

**WTO/ESCAP Second ARTNeT  
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**Market Access in Goods:  
Agriculture and Non-Agriculture  
Market Access (NAMA)**

# Agriculture in Developed Countries

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- ❑ 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%)
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# Agricultural Liberalization

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

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- 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
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# Domestic Support

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- 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
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# Domestic Support (cont.)

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- 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
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# Market Access

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- 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
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# Market Access (cont.)

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- 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
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# Non-Agriculture Market Access

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## □ 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

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# NAMA (cont.)

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□ 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

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# NAMA (cont.)

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## □ 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

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# NAMA (cont.)

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## □ 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

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