

G10 Ministerial Communiqué
Paris, 2 May 2005

Towards successful DDA Negotiations

1. Ministers of G10, a group of major food importing WTO Members, accounting for 13% of world agricultural imports, reaffirmed their **solidarity** and determination to make every effort with a view to reaching mutually acceptable modalities for **further agricultural reform** at the Hong Kong Ministerial Conference.

2. In this respect, Ministers reaffirmed their readiness to make significant contributions in all three pillars and their willingness to cooperate closely with all other WTO Members, especially with food-importing developing countries. They also stressed that this endeavour should be seen as an integral part of the Doha Development Agenda (DDA) and that work on agriculture should proceed hand in hand with negotiations on other subjects in order to achieve a balanced overall result for all Members.

3. **On process**, Ministers underscored the necessity to ensure the inclusiveness and transparency of the negotiations. Political ownership of the process and outcome of the negotiations is prerequisite to the successful conclusion of the DDA. In this connection, they expressed their very serious concerns about ongoing consultations carried out by a few Members, where major stakeholders such as G10 Members are not represented. Ministers noted that the latest developments have also clearly demonstrated that a one-size-fits-all solution cannot generate consensus across the whole membership. Ministers underlined the central role of the Chairman in involving and integrating all interests and sensitivities in the negotiating process.

4. Ministers stressed that, at any stage in the elaboration of modalities for agriculture (including in the first approximation expected in July), the most important components of the negotiations shall be treated with **a similar level of specificity** in all three pillars.

5. Ministers recalled the vital importance of **non-trade concerns (NTCs)**, for both developing and developed countries, which are an integral element of the Doha mandate and of the Framework. They are relevant to many aspects of the negotiations on Agriculture, including market access, with a view to reaching a fair and equitable result. In this regard, Ministers endorsed G10 contribution entitled as “TAKING NON-TRADE CONCERNS INTO ACCOUNT IN THE MARKET ACCESS PILLAR” (see Annex).

Domestic Support

6. Ministers reaffirmed their strong commitments to their domestic agricultural policy reform. They acknowledged that the biggest reform efforts will result in the elimination of all forms of export subsidies and in significant reductions of trade-distorting domestic support. In this respect, they held that the overall reduction of trade-distorting domestic support should be larger than the sum of cuts brought about by the separate commitments taken with respect to *de minimis* support as well as the Amber and Blue Boxes. In particular, developed country Members with an extremely high level of trade-distorting domestic support in absolute terms, including one of G10 Members, should commit themselves to taking the lead in the reduction effort.

7. While recalling the role of Blue Box measures in fostering agricultural policy reforms, Ministers agreed that the criteria for the new Blue Box should be equally strict as those for the existing Blue Box. They also insisted on the necessity to preserve the integrity of the Green Box as an essential tool to address non-trade concerns and facilitate the ongoing reform process.

8. Ministers recognised that *de minimis* and the provision of Article 6.2 of the Agreement on Agriculture are important for developing country Members.

Export Competition

9. Ministers acknowledged that the decision to eliminate all forms of export subsidies was an epoch-making achievement. The implementation of the elimination of export subsidies and of disciplines on export credits, exporting state trading enterprises and food aid must ensure equivalent and parallel commitments by Members.

10. Ministers stressed that effective special and differential treatment (S&D) should be provided to developing countries, especially least-developed countries (LDCs) and net food-importing developing countries (NFIDCs), to ensure food security.

Market Access

(Tiered Formula)

11. Ministers pointed out that the Framework objectives to take into account the different tariff structures of Members and to achieve progressivity in tariff reductions can only be met by applying **average linear cuts in each band** of the tiered formula with deeper cuts in higher bands. This approach combines the appropriate level of ambition (substantial improvements in market access) with the necessary flexibility required by NTCs. Applying a harmonizing non-linear reduction formula to any band of the tiered formula means a *twofold* and consequently excessive progressivity. Such an approach would alter the balance of the Framework, and therefore cannot be accepted. Sensitive products should be put in one separate box, regardless of their tariff level.

(Sensitive Products)

12. Ministers stressed that the treatment of sensitive products is an integral part of the market access pillar and must be negotiated and decided upon *in tandem* with the reduction formula for other products.

13. The **number** of sensitive products cannot be arbitrarily set, but must reflect the situations of each Member. Within this number, a Member must be given full discretion to select its own sensitive products.

14. The **magnitude** of market access improvement for sensitive products should be substantial while, by definition, less than that for other products. Market access improvement for these products will be achieved through combinations of tariff reductions and tariff quota commitments such as tariff quota expansion, improvement of tariff quota administration and reduction of in-quota tariff rates, etc. This treatment will be designed in such a way to reflect various elements of sensitivities, including present situation together with perspective of supply and demand, including consumption patterns, and consideration of NTCs.

(Special SafeGuard Clause)

15. The Special Safeguard Clause (SSG) shall be maintained to facilitate a smooth agricultural reform process. Building on their experience, G10 is ready to discuss *proposals* to improve the existing SSG, and to design the Special Safeguard Mechanism (SSM) for developing countries.

(Special & Differential Treatment)

16. Ministers confirmed that the S&D for developing Members is an integral part of the negotiation. In this regards, G10 is ready to discuss specific proposals on special and differential treatment for developing countries in, among others, special products (SPs) in addition to sensitive products, SSM, reduction rates and implementation periods.

(Preference Erosion)

17. Ministers confirmed that the importance of longstanding preferences is fully recognised in the Framework and it is essential that para 16 and other relevant parts of TN/AG/W/1/Rev.1 be used as reference in the establishment of modalities for addressing the issue of preference erosion.