



## **G-20\* PRESS STATEMENT**

*Geneva, 29 June 2006*

G-20 Ministers met in Geneva on 29 June to assess progress in the DDA negotiations and to discuss the challenge of achieving full negotiating modalities in agriculture within the next few weeks.

The G-20 attaches fundamental importance to redressing historical imbalances in agriculture trade. This is a key issue for developing countries. Despite serious engagement in negotiations since Hong Kong, that result is still not in sight due to the resistance of developed countries to reform their agriculture policies and to open up their markets to agricultural exports from developing countries. The way forward requires a concrete commitment to a successful and ambitious Round that lives up to the development objectives of the DDA.

The Group acknowledges the efforts by the Chairman of the Special Session to abide by the bottom-up approach and to assemble comprehensive reference papers on the three pillars of agriculture negotiations. These are indispensable elements of the negotiating process. We also need convergence on substance. In order to move the Round forward, we must expeditiously bridge the substantive gaps that still persist. This requires political determination.

It is essential that developed Members improve their proposals in domestic support in order to provide for substantial and effective cuts in trade-distorting support, as agreed in Hong Kong. In this regard, developing countries should not be expected to pay for the elimination of distortions that affect international trade in agricultural products. The offers of developed countries in all components of market access must also be improved to ensure the substantial improvements called for by the Mandate. This is the key to unlock current negotiations in agriculture. In the export competition pillar, the G-20 and the Cairns Group have presented a concrete proposal

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\* Argentina, Bolivia, Brazil, Chile, China, Cuba, Egypt, Guatemala, India, Indonesia, Mexico, Nigeria, Pakistan, Paraguay, Philippines, South Africa, Tanzania, Thailand, Uruguay, Venezuela and Zimbabwe.

on scheduling for the elimination of export subsidies that would meet the requirements of a standstill in subsidies and a substantial reduction by 2010 with elimination by 2013. It is also essential to move in a pragmatic and effective way on disciplines on food aid, on exporting STEs and on export credits to achieve parallelism in the elimination of all forms of export subsidies. Improved disciplines on monitoring and surveillance, where the G-20 has groundbreaking proposals, are also an essential element of an outcome in agriculture.

The Group recalls that special and differential treatment remains an integral part of all the three pillars of the agriculture negotiation as a recognition of the structural differences between the agricultural sectors of developed and developing countries. The Group is committed to work towards an agreement including special and differential provisions that takes into account the interests of all developing countries with a view to making those provisions operational and effective. In this context, the Group stresses the importance of 2/3 proportionality in overall tariff reduction and emphasizes the flexibility of developing countries to self-designate an appropriate number of Special Products guided by indicators based on the criteria of food security, livelihood security and rural development, as well as the right to have recourse to a Special Safeguard Mechanism based on import quantity and price triggers. The Group also stresses the importance of strengthening disciplines on export prohibitions and restrictions of article XI of GATT 94 provided under Article 12.1 of the Agreement on Agriculture.

The Group reiterates its support for provisions exempting LDC's from reduction commitments and highlights the need for steps to be taken to promote their export capacities through market opening and Aid for Trade programs.

The G-20 reaffirms the need to address cotton ambitiously, expeditiously and specifically within the agriculture negotiations.

Without creating any new categories of developing countries, the G-20 recalls that the concerns of the Small, Vulnerable Economies must also be effectively addressed as part of the negotiations.

The Group recalls the importance of providing the Recently Acceded Developing Country Members sufficient flexibility to effectively address their particular concerns.

It has been widely recognized that the G-20 proposals constitute a sound basis for agreement. In this regard the Group reaffirms that the content and essence of all G-20 proposals in all elements of the Mandate are on the negotiating table and should be duly taken into account in any final outcome. On market access they represent the middle ground, and on the other two pillars – domestic support and export competition – their level of ambition is a guarantee of the fulfillment of our negotiating mandate. In this context, the Group welcomes recent expressions of willingness to move towards those proposals, and calls upon other major players to also converge towards them.

The G-20 is determined to continue working constructively on all issues. This is the time for progress and convergence. The G-20 renews its commitment to a successful outcome in the Doha Round in 2006 that fosters development and strengthens the multilateral trading system.