Guinea, Guinea-Bissau, Haiti, Lesotho, Madagascar, Malawi, Maldives, Mali, Mauritania, Mozambique, Myanmar, Nepal, Niger, Rwanda, Senegal, Sierra Leone, Solomon Islands, Tanzania, Togo, Uganda, Zambia.

**The African, Caribbean and Pacific Group of States (ACP):** The group encompasses 79 States of which 54 are WTO Members.

## GLOSSARY OF TERMS

### **Amber box**

This refers to price support and production-linked support (i.e. subsidies) measures that had to be reduced or eliminated as a result of the WTO Agreement on Agriculture (AoA). Support of this kind was quantified during the Uruguay Round as the *Aggregate Measurement of Support* (AMS). The AMS for each WTO Member is listed and is subject to reduction as part of each WTO Members' WTO commitments.

### **Blue box**

This refers to agricultural support (i.e. subsidies) measures provided by WTO Members under Art. 6.5 of the WTO Agreement on Agriculture (AoA). This provision allows WTO Members to provide direct payments to agricultural producers under the condition that such payments are part of programmes aimed at limiting agricultural production and that they meet the production-related criteria specified therein. According to the AoA, these payments are exempt from reduction commitments – i.e. they do not need to be reduced or eliminated.

### **Bound tariffs**

This refers to the tariff rates or levels listed down by each WTO Member in its Schedule of commitments for each tariff line. These tariff levels represent the maximum tariff that may be applied by each Member at any point in time for a specific product. Bound tariffs may be different from the actual applied tariff in that the latter could be below or at the bound tariff level.

### ***De minimis* provisions**

This refers to Art. 6.4 of the WTO Agreement on Agriculture (AoA) which allows WTO Members to exempt from the calculation of the “amber box” (i.e. AMS) product-specific and non-product-specific support below a certain threshold level. During the Uruguay Round that threshold was set for developed countries at 5 per cent of the value of agricultural production of the product concerned in the case of product-specific support, and at 5 per cent of the value of total agricultural production for non-product-specific support. For developing countries, the threshold was set at 10 per cent.

### **Green box**

These are agricultural support (i.e. subsidies) measures that meet the general and programme-specific criteria identified in Annex 2 of the WTO Agreement on Agriculture (AoA). In general, such measures must be government-funded and do not entail price support. In addition, they must fall within and comply with the additional conditions specified for each programme listed in Annex 2. These measures may include direct payments provided to agriculture producers which should not affect the farmer's production decisions (de-coupled payments). These measures are given the "green light" in that they are not subject to reduction commitments – i.e. they do not need to be reduced or eliminated.

### **Special and differential treatment (SDT) provisions**

These are provisions in the WTO's legal texts that seek to provide for a lower degree or level of obligations or commitments from developing countries as compared to those from developed countries in recognition of the lower level of economic development of developing countries.

### **Special Safeguards (SSG)**

Article 5 of the Agreement on Agriculture (AoA) on Special Safeguards (SSG) allows WTO Members to impose additional duties on imports of agricultural products when the volume of imports exceeds a specific threshold and when prices fall below a specified reference price. The special safeguard is available only for products marked as SSG in the Schedule of commitments of each Member. Only a few developing countries that undertook tariffication during the Uruguay Round have access to the SSG. Under provisions on the SSG, Members do not need to prove injury or threat thereof to the domestic industry to invoke the measure (as required under the general safeguard provision of Article XIX of GATT 1994). The SSG is thus triggered automatically.

### **Special Safeguard Mechanism (SSM)**

Refers to the proposal by developing countries, especially the G33, to establish a SSG-type of safeguard for use by all developing countries. The objectives of the mechanism would be to allow developing countries to respond effectively to import surges and price depressions. The mechanism should improve on the current SSG in the sense of responding to the particular circumstances of developing countries.

### **Tariffs**

These are taxes imposed by a State or separate customs territory on imported goods.

### **Tariff Rate Quotas (TRQs)**

These are treaty commitments or obligations made or assumed by WTO Members as a result of the Uruguay Round to provide a specified quota (i.e. level or volume) of market access opportunities for imported goods that would benefit from a lower tariff rate than the tariff rate resulting from tariffication. Goods imported over the quota would be subject to the higher tariff rate resulting from tariffication.

### **Tariffication**

This is the process by which all non-tariff measures existing previous to the Uruguay Round were converted to a tariff equivalent which provided a similar level of trade protection. The resulting tariffs were, therefore, in some cases, very high.

### **Uruguay Round approach**

Refers to a specific approach for the reduction of tariffs consisting of establishing an average reduction across all agricultural tariffs coupled with minimum reduction requirements per tariff line. This approach was used for the reduction of agricultural tariffs during the Uruguay Round. In that occasion, developed countries were required to reduce tariffs on average by 36 per cent with a minimum reduction per tariff line of 15 per cent. The figures for developing countries were established at 24 and 10 per cent, respectively.

### **Swiss formula**

Refers to the following mathematical expression:  $t_i = (a \cdot t_o) / (a + t_o)$  where,  $t_i$  = final tariff;  $t_o$  = initial tariff; and  $a$  = coefficient. The Swiss formula works in a manner that leads to higher proportional cuts on higher tariffs. The coefficient of the formula ( $a$ ) determines the highest level of tariffs that may result from the application of the formula. That is, a coefficient of 25 would imply that after the application of the formula no tariff will exceed 25 per cent. Thus the Swiss formula is advocated by members that favour harmonisation of tariffs across WTO members.

Country Groupings	United States	European Union	G10	G20	Cairns Group
<b>Critical Negotiation Issues</b>	<b>MARKET ACCESS</b>				
<b>Formula for tariff reductions</b>	<ul style="list-style-type: none"> <li>- Very ambitious, seeks harmonization of tariff across WTO members;</li> <li>- Considers G20 proposal on the formula lacks ambition;</li> <li>- Tiers: favours a single approach of four bands for developed and developing countries;</li> <li>- Thresholds: 0-20, &gt;20-40, &gt;40-60, and &gt;60). Feels strongly that the thresholds for the utmost tier can not be established at above 60;</li> <li>- Formula within tiers: single approach for developed and developing countries. Has made various proposals without clearly indicating its preference: i) Swiss formula in the utmost tier; progressive cuts in the</li> </ul>	<ul style="list-style-type: none"> <li>- Defensive and offensive interests;</li> <li>- Sees G20 formula as a good starting point;</li> <li>- Tiers: Favours a single approach of three bands for developed and developing countries though willing to consider different threshold levels for developed and developing countries.</li> <li>- Thresholds: For developed countries: 0-20, &gt;20-100, &gt;100. For developing countries: 0-30, &gt;30-150, &gt;150;</li> <li>- Formula within tiers: Favours a single approach for developed and developing countries; Willing to work on the basis of linear cut proposed by the G20 but with adjustments to provide additional flexibilities within the tiers;</li> </ul>	<ul style="list-style-type: none"> <li>- Defensive interests;</li> <li>- Opposes to G20 formula proposal;</li> <li>- Wants considerable flexibility with regards to tariff reductions, to be addressed as part of the formula;</li> <li>- Tiers: Favours a mechanical approach to determining the thresholds between bands (e.g. by listing all tariffs for each member and splitting these appropriately)</li> <li>- Formula within tiers: Insists on establishing an average cut within the tiers (UR type formula);</li> <li>- Strongly opposes setting tariff caps;</li> </ul>	<ul style="list-style-type: none"> <li>- Has presented formula proposal as a compromise position (middle way between Swiss and UR approach);</li> <li>- Tiers: Favours a different approach for developed and developing countries with five bands for the former and four for the later;</li> <li>- Thresholds: For developed countries: 0-20, &gt;20-40, &gt;40-60, &gt;60-80, &gt;80. For developing countries: 0-30, &gt;30-80, &gt;80-130, &gt;130);</li> <li>- Formula within tiers: each tariff subject to a linear (uniform) cut. Developing countries to cut only two-thirds of the cut to be undertaken by developed countries (implementing the proportionality principle;</li> </ul>	<ul style="list-style-type: none"> <li>- Offensive interests; seeks harmonization of tariff across WTO members;</li> <li>- Considers G20 formula lacks ambition;</li> <li>- Tiers: - Favours mechanical approach to establishing thresholds;</li> <li>- Thresholds: similar to those proposed by the US.</li> <li>- Formula within the tiers: Prefers Swiss formula but willing to accept alternative methods that guarantee progressivity.</li> </ul>

	<p>two middle bands; and the Uruguay Round approach in the lowest band; or ii) Linear cuts within the tiers as suggested by the G20 but with adjustments to address the discontinuity problem (i.e. the fact that tariffs in the lower range in an upper tier may be end up at a lower level than tariffs in the higher range within a lower tier after the reduction commitments);</p> <p>- Sensitivities to be addressed through a few sensitive products only (i.e. no additional flexibilities to be in-built in the formula).</p>	<p>- Opposes the concept of capping;</p> <p>- Sensitivities to be addressed through both the formula and sensitive products.</p>		<p>- Proposes establishing tariff caps at 100% for developed countries and 150% for developing countries.</p>	
<b>Sensitive Products</b>	<p>- Interested in limiting the number and scope of sensitive products;</p> <p>- Emphasizes the need for criteria for selection;</p> <p>- Views sensitive products as exceptions;</p> <p>- Favours a trade-off between the deviation from the tariff reduction formula and the number</p>	<p>- Views sensitive products as part of the negotiations on all components of the market access pillar, not to be treated as exceptions;</p> <p>- Would like sensitive products to be designated in any of the bands of the tiered formula;</p> <p>- Considers that any product is potentially sensitive, irrespective of the existence</p>	<p>- Issue of special interest to the group;</p> <p>- Opposes the view of sensitive products as exceptions;</p> <p>- Would like each country to be able to freely determine what products it designates as sensitive and the number of products to be determined on a country-by-country basis, meaning that some countries</p>	<p>- Would like only a very limited number of tariff lines to be designated as sensitive;</p> <p>- Views sensitive products as exceptions;</p> <p>- Favours linking tariff reduction formula and scope of sensitive products;</p> <p>- Requests that less than</p>	<p>- Would like to limit sensitive products as far as possible;</p> <p>- Views sensitive products as exceptions;</p> <p>- Would like to increase market access to developed country markets through combinations of tariff quota expansion and tariff reductions under every</p>



	<p>of sensitive products;</p> <ul style="list-style-type: none"> <li>- Emphasises tariff rate quota expansion as the primary means of compensation for less than tariff cuts in sensitive products. Considers other means of compensation as proposed by G10 (e.g. improvements in quota administration) insufficient/inadequate;</li> <li>- Opposes establishing new tariff quotas for products designated as sensitive;</li> <li>- Proposes tariff rate quotas should be expanded based on domestic consumption.</li> </ul>	<p>of a tariff rate quota;</p> <ul style="list-style-type: none"> <li>- Proposes a combination of tariff reduction and tariff rate quota expansion for sensitive products;</li> <li>- Proposes tariff quotas should be expanded on current tariff quota sizes and not based on domestic consumption.</li> </ul>	<p>can designate more sensitive products than others.</p> <ul style="list-style-type: none"> <li>- Considers that any product is potentially sensitive, irrespective of the existence of a tariff rate quota;</li> <li>- Insists on de-linking the designation of sensitive products from the tariff reduction formula. Treatment of sensitive products should be determined on the basis of specific modalities totally independent of the formula for tariff reductions;</li> <li>- Proposes a combination of means for compensating the less than formula cuts on sensitive products: tariff reductions; tariff quota expansion; in-quota tariff reduction; and improvement tariff rate quota administration;</li> <li>- To properly take into account non-trade concerns, additional criteria should be considered to allow countries to reflect their individual sensitivities (e.g. tariff rate quota commitments could be differentiated according to the</li> </ul>	<p>formula cut on sensitive product be compensated by expanded tariff rate quotas for each tariff line. Considers other means of compensation as proposed by G10 (e.g. improvements in quota administration) insufficient/inadequate;</p> <ul style="list-style-type: none"> <li>- Proposes limiting the number of tariff lines that can be designated as sensitive, in particular in the upper bands of the tariff reduction formula.</li> </ul>	<p>tariff line designated in the sensitive product category. Considers other means of compensation as proposed by G10 (e.g. improvements in quota administration) insufficient/inadequate;</p> <ul style="list-style-type: none"> <li>- Opposes establishing new tariff quotas for products designated as sensitive.</li> </ul>
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			overall agricultural performance of the country concerned).		
<b>Special Products (SPs)</b>	<ul style="list-style-type: none"> <li>- Not very supportive or interested;</li> <li>- Insists on the negotiation of indicators to designate special products. Would like to limit the scope of special products to a few tariff lines;</li> <li>- Would like special products to be subject to some tariff reductions or quota expansion, or other means to provide at least minimal market access. Strongly opposes to SP being exempt from tariff reductions.</li> </ul>	<ul style="list-style-type: none"> <li>- Not very supportive or interested;</li> <li>- Insists on the negotiation of indicators to designate special products. Would like to limit the scope of special products to a few tariff lines;</li> <li>- Would like special products to be subject to some tariff reductions. Strongly opposes SPs being exempt from tariff reductions.</li> </ul>	<ul style="list-style-type: none"> <li>- Generally supportive but not very interested in this category.</li> </ul>	<ul style="list-style-type: none"> <li>- Supportive, views special products as an integral element of SDT for developing countries;</li> <li>- Pledged to work with the G33 to operationalise and render effective the instrument;</li> <li>- Some countries favour limiting special products to a set percentage of tariff lines.</li> </ul>	<ul style="list-style-type: none"> <li>- Generally supportive, though the group is divided on this issue;</li> <li>- Some countries welcomed the G33 proposal to develop indicators. Others continue to express concern that special products can affect their exports of agricultural products, and many countries would like to limit their number;</li> <li>- Chile would like special products to be eligible only for non-commercial products;</li> <li>- Colombia has proposed setting a percentage limit on the volume of the product exported as a benchmark for product eligibility.</li> </ul>

<p><b>Special Safeguard Mechanism (SSM)</b></p>	<ul style="list-style-type: none"> <li>- Strongly opposed to the mechanism, sees it as duplicating SPs, as both instruments are deemed to be used for the same purpose;</li> <li>- Against SSM being triggered in response to both import surges and price depressions;</li> <li>- A volume trigger would suffice;</li> <li>- Would like to limit the scope and flexibility of the mechanism as much as possible.</li> </ul>	<ul style="list-style-type: none"> <li>- Generally supportive;</li> <li>- SSM should be used to deal with import surges only, and thus a volume trigger would be sufficient;</li> <li>- Likely to tie support for SSM to the continuation of SSG.</li> </ul>	<ul style="list-style-type: none"> <li>- Generally supportive of the concept of SSM for developing countries, as it would like the current SSG to be extended.</li> </ul>	<ul style="list-style-type: none"> <li>- Supportive of SSM, considered as an integral part of SDT for developing countries;</li> <li>- Willing to work with the G33 to operationalise and render effective the instrument.</li> </ul>	<ul style="list-style-type: none"> <li>- Generally supportive to the extent that the SSM constitutes an incentive to undertake further liberalization;</li> <li>- Would like to limit the scope of the mechanism to a few products;</li> <li>- Most countries prefer that only volume-based trigger be available.</li> </ul>
<p><b>Special Safeguard (SSG)</b></p>	<ul style="list-style-type: none"> <li>- Remains silent on the issue;</li> <li>- Likely to support the continuation of SSG, as it continues to use the safeguard on a regular basis.</li> </ul>	<ul style="list-style-type: none"> <li>- Would like the SSG to be extended.</li> </ul>	<ul style="list-style-type: none"> <li>- Strongly supports the extension of the SSG.</li> </ul>	<ul style="list-style-type: none"> <li>- Opposes the continuation of SSG;</li> <li>- Would like the safeguard to be eliminated by developed countries at the beginning of the implementation period;</li> <li>- Stresses that the date of elimination must be agreed to in these negotiations.</li> </ul>	<ul style="list-style-type: none"> <li>- Opposes the continuation of the SSG;</li> <li>- Prefers its immediate elimination or otherwise its discontinuation over a negotiated timeframe.</li> </ul>

<p><b>Preference Erosion</b></p>	<ul style="list-style-type: none"> <li>- Generally opposed to addressing the issue;</li> <li>- Likely to compromise in line with its overall alliance with the EU.</li> </ul>	<ul style="list-style-type: none"> <li>- Considers this an important issue;</li> <li>- Sensitive products and sectors to which long-standing preferences are granted are likely to coincide;</li> <li>- Supportive of demands by developing countries with long-standing preferences for concrete provisions to address preference erosion.</li> </ul>	<ul style="list-style-type: none"> <li>- Generally supportive.</li> </ul>	<ul style="list-style-type: none"> <li>- Recognizes the need to address the issue, but generally opposed to granting special treatment on market access to specific products to address preference erosion;</li> <li>- Proposes addressing the issue by expanding market access for products which are of vital export interest to the preference beneficiaries through: promoting effective utilization of existing preferences; providing additional financial assistance and capacity building to address supply constraints to those countries; promoting diversification and assisting in adjustment and restructuring.</li> </ul>	<ul style="list-style-type: none"> <li>- Generally opposed to addressing the issue;</li> <li>- Are of the view that preference erosion should be addressed but not at the expense of market access for other developing countries, particularly in tropical products (some Latin American countries with export interests feel strongly on this issue).</li> </ul>
<p><b>Tropical Products</b></p>	<ul style="list-style-type: none"> <li>- Generally in favour of full liberalisation of trade in tropical products;</li> <li>- Arguments for liberalisation in tropical products fall in line with its push for market access.</li> </ul>	<ul style="list-style-type: none"> <li>- Direct confrontation;</li> <li>- Main demands of the group on tropical products affect sensitive sectors in the EU such as sugar and banana.</li> </ul>	<ul style="list-style-type: none"> <li>- Generally against the agenda on tropical products.</li> </ul>	<ul style="list-style-type: none"> <li>- Generally supportive;</li> <li>- Important issue in the agenda of some Latin American countries members of the group;</li> <li>- Would like fullest liberalization of tropical</li> </ul>	<ul style="list-style-type: none"> <li>- Generally supportive;</li> <li>- Critical issue in the agenda of some Latin American countries members of the group who also would like full liberalization for products of particular importance</li> </ul>

				products in developed countries.	to the diversification of production from the growing of illicit narcotic crops.
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Country Groupings	G33	LDCs	African Group	ACP
<b>Critical Negotiation Issues</b>	<b>MARKET ACCESS</b>			
<b>Formula for tariff reductions</b>	<ul style="list-style-type: none"> <li>- Welcomes the G20 formula proposal, but has not developed a common position on this issue;</li> <li>- Opposes harmonization of tariffs across countries;</li> <li>- Insists on the need to take into account the different tariff structures of developing countries;</li> <li>- Insists on the principle of proportionality (lower reduction rates for developing countries).</li> </ul>	<ul style="list-style-type: none"> <li>- Exempt from tariff reductions;</li> <li>- Have not been actively involved in the debate on the tariff reduction formula;</li> <li>- Calls for binding commitments by trading partners in granting duty-free and quota-free market access for all products from LDCs, to be implemented immediately on a secure, long-term and predictable basis, with no restrictive measures introduced.</li> </ul>	<ul style="list-style-type: none"> <li>- Calls for the full operationalisation of the principle of proportionality;</li> <li>- Insist on the need to take into account the different tariff structure of developing countries and the particular pattern of trade of African countries;</li> <li>- Generally concerned with the treatment of S&amp;D provisions in market access;</li> <li>- Calls for bound duty and quota free market access to agricultural products from LDCs.</li> </ul>	<ul style="list-style-type: none"> <li>- More defensive interest; primary objective is to retain the appropriate level of protection in the domestic market to enable domestic production to thrive in the ACP countries and to mitigate the erosion of preference margins, which will result from tariff reduction;</li> <li>- Opposes the use of a harmonizing formula (e.g. Swiss) within the bands of the tiered formula, and prefers a linear formula;</li> <li>- Stresses that the single approach must be viewed from an SDT approach granting greater flexibility when applied to developing countries;</li> <li>- Opposes mechanical approach to establishing thresholds.</li> </ul>

<p><b>Sensitive products</b></p>	<ul style="list-style-type: none"> <li>- The group does not have a specific position on this issue.</li> </ul>	<ul style="list-style-type: none"> <li>- The group does not have a common position on this issue;</li> <li>- Likely to be concerned with the treatment of sensitive products to the extent that these may cover long-standing preferences.</li> </ul>	<ul style="list-style-type: none"> <li>- The group does not have a common position on this issue;</li> <li>- To the extent that there is an overlap between sensitive products and those covered by long-standing preferences, the group is likely to be supportive of designating sensitive products.</li> </ul>	<ul style="list-style-type: none"> <li>- Supportive of sensitive products;</li> <li>- Sensitive products category seen as critical to preserve their interests of developing countries benefiting from long-standing preferences;</li> <li>- Would like products relating to long-standing preferences to be deemed as sensitive products.</li> </ul>
<p><b>Special Products (SPs)</b></p>	<ul style="list-style-type: none"> <li>- Main proponents of provisions on special products, thus this issue is of crucial importance to the group;</li> <li>- Emphasises that a single set of indicators cannot be established for strict application to all developing countries because of the difference of situations among them;</li> <li>- Insists that operational indicators for the selection of SPs must be based on the criteria of food security, livelihood security and rural development as agreed in the July framework;</li> <li>- Opposes indicators linked to additional commitments in market access (e.g. ambition of the tariff reduction formula, designation of sensitive</li> </ul>	<ul style="list-style-type: none"> <li>- Generally supportive although the group has not shown special interest on this provision as it has been agreed that LDCs will be exempt from tariff reductions.</li> </ul>	<ul style="list-style-type: none"> <li>- This issue is very important for the group;</li> <li>- Stresses the need to develop meaningful modalities on the designation and treatment of special products in such a way that provides maximum flexibility to African countries to reflect their particular domestic circumstances and development needs;</li> <li>- There are divergent views within the group with respect to the concrete product scope and treatment of SPs.</li> </ul>	<ul style="list-style-type: none"> <li>- This is an important issue for the group;</li> <li>- Would like to designate an appropriate number of SPs based on the criteria of food security, livelihood security and rural development needs.</li> </ul>

	<p>products, etc);</p> <ul style="list-style-type: none"> <li>- Insists on self-selection of SPs on the basis of the indicators developed;</li> <li>- Highlights the value and need of SPs to protect legitimate commercial, developmental and political sensitivities;</li> <li>- Some members of the group (e.g. China, Nicaragua and Cuba) have indicated that any restriction on the number of SPs should be based on a percentage of tariff lines (as opposed to a limited absolute number of tariff lines). The group as such has not agreed to discuss any numerical limitation on the number of SPs though.</li> <li>- Peru has indicated that tropical products should not be designated as SPs;</li> <li>- The group insists on exempting special products from tariff reductions and tariff rate quota expansion; favours SPs having automatic access to the SSM mechanism.</li> </ul>			
<p><b>Special Safeguard Mechanism (SSM)</b></p>	<ul style="list-style-type: none"> <li>- Very important issue for the group;</li> <li>- Have reiterated that SSM is</li> </ul>	<ul style="list-style-type: none"> <li>- Supportive of the mechanism;</li> <li>- Would like SSM to respond to the needs and the particular</li> </ul>	<ul style="list-style-type: none"> <li>- Supportive of the mechanism;</li> <li>- Stresses that SSM constitutes a unique instrument that would</li> </ul>	<ul style="list-style-type: none"> <li>- Generally supportive.</li> </ul>

	<p>very different from SP in that whereas SP is a long-term exemption for rural development and food and livelihood security, SSM is a short-term mechanism to help developing countries cope with fluctuations in prices and import surges;</p> <ul style="list-style-type: none"> <li>- Proposes that SSM should be open to all developing countries and for all agricultural products;</li> <li>- The SSM should be applied to imports from all countries whether these are subsidised or not;</li> <li>- Proposes the SSM be automatically triggered either by import surges or price falls, thus both volume and price triggers should be contemplated;</li> <li>- Stresses the SSM should respond to the institutional capabilities and resources of developing countries and hence be simple, effective and easy to implement;</li> <li>- Insists that remedy measures should take the form of an additional duty but also, under circumstances the former fails, quantitative restrictions as well.</li> </ul>	<p>circumstances of LDCs enabling them to adopt temporary emergency measures in order to address import surges and price declines with a view to safeguarding food and livelihood security as well as rural development;</p> <ul style="list-style-type: none"> <li>- Stresses that SSM to be agreed must take into account the institutional capacities and available resources of LDCs, and thus must be simple, effective and easy to implement;</li> <li>- Would like SSM to be triggered automatically either by import surges or price falls, thus both volume and price triggers should be contemplated.</li> </ul>	<p>respond to the concerns of developing countries and LDCs related to food security, livelihood security and rural development;</p> <ul style="list-style-type: none"> <li>- The group however does not share a common position with respect to product designation and scope.</li> </ul>	
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<p><b>Special Safeguard (SSG)</b></p>	<ul style="list-style-type: none"> <li>- Some members of the group use the provision;</li> <li>- Concerned about guaranteeing an adequate transition to the SSM.</li> </ul>	<ul style="list-style-type: none"> <li>- The group does not have a position on this issue.</li> </ul>	<ul style="list-style-type: none"> <li>- The group does not have a position on this issue.</li> </ul>	<ul style="list-style-type: none"> <li>- The group does not have a common position on the issue.</li> <li>- Likely to support the continuation of SSG where it may be used to guarantee long-standing preferences.</li> </ul>
<p><b>Preference Erosion</b></p>	<ul style="list-style-type: none"> <li>- The group does not have a common position on this issue;</li> <li>- For some countries preference erosion is a real concern and wants measures to tackle preference erosion to be put in place.</li> </ul>	<ul style="list-style-type: none"> <li>- Crucial issue for the group, as most are beneficiaries of long-standing preferences;</li> <li>- Stresses the need to strengthen the existing preferential schemes;</li> <li>- Would like the incorporation of special provisions in the modalities to address the erosion of preferences;</li> <li>- Would like to maintain preferences until such time as all domestic and export subsidies are removed that affect LDCs' commodities, complemented by compensatory and transitional measures to allow LDCs to fully prepare their commodity industries for open and fair competition;</li> <li>- Measures outside the WTO include "Aid for Trade" as an additional, substantial and predictable financial mechanism</li> </ul>	<ul style="list-style-type: none"> <li>- Important issue for the group;</li> <li>- Would like specific and concrete mechanisms and solutions to the problems of preference erosion;</li> <li>- Stresses that mechanisms must be devised within the WTO context to fully address their concerns.</li> </ul>	<ul style="list-style-type: none"> <li>- Very important issue for the group, as these are beneficiaries of long-standing preferences;</li> <li>- Would like to maintain long-standing preferences, hence wish to moderate tariff reduction in the products by preference-granting countries, where these exist;</li> <li>- Would like concrete provisions to address preference erosion as part of the modalities in agriculture;</li> <li>- Favour trade-related measures within the WTO to address this issue.</li> </ul>

		to strengthen supply-side and infrastructure capacity, diversification of trade in LDCs and address adjustment challenges and costs.		
<b>Tropical Products</b>	<ul style="list-style-type: none"> <li>- The group does not have a common position on this issue;</li> <li>- Some members favour full liberalization in tropical products.</li> </ul>	<ul style="list-style-type: none"> <li>- To the extent that tropical products coincide with products in which long-standing preferences exists, the group will be concerned with the effects of full liberalisation of trade on these products on preference erosion.</li> </ul>	<ul style="list-style-type: none"> <li>- Generally opposes the complete liberalisation of trade in tropical products;</li> <li>- Main concern is preference erosion.</li> </ul>	<ul style="list-style-type: none"> <li>- In direct confrontation with the agenda on the full liberalisation of trade in tropical products;</li> <li>- Concerned with the erosion of preferences with respect to tropical products.</li> </ul>

Country Groupings	United States	European Union	G10	G20	Cairns Group
<b>Critical Negotiation Issues</b>	<b>DOMESTIC SUPPORT</b>				
<b>Formula for the Reduction of Overall Trade Distorting Support</b>	<ul style="list-style-type: none"> <li>- Defensive interest with respect to the reduction of the Amber Box and <i>de minimis</i> support;</li> <li>- Generally supportive of a three band approach for the reduction of overall trade-distorting support;</li> <li>- Seems to agree being placed in the middle band.</li> </ul>	<ul style="list-style-type: none"> <li>- Proposed the measurement of trade distorting support in relative terms, but this has been generally rejected;</li> <li>- Insists that countries with relative high levels of trade distorting supports vis-à-vis the value of agricultural production should make additional cuts to those required by the tiered approach;</li> </ul>	<ul style="list-style-type: none"> <li>- Defensive interest, particularly with regards to reduction of the Amber Box;</li> <li>- Strongly opposes reduction commitments based on the relative importance of trade-distorting support to the total value of agriculture production. Such an approach will penalise small</li> </ul>	<ul style="list-style-type: none"> <li>- Offensive interest;</li> <li>- Proposed a three band approach for the reduction of overall trade-distorting support;</li> <li>- Thresholds of the bands: support above USD 60 billion; support above USD 10 billion and up to USD 60 billion; support at less than USD 10 billion.</li> </ul>	<ul style="list-style-type: none"> <li>- The group is divided on this issue, where countries which use the Amber Box support are more hesitant to undertake commitments;</li> <li>- Generally supportive of a three band approach for the reduction of overall trade-distorting support;</li> <li>- Would like the European Communities</li> </ul>

		<ul style="list-style-type: none"> <li>- Generally supportive of a three band approach for the reduction of overall trade-distorting support.</li> <li>- Seems to agree being placed in the utmost band for maximum cuts.</li> </ul>	<p>countries with proportionally large subsidies by imposing deeper cuts than would result otherwise (i.e. from reduction commitments established on the basis of the absolute level of support);</p> <ul style="list-style-type: none"> <li>- Generally supportive of a three band approach for the reduction of overall trade distorting support. Members of the group likely to fall in the lowest tier.</li> </ul>	<ul style="list-style-type: none"> <li>- These thresholds would place the European Communities in the highest tier and both the US and Japan in the middle band;</li> <li>- Insists that countries with relative high levels of trade distorting supports vis-à-vis the value of agricultural production should make additional cuts to those required by the tiered approach;</li> <li>- Requires front loading of commitments (e.g. imposing higher cuts during the early years of implementation);</li> <li>- Proposes that developing countries without AMS entitlements must be exempted from undertaking reduction commitments on trade-distorting domestic support.</li> <li>- For developing countries with AMS entitlements (Amber box), reduction commitments will be two-thirds of those required under the lowest band.</li> </ul>	<p>be placed in the highest tier, followed by the US and Japan in the middle tier.</p>
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<p><b>Structure of a Tiered Formula for the Cuts in Final Bound Total AMS (amber box)</b></p>	<ul style="list-style-type: none"> <li>- Defensive interest</li> <li>- In a scenario of a three band approach, would like to be placed in the lowest band to undertake minimum cuts.</li> </ul>	<ul style="list-style-type: none"> <li>- Defensive interest;</li> <li>- In a scenario of a three band approach, seems to agree being placed alone in the highest tier for maximum cuts but would insist that both the US and Japan be placed in the middle band.</li> </ul>	<ul style="list-style-type: none"> <li>- Generally defensive interest given that they have high levels of amber box support;</li> <li>- Would like to minimize cuts being placed in the lowest tier possible;</li> <li>- Japan seems to agree being placed in the middle band in a scenario of a three band approach.</li> </ul>	<ul style="list-style-type: none"> <li>- Offensive interest;</li> <li>- Proposes a four band approach for the reduction of Amber Box subsidies;</li> <li>- Thresholds: AMS above USD 25 billion; AMS above USD 12 billion and up to USD 25 billion; AMS above USD 2 billion and up to USD 12 billion; and AMS up to USD 2 billion for the lowest tier.</li> <li>- As per the July framework, higher levels of AMS entitlements will be subject to higher cuts;</li> <li>- Developing countries would make less than two-thirds of the cuts that would be required from developed countries in the same band;</li> <li>- Countries with relative high levels of trade distorting supports vis a vis the value of agricultural production should make additional cuts to those required by the tiered approach;</li> <li>- Requires front loading of commitments (e.g. imposing</li> </ul>	<ul style="list-style-type: none"> <li>- Offensive interest;</li> <li>- Agrees with proposal to establish three tiers, with the EU in the highest tier, followed by the US and Japan.</li> </ul>
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				larger cuts during the early years of implementation).	
<b>Reduction in <i>De minimis</i></b>	<ul style="list-style-type: none"> <li>- Very sensitive issue given that it has been a regular user of <i>de minimis</i> support;</li> <li>- Would like to make as small cuts as possible.</li> </ul>	<ul style="list-style-type: none"> <li>- Not sensitive in this issue;</li> <li>- Proposes the elimination of <i>de minimis</i> support in developed countries, as leverage on the US.</li> </ul>	<ul style="list-style-type: none"> <li>- Not particularly sensitive on this issue.</li> </ul>	<ul style="list-style-type: none"> <li>- Would like the elimination of all <i>de minimis</i> support in developed countries;</li> <li>- Proposed that reductions be made to both product and non-product specific <i>de minimis</i>;</li> <li>- Proposes exempting developing countries without AMS entitlements from reduction commitments on <i>de minimis</i>.</li> <li>- Indicates that for developing countries that do provide AMS support, the level of <i>de minimis</i> reduction would be determined in relation to the overall reduction of trade distorting domestic support. Further, as established by the July framework, developing countries that allocate almost all <i>de minimis</i> programmes for subsistence and resource-poor farmers will be exempt from <i>de minimis</i> reductions.</li> </ul>	<ul style="list-style-type: none"> <li>- Would like the elimination of all <i>de minimis</i> support in developed countries;</li> <li>- Developing countries that allocate all <i>de minimis</i> support for subsistence and resource-poor farmers should be exempt from reduction.</li> </ul>

<p><b>Blue Box, including expansion of criteria</b></p>	<ul style="list-style-type: none"> <li>- Very sensitive issue as it seeks to become large user;</li> <li>- Main proponent of expansion of the blue box criteria as provided for in the second bullet of paragraph 13 of the July Framework;</li> <li>- Key objective is to lock-in counter cyclical payments in the Blue Box;</li> <li>- Opposes additional criteria (to that already reflected in paragraph 13 of the July framework) being imposed on the Blue Box that could limit flexibility with respect to counter cyclical payments.</li> </ul>	<ul style="list-style-type: none"> <li>- Defensive interest: Sensitive issue as has historically has been a large user of this type of support;</li> <li>- Would like to preserve the status quo in the Blue Box;</li> <li>- Opposed to the review of the criteria of the Blue Box that would affect the reform efforts it has undertaken;</li> <li>- Concerned that tightening current criteria under the Blue Box may end up penalising those who have been undertaken reform, instead of those who have taken no initiative in this regard (US).</li> <li>- Offensive interest: Links any movement on its part on market access to US movement on blue box criteria (i.e. US accepting additional criteria on the blue box to that already reflected in paragraph 13 of the July framework);</li> <li>- In this regard the EU has stressed that the introduction of disciplines should focus on the</li> </ul>	<ul style="list-style-type: none"> <li>- Sensitive issue;</li> <li>- Would like to preserve the status quo in the Blue Box;</li> <li>- Not interested in expanding criteria, more so if it is to limit current allowed flexibilities.</li> </ul>	<ul style="list-style-type: none"> <li>- Strong offensive interest;</li> <li>- Would like a review of criteria of the Blue Box to ensure that Blue Box payments are less trade distorting than AMS measures and additional disciplines to avoid box shifting and concentration of support in a few products. The new criteria should target both payments under the current and expanded blue box;</li> <li>- Proposes the establishment of product-specific caps for Blue Box programmes, similar to those proposed in the Amber box, with flexibilities for developing countries;</li> <li>- Main proponent of additional criteria for the blue box. The group further stresses that the acceptance of an expanded Blue box is subject on agreement on the criteria applicable to payments under this category;</li> <li>- The additional criteria proposed include: i) On</li> </ul>	<ul style="list-style-type: none"> <li>- Offensive interest;</li> <li>- Stresses that Blue Box criteria must ensure that the payments under the box are truly less trade – distorting than Amber box measures but have not proposed any additional criteria to limit the flexibility allowed under the box, or the expansion of the criteria on the US terms.</li> </ul>
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		<p>additional definition of the new Blue Box, rather than the current Blue Box criteria which the EU considers are less trade distorting measures.</p>		<p>direct payments which do not require production (new or expanded Blue Box): limiting the price gaps that can be compensated through subsidies (e.g. the level of countercyclical payments); and avoiding accumulation of support by prohibiting Blue Box payments for products on which other forms of trade distorting support have been provided (with the exception of <i>de minimis</i>); ii) On direct payments which limit production (current blue box): demonstration that production has indeed not increased;</p> <p>- The group has also proposed additional criteria to improve transparency and the administration of the direct payments;</p> <p>- Developing countries that have not previously used the Blue Box should not be precluded from establishing a base period for the provisions of these payments in the future.</p>	
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<p><b>Green Box review and clarification</b></p>	<p>- Would like to retain the integrity of the Green Box, but says it is flexible to possible revisions;</p>	<p>- Opposes the review and clarification of criteria;  - Would like to maintain the status quo.</p>	<p>- Opposes the review and clarification of criteria;  - Would like to maintain the status quo.</p>	<p>- Main driver of the review process, especially with respect to criteria related to direct payments;  - Would like new disciplines for the Green Box to avoid box shifting;  - Would like modifications to the Green Box to include specific provisions designated to take into account the special circumstances of developing countries;  - The group has made concrete proposals aimed at excluding production and trade-distorting subsidies from the Green Box. Some of the criteria proposed include: new eligibility conditions for receiving direct payments; support should continue to be provided through publicly-funded government programmes, not involving transfers from consumers and should not require production; credible and time consistent policies with no changes in the eligibility rules should be established;</p>	<p>- Generally in favour of establishing criteria for the Green Box to ensure that these measures have no, or at most minimal, trade-distorting effects , though there are divergent views among countries in this group;  - Canada is very vocal, worries that some of the programmes under the box might, in contradiction to its objectives, distort trade, and has proposed detailed amendments (e.g. simplify calculations, increase clarity and make sure that reference periods are representative, fixed and notified. Need to ensure structural adjustment payments for retirement of producers and resources are time limited).</p>
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				<p>base periods used as reference for the calculation of payments should be fixed and remain unchanged over time; and additional conditions for eligibility to receive certain direct payments.</p> <p>- Some of the suggested amendments to provide SDT for developing countries include: exempting from reduction commitments income support provided to low-income producers; adding an exemption for subsidies for land reform in developing countries; and waiving some of the more stringent criteria for exempting payments made under regional assistance programmes.</p>	
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Country Groupings	G33	LDCs	African Group	ACP
<b>Critical Negotiation Issues</b>	<b>DOMESTIC SUPPORT</b>			
<b>Formula for the Reduction of Overall Trade Distorting Support</b>	<ul style="list-style-type: none"> <li>- The group does not have a common position on this issue;</li> <li>- Generally supportive of the principle of proportionality applied to developing countries.</li> </ul>	<ul style="list-style-type: none"> <li>- Would like significant reduction on all forms of trade distorting support, while taking into account all SDT provisions and recognising the need for transitional measures that will offset the negative, short-term effects of removal of subsidies in terms of reducing or removing LDCs' preferential margins into the markets of developed countries.</li> </ul>	<ul style="list-style-type: none"> <li>- The group does not have a common position on this issue.</li> </ul>	<ul style="list-style-type: none"> <li>- Would like the formula to result in meaningful and effective reductions in the domestic support granted by develop countries to their farming communities.</li> </ul>
<b>Structure of a Tiered Formula for the Cuts in Final Bound Total AMS (amber box)</b>	<ul style="list-style-type: none"> <li>- The group does not have a common position on this issue.</li> </ul>	<ul style="list-style-type: none"> <li>- The group does not have a common position on this issue.</li> </ul>	<ul style="list-style-type: none"> <li>- The group does not have a common position on this issue.</li> </ul>	<ul style="list-style-type: none"> <li>- The group does not have a position on this issue.</li> <li>- Generally supportive of the European Communities' stance given their concerns on the erosion of preferences.</li> </ul>
<b>Reduction in <i>De minimis</i></b>	<ul style="list-style-type: none"> <li>- Would like developed countries to eliminate <i>de minimis</i> support;</li> <li>- Stresses that all developing countries should be exempt from making cuts on <i>de minimis</i> programmes.</li> </ul>	<ul style="list-style-type: none"> <li>- The group does not have a position on this issue;</li> <li>- Likely to oppose the reduction of <i>de minimis</i> for developing countries.</li> </ul>	<ul style="list-style-type: none"> <li>- Opposes the reduction of <i>de minimis</i> support by developing countries.</li> </ul>	<ul style="list-style-type: none"> <li>- The group does not have a position on this issue.</li> <li>- Generally supportive of the European Communities' stance given their concerns on the erosion of preferences.</li> </ul>
<b>Blue Box, including</b>	<ul style="list-style-type: none"> <li>- The group does not have a position on this issue.</li> </ul>	<ul style="list-style-type: none"> <li>- The group does not have a position on this issue.</li> </ul>	<ul style="list-style-type: none"> <li>- Has stressed that disciplines on domestic support should not lead to "box-shifting" subsidies.</li> </ul>	<ul style="list-style-type: none"> <li>- The group does not have a position on this issue;</li> </ul>

<b>expansion of the criteria</b>				- Generally supportive of the European Communities' stance given their concerns on the erosion of preferences.
<b>Green Box review and clarification</b>	- The group does not have a position on the issue; - Generally supportive of proposals for rendering the Green Box more user friendly for developing countries.	- The group seeks to engage on this issue to improve obligations for monitoring and surveillance to avoid box shifting.	- Would like to ensure that the Green Box measures have no or at most minimal trade-distorting effects on production.	- The group does not have a position on this issue.

<b>Country Groupings</b>	<b>United States</b>	<b>European Union</b>	<b>G10</b>	<b>G20</b>	<b>Cairns Group</b>
<b>Critical Negotiation Issues</b>	<b>EXPORT COMPETITION</b>				
<b>Timeframe for the elimination of export subsidies</b>	- Defensive interest to the extent that commitments on the elimination of export subsidies is linked to programmes extensively used by the US such as export credits and certain food aid transactions;  - It has expressed that it would be willing to eliminate all export subsidies by 2010.	- Defensive interest; very sensitive;  - Would like a long time frame for the elimination of export subsidies, namely on certain sensitive products;  - Has put forth several conditions for the elimination of export subsidies: i) full parallelism within the export competition pillar (reductions on subsidies, export credits, food aid, and	- Defensive interest;  - Would like a long time frame for the elimination of export subsidies;  - Has put forth several conditions for the elimination of export subsidies: i) full parallelism within the export competition pillar (reductions on subsidies, export credits, food aid, and STEs handled in parallel); ii) that its concerns on	- Offensive interest;  - The group has proposed a five year deadline at the latest for eliminating all export subsidies;  - Direct export subsidies are to be eliminated in a period no longer than 5 years, with frontloading of commitments (e.g. larger concessions at early stages of the implementation period);	- Offensive interest;  - Would like export subsidies to be eliminated in the shortest time frame possible.

		STEs handled in parallel); ii) that its concerns on domestic support, market access and non – trade concerns are fully taken into account; and that ambitious liberalisation outcomes are achieved in other areas such as Services and NAMA.	domestic support, market access and non – trade concerns are fully taken into account; and that ambitious liberalisation outcomes are achieved in other areas such as Services and NAMA.	- Has called for an immediate standstill on all forms of export subsidies.	
<b>Disciplines on export credits and related programmes</b>	- Defensive interest as the main provider of export credit and similar programmes;  - Insists on providing special provisions in favour of developing countries that are beneficiaries of these programmes. Such flexibilities constitute a means to relax disciplines on providers of export credit and similar programmes.	- Offensive interest;  - Main objective is to pressure the US to adopt stricter disciplines on this issue.	- Not particularly concerned with this issue;  - Likely to support the development of strong disciplines to pressure the US.	- Offensive interest;  - Would like to develop strict disciplines so that export credits and similar programmes are not used in a way that displaces third country commercial exports or promotes surplus disposal;  - Insists that discussions on provisions in favour of developing countries beneficiaries of export credit and similar programmes, do not nullify or create exceptions to the agreed disciplines.	- Offensive interest;  - Would like to develop strict disciplines with comprehensive coverage.  - Does not support extending flexibilities on this issue to developing countries as these may lead to relaxation of the agreed disciplines.
<b>Disciplines on Food Aid</b>	- Defensive interest;  - Would like to maintain the status quo, particularly the flexibility to provide tied, in kind food aid. The US usually conditions food	- Offensive interest;  - Main objective is to pressure the US to discipline its food aid programmes;  - Opposes food aid being	- Offensive interest;  - Supports strict disciplines for food aid;  - Generally supports European Communities'	- Offensive interest;  - Favours developing strict disciplines in order to ensure that operations will be carried in grant form only, that food aid will be	- Offensive interest;  - Supports developing strict disciplines for food aid;  - Support disciplining

	<p>aid to export of domestic commodities and services.</p> <ul style="list-style-type: none"> <li>- Would like to maintain current flexibility to provide food aid regardless of whether there is an emergency or not (i.e. programme and project food aid).</li> </ul>	<p>allowed to be delivered in kind;</p> <ul style="list-style-type: none"> <li>- Would like to limit food aid to emergency and humanitarian interventions as declared by specialised UN agencies;</li> <li>- Insists food aid should be provided in fully in grant form;</li> <li>- Would generally support reform towards fully untied aid.</li> </ul>	<p>stance on this issue.</p>	<p>fully untied and is granted only for emergency situations at the request of UN agencies;</p> <ul style="list-style-type: none"> <li>- Stresses need to ensure that commitments regarding the maintenance of food aid levels be in line with requirements under the Food Aid Convention.</li> </ul>	<p>food aid to ensure that it is granted only for emergency situations at the request of UN agencies and be fully in grant form.</p>
<p><b>Disciplines on State Trading Enterprises (STEs)</b></p>	<ul style="list-style-type: none"> <li>- Offensive interest;</li> <li>- Main objective is to pressure Canada and Australia to discipline their exporting STEs' practices;</li> <li>- Would like to prohibit monopoly status for exporting STEs, including for developing countries.</li> </ul>	<ul style="list-style-type: none"> <li>- Offensive interest;</li> <li>- Main objective is to pressure Canada and Australia to discipline their exporting STEs' practices;</li> <li>- Would like to prohibit monopoly status for STEs, including for developing countries.</li> </ul>	<ul style="list-style-type: none"> <li>- Offensive interest;</li> <li>- Supports strict disciplines on exporting STEs in both developed and developing countries.</li> </ul>	<ul style="list-style-type: none"> <li>- Both defensive and offensive interests;</li> <li>- Would like to disciplines exporting STEs of Canada and Australia use exporting STEs;</li> <li>- Stresses exporting STEs in developing countries to receive special consideration for maintaining monopoly status.</li> </ul>	<ul style="list-style-type: none"> <li>- Defensive interest;</li> <li>- Key members such as Australia and Canada have defensive interests.</li> </ul>

Country Groupings	G33	LDCs	African Group	ACP
<b>Critical Negotiation Issues</b>	<b>EXPORT COMPETITION</b>			
<b>Timeframe for the elimination of export subsidies</b>	<ul style="list-style-type: none"> <li>- The group does not have a common position on this issue;</li> <li>- Some countries concerned with the effect of eliminating export subsidies on their capacity to import food.</li> </ul>	<ul style="list-style-type: none"> <li>- Support setting a short time frame for the elimination of all export subsidies, but taking into account SDT provisions;</li> <li>- Some countries concerned with the effect of eliminating export subsidies on their capacity to import food;</li> <li>- Calls for full implementation of the Marrakesh Decision on NFIDCs and LDCs.</li> </ul>	<ul style="list-style-type: none"> <li>- Supports a short time frame for a credible end date for the elimination of all export subsidies, without prejudice to SDT of NFIDCs and LDCs.</li> </ul>	<ul style="list-style-type: none"> <li>- Would like a commitment to phase out all forms of export subsidisation by a credible end date.</li> <li>- Likely to support longer time frame for elimination of export subsidies in products where long-standing preferences are granted.</li> </ul>
<b>Disciplines on export credits and related programmes</b>	<ul style="list-style-type: none"> <li>- The group does not have a common position on this issue;</li> <li>- NFIDC members call for full implementation of the Marrakesh Decision on NFIDCs and LDCs.</li> </ul>	<ul style="list-style-type: none"> <li>- Some countries concerned with the effect of eliminating of export credits on their capacity to import food;</li> <li>- Calls for full implementation of the Marrakesh Decision on NFIDCs and LDCs.</li> </ul>	<ul style="list-style-type: none"> <li>- Supports the implementation of the Marrakesh Decision on NFIDCs and LDCs as a clear reflection of the SDT component in any disciplines to be developed on this issue.</li> </ul>	<ul style="list-style-type: none"> <li>- The group does not have a position on this issue.</li> </ul>
<b>Disciplines on Food Aid</b>	<ul style="list-style-type: none"> <li>- The group does not have a position on this issue.</li> </ul>	<ul style="list-style-type: none"> <li>- Supports modalities on food aid that will discipline the commercial displacement effects of food aid, but would like to ensure that food aid is available at all times to ensure the needs of LDCs and NFIDCs;</li> <li>- Stresses that modalities must include commitments by donors in the context of the Food Aid</li> </ul>	<ul style="list-style-type: none"> <li>- Stresses the need for the interest of food aid recipients to be taken into account in developing disciplines on this issue.</li> </ul>	<ul style="list-style-type: none"> <li>- The group does not have a position on this issue.</li> </ul>

		<p>Convention and improved monitoring of food aid transactions;</p> <p>- Would like local and regional purchase of products to be encouraged, limiting to a minimum the impact of food aid on the local production of LDC recipient countries.</p>		
<p><b>Disciplines on State Trading Enterprises (STEs)</b></p>	<p>- The group does not have a position on this issue;</p> <p>- Likely to support disciplines for developed country STEs while seeking to maintain exemption for developing country's STEs in the context of SDT provisions.</p>	<p>- The group does not have a position on this issue.</p>	<p>- Strongly calls for developing country STEs to be excluded from the application of any new disciplines on STEs, in recognition of the critical role played by STEs in sustaining livelihoods, food security and poverty reduction in these countries.</p>	<p>- Calls for an exemption of STEs from additional disciplines taking into account the role they play in promoting national development goals and objectives.</p>

Country Groupings	United States	European Union	G10	G20	Cairns Group
	<b>COTTON</b>				
	<ul style="list-style-type: none"> <li>- Defensive interest;</li> <li>- Has generally remained silent on the issue;</li> <li>- Stresses that the outcome for cotton will be determined by the overall agricultural negotiations, where reductions in the three pillars (e.g. domestic support) may affect US Cotton programmes;</li> <li>- Emphasises the development aspects of the cotton initiative diverting attention from the trade-related problems;</li> <li>- Insists on limiting the mandate of the Cotton Sub Committee to general discussions on progress in the overall agriculture negotiations opposing attempts by the</li> </ul>	<ul style="list-style-type: none"> <li>- Defensive interest;</li> <li>- Emphasises the development aspects of the cotton initiative diverting attention from the trade-related problems;</li> <li>- Insists on limiting the mandate of the Cotton Sub Committee to general discussions on progress in the overall agriculture negotiations opposing attempts by the proponents of the cotton initiative to negotiate specific modalities on cotton.</li> </ul>	<ul style="list-style-type: none"> <li>- The group does not have a position on this issue.</li> </ul>	<ul style="list-style-type: none"> <li>- Insists on addressing the trade-related and development aspects of the cotton initiative;</li> <li>- Very supportive of the proponents of the cotton initiative urging the Sub-Committee on cotton to negotiate specific modalities on cotton;</li> <li>- Stresses the need to provide urgent development assistance to countries that are net cotton producers and exporters;</li> <li>- Insists that the US need to fully implement the panel ruling decision on cotton.</li> </ul>	<ul style="list-style-type: none"> <li>- The group does not have a position on this issue;</li> <li>- Would generally favour full liberalization of trade in cotton.</li> </ul>



	proponents of the cotton initiative to negotiate specific modalities on cotton.				
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Country Groupings	G33	LDCs	African Group	ACP
	<b>COTTON</b>			
	<ul style="list-style-type: none"> <li>- The group does not have a position on this issue.</li> </ul>	<ul style="list-style-type: none"> <li>- Offensive interest;</li> <li>- Would like an ambitious, expeditious and specific cotton – related decision as part of the overall agricultural negotiations;</li> <li>- Calls for the elimination of domestic support measures and export subsidies that distort trade in cotton by no later than the WTO 6<sup>th</sup> Ministerial Conference;</li> <li>- Would like bound duty – free and quota – free access for cotton and products derived from cotton from LDC countries;</li> <li>- Seeks the creation of an Emergency Support Fund for cotton;</li> <li>- Stresses the need for commitment</li> </ul>	<ul style="list-style-type: none"> <li>- Critical issue for the group;</li> <li>- Would like developed countries to eliminate all forms export subsidies on cotton by 1 July 2005, and domestic support measures that distort international trade in cotton by 21 September 2005;</li> <li>- Would like an ambitious, expeditious and specific cotton – related decision as part of the overall agricultural negotiations;</li> <li>- Would like bound duty – free and quota – free access for cotton and products derived from cotton from LDC countries;</li> <li>- Seeks the creation of an Emergency Support Fund for cotton.</li> </ul>	<ul style="list-style-type: none"> <li>- Important issue for the group;</li> <li>- Calls on developed countries to eliminate all forms of export subsidies on cotton; to improve market access for international trade in cotton; to grant bound, duty-free and quota free access for cotton and its by-products for LDCs that are net cotton producers and exporters; and to eliminate domestic support measures affecting cotton;</li> <li>- Seeks the creation of an Emergency Support Fund for cotton.</li> </ul>

		by WTO members to address the development related aspects of the Cotton Initiative.		
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Chemin du Champ d'Anier 17  
Case postale 228, 1211 Geneva 19  
Switzerland

Telephone : (41 22) 791 8050

Fax : (41 22) 798 8531

Email : [south@southcentre.org](mailto:south@southcentre.org)

Website:

<http://www.southcentre.org>