Market Access in Goods:
Agriculture and Non-Agriculture
Market Access (NAMA)
Agriculture in Developed Countries

- Agriculture less than 5% of production and employment in rich countries
- Total net transfers from consumers and taxpayers to farmers in OECD countries was 51% of farm production in 1986-88, and still amounted to 48% in 2002 after UR implementation; i.e half of the value of production or about three-quarters of value-added is derived from transfers
- As the number of farmers declined in the 1990s, support per farmer has risen in many OECD countries – by 30% in the US and 60% in the EC
- OECD farmers only get 25-30 cents per dollar of total support – the rest goes to landowners, suppliers of farm inputs or to waste through inappropriate choice of crops
- The smallest 25% of European farms receive less than 4% of total support and the largest 25% receive 70% of the total
- OECD farmers often have above average OECD incomes: Netherlands (250%), Denmark (175%), Belgium (127%), Japan (120%), US (110%), Poland (105%)
Agricultural Liberalization

- The three pillars of liberalization in agriculture:
  - Export competition
  - Domestic support
  - Market access
Export Competition

- Doha: Reduction and eventual elimination of export subsidies; non-trade concerns
- July 2004: Commitment to eliminate, including export credits, STEs and food aid
- Hong Kong: progressive elimination by 2013; export credit and food aid modalities by 30/4/06; “safe box” for bona fide food aid
- Post-HK issues: Details of elimination timetable; nature of S&D, LDCs and NFIDCs treatment; definition of STEs; food aid
Domestic Support

- Doha: Substantial reductions in trade-distorting support; non-trade concerns
- July 2004: Deeper cuts for higher support; tiered formula; developing countries allocating most *de minimis* support to subsistence and poor farmers exempt from reduction commitments in *de minimis*, plus longer implementation periods; Blue Box capped at 5% of total production; Green Box to be reviewed and clarified
Domestic Support (cont.)

- Hong Kong: Three bands, with higher linear cuts in higher bands (EU – top band, US/Japan – middle band, and RoW – lower band; developing countries with no AMS commitments exempt from de minimis cuts)

- Post-HK issues: Growing convergence for bands defined as 0-10, 10-60 and over $60 bill., cuts at 31-70% (band 1), 53-75% (2), and 70-80% (3); Blue Box proposal for 2.5% or additional criteria for old and new boxes; Green Box to be more development friendly
Market Access

- Doha: Substantial improvements; non-trade concerns
- July 2004: Tiered formula; flexibility for sensitive and special products; escalation to be addressed; liberalize tropical products; preference erosion
- Hong Kong: recognize progress on AVEs; reductions through 4 bands with different developing country thresholds; self-designation for special products and recourse to Special Safeguard Mechanism
Market Access (cont.)

- Post-HK issues: AVEs for sugar; no agreement on structure of formula – progressive (US), pivot (EU) or linear (others); clarification of sensitive product designations; dealing with Special Safeguard Clause (SSG) and tariff simplification; agreement on designation of special products; further work on preference erosion and tropical products
Non-Agriculture Market Access

- Doha:

  **Tariffs**: Reduction or elimination of tariffs (incl. tariff peaks and escalation, esp. on products of interest to developing countries)
  
  **Non-Tariff barriers**: Reduce or eliminate NTBs
NAMA (cont.)

- July 2004:

  **Tariffs:** Formula approach to tariff reductions
  
  **Sectoral:** Acceptance of sectoral approach; Define product coverage, participation and flexibility for developing countries
  
  **NTBs:** Notifications with a view to identification, examination and negotiation
Hong Kong:

**Tariffs**: Swiss formula adopted

**Sectorals**: Recognition that sectorals being pursued; search for approach where sufficient support is mustered (critical mass); participation voluntary

**NTBs**: Specific proposals requested; progress noted
NAMA (cont.)

- Post-HK issues:
  - **Tariffs**: Continuing discussion on coefficients for the formula, on flexibilities, treatment of unbound tariffs, and preference erosion
  - **Sectorals**: Still unclear how this will be part of modalities
  - **NTBs**: Still to be negotiated