

International Federation of Agricultural Producers

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Draft blueprints issued for final deal on agricultural and non-agricultural trade modalities

Agriculture negotiations chairperson Ambassador Crawford Falconer and non-agricultural market access (NAMA) chairperson Don Stephenson circulated their latest draft “modalities” on Friday 8 February 2008.

The two documents are revisions of drafts previously circulated in July 2007.

Ambassador Falconer said at his press conference on February 8th that the “Agriculture Modalities” proposal maintains the same ‘headline numbers’ for cuts to support and protection as in the previous text with the addition of a minimum overall tariff cut of 54 percent for developed country members of WTO.

Although Ambassador Falconer sees three major advances in the negotiations compared with the situation 7 months ago. These are:

1. Political – the ranges for the tiered tariff cuts proposed last July are now virtually agreed
2. Technical – there is now a greater degree of precision in the options presented, for example on tariff quota (TRQ) administration, on in-quota tariff rates, and on the way in which calculations for TRQs will be done
3. Special Products (SP) and Special Safeguard Mechanism (SSM) – negotiators have come up with a clearer position on which to take political decisions as to what would be the outcomes of these measures for developing country members.

In other answers to questions at his pres conference, Ambassador Falconer said:

- TRQs - the basis for calculation of minimum access under TRQs remains the same at 4-6 percent of domestic consumption.
- Sensitive Products- the key choice is how many special products should be exempt from tariff cuts, if any. The negotiating range proposed is 0-8 percent. Also, the level of opening of TRQs on sensitive products is related to deviation of the tariff cut from the main agreement. In the July paper there were two reference points for the deviation, one third, and two thirds; now another deviation point has been added of ‘one half’ (paragraph 74).

- Product specific support –the outstanding issue is the relationship between the amber and blue boxes in terms of product specific support (paragraphs 47 and 48)

Over the next two weeks, Ambassador Falconer hopes to ‘squeeze those areas for decision-making even further’ and, if necessary, do a second revision. Ministers would then be able to meet around April 2008, if they so wished, to finally agree on the ‘modalities’ for trade liberalization in this Round. The plan would then be to conclude the Doha Round by the end of the year after the schedules for each country are prepared. It is an optimistic timetable, but Ambassador Falconer has been encouraged by how much of his proposal launched last July “in a complete vacuum” has now been accepted by WTO negotiators.

The complete agricultural modalities text of February 8th is attached. It can also be found on the WTO website at:

http://www.wto.org/english/news_e/news08_e/ag_draft_modalities_feb08_e.htm