

26 July 2008

Statement of Argentina - Trade Negotiations Committee

Mr Chairman,

We are here to work for a successful Round, paving the way towards this goal with full modalities that are equitable and fair. We appreciate your efforts trying to help members for this. New ideas are valuable if they contribute to change and correct the trend that has been overhanging the negotiations. Regrettably this is not so with the informal paper presented this morning. Without significant changes to it I am afraid it would be impossible to reach a positive outcome for the modalities.

Summing up, the ideas floated this morning are poor in agriculture and substantially unbalanced in NAMA. I will refer now to some specific points:

In agriculture,

- The OTDS of the US would remain at 14.5 billion dollars, 7.5 billion, or 100% above its lowest historical level and the probable current applied level. This means that they are keeping 100% water.

- A 70% cut for a tariff of 85% is equivalent to a Swiss Formula coefficient of 36. For a higher tariff of 150%, the 70% cut represents a Swiss coefficient of 64.

- There is no tariff capping, just a poor "compensation" for its absence.

- 4% tariff lines of sensitive products capture most of our exports to developed members.

- 4% domestic consumption of TRQ expansion is not even the middle point of Falconer's range. Anyway the reduction of ambition is mainly caused by the partial designation methodology.

- We recognise the elimination of the Special Safeguard in developed members, but this was agreed in the Uruguay Round: Paragraph 9 of Article 5 says that it is a transitory measure. We already paid for that in the Uruguay Round.

The previous references do not mean that the rest of the agriculture text does not cause concern to us. Some difficult issues for developed members have been brushed aside from the discussion, including some that are in brackets in the Chairman's text. As a way of example:

- The flexibilization of the green box for developed members,

- Cotton,

- The transparency loopholes in the base of expansion for sensitive products,

- the partial designation floor.

- The no creation of new TRQs.
- Tariff simplification in ad valorem terms.

If the idea is full modalities all these issues must be properly addressed.

Going to NAMA:

What we have from the ideas floated is more of the same. We had rejected the Chairman's text already and the numbers in the new paper do not change an iota from this text.

What is being thus proposed is against the principles of Less Than Full Reciprocity and Special and Differential Treatment for developing countries. A Swiss Formula coefficient of 8 for the US and the EU represents a cut slightly over 42%, while a coefficient of 20 for Argentina, including flexibilities means a cut of 60% on the same basis. As you see, it is a two thirds cut lower for developed countries than for developing countries. It is less than full reciprocity inversely applied for the benefit of the main trading partners.

Our delegation repeatedly said this is not acceptable. It is against Less Than Full Reciprocity and paragraph 24 of the Hong Kong Ministerial Declaration. The numbers in NAMA should substantially change and the conditions attached eliminated so as to have a go towards an agreement. Mr Chairman, we are committed to this negotiation and to the multilateral trading system. We are here to work hard and have a fair and equitable outcome for everybody. We hope that this will be the guide for our task during the following days.

Developing countries are the locomotive of the world economy. If this is a development round their interests should not be neglected; on the contrary should be clearly taken on board for the sake of the international trading system and the benefit of the world society.

Thank you very much.