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Page: 1/2

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Committee on Agriculture Special Session

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REAFFIRMING DEVELOPMENT - MC11

SUBMISSION BY THE G-33

The following submission, dated 25 April 2017, is being circulated at the request of the delegation of <u>Indonesia on behalf of the G-33</u>.

1. We recall the G-33 submission entitled "Reaffirming Development - MC10 Nairobi and Post MC10 Nairobi" dated 5 October 2015 as reflected in the document TN/AG/GEN/37.

2. We, the G-33 Members, strongly renew the long-standing calls for global trade reforms that address inequities and imbalances in the Uruguay Round Agreement on Agriculture (AOA) so that all WTO Members would be governed by a multilateral trading system (MTS) under the WTO which is not only open, transparent, and market-oriented but also, more importantly, development oriented, fair and provides a level playing field.

3. Developed Members have expansive flexibilities in the AOA, which make their farmers and exporters artificially competitive. These flexibilities include, amongst others, high AMS entitlements with no product specific caps on AMS; very high levels of total per capita domestic support; non-transparent and complex TRQ and *non-ad valorem* tariff systems including tariff peaks and escalation; and highest entitlements to the special safeguard provisions (SSG), among others.

4. Developing Members' tariffs have not been able to match these wide-ranging flexibilities causing periodic import surges and almost permanent market distortions in agriculture trade to the disadvantage of developing Members where agriculture is characterized by small subsistence farming and market failure.

5. In order to continue the fundamental reform in agriculture and to address the inequities and imbalances, our Ministers in the Uruguay Round inscribed the "built-in" agenda under Article 20 of the AOA. The agenda has been carried through and further reinforced by the Doha Development Agenda (DDA) in 2001 (WT/MIN(01)/DEC/1) which puts "development" and special and differential treatment (S&DT) for developing Members at its core.

6. The objectives enshrined in the DDA can only be achieved once all the elements of the agriculture negotiations have a comprehensive and development-oriented outcome. Until the same is achieved we firmly believe that the negotiations must continue towards and after the 11th Ministerial Conference (MC11) Buenos Aires, building on the various Ministerial decisions/declarations and the development framework we have agreed to date since 2001.

7. The Group is willing to engage constructively and contribute to a credible and balanced outcome, which withstands the test of development at MC11 Buenos Aires and beyond.

8. As part of the balancing and S&DT instruments, the G-33 has long been calling for meaningful Special Products (SP), an accessible and effective Special Safeguard Mechanism (SSM) and a permanent solution on Public Stock Holding (PSH) for food security purposes. These tools are needed for sustaining investments in agriculture for food security, livelihood security and rural development, as well as addressing the destabilizing and crippling effects of import surges and

downward price swings in the increasingly volatile global agricultural markets largely due to huge subsidies in productions and exports by the developed Members.

9. Also the Group firmly believes that there should be a permanent solution on public stockholding for food security purposes and a Special Safeguard Mechanism for developing Members as mandated. There is a clear mandate to arrive and adopt a permanent solution on Public Stock Holding (PSH) for food security purposes by 2017. The Nairobi Ministerial Decision on SSM for developing Members has reinforced and strengthened the mandate in the Hong Kong Ministerial Declaration to establish both price and volume-based SSM.

10. The time is short. Hence G-33 requests Members to constructively and meaningfully engage on the two most important issues of SSM and PSH with a view to deliver them in MC11 so that developing Members are equipped with these tools to counterbalance some of the inequities built into the WTO rules in favour of the developed Members.

- 2 -