

**WORLD TRADE
ORGANIZATION**

TN/AG/25
22 March 2010

(10-1534)

Committee on Agriculture

9. It was recognised at the outset that the issues identified potentially differed in nature and in the state of their preparation in the documentation before the Negotiating Group. It was nevertheless considered useful to, where necessary and as far as possible, advance technical understanding and framing of issues in preparation for when decisions could be taken.

10. In my assessment this judgement has been borne out in practice albeit, to this point, Members have not been in a position to substantively resolve matters.

A. BLUE BOX – PRODUCT-SPECIFIC LIMITS (PARAGRAPH 42, TN/AG/W/4/REV.4)

11. Consultations indicate that no further technical preparation is required for the eventual decision to be taken with respect to the bracketed numbers in this paragraph.

B. COTTON (PARAGRAPHS 54/55 AND CHAIR'S INTRODUCTION, TN/AG/W/4/REV.4)

12. Consultations confirm that not all Members are in a position to agree to the text as drafted but no new contributions, technical or substantive, have been forthcoming in consultations to date.

13. All Members involved, however, have emphasised that they remain committed to finding a solution that addresses the issue of cotton "ambitiously, expeditiously and specifically" consistent with the commitments made at the Hong Kong Ministerial Conference in December 2005.

14. It has also been suggested that Ministerial-level contacts that have taken place between particular Members in recent months have been useful in enhancing understanding of respective perspectives.

C. SENSITIVE PRODUCTS – DESIGNATION (PARAGRAPH 71, TN/AG/W/4/REV.4 AND TN/AG/W/5)

15. The annotation to paragraph 71 reads "Japan and Canada have declared themselves not to be in a position to agree to this [the right of developed country Members to designate up to 4 percent of tariff lines as "Sensitive Products"] limitation".

16. Consultations confirm that Japan and Canada are still seeking flexibility to designate additional tariff lines under the "Sensitive Products" category.

17. It remains to be seen whether Members are prepared to agree any further flexibility in designation of "Sensitive Products" beyond that already provided in paragraph 71 and, if so, what payment would be required for such designation.

18. I understand consultations will continue amongst interested Members on a "without prejudice" basis, including on how any differential tariff quota expansion requirements might be allocated across different tariff lines.

D. TARIFF CAP (PARAGRAPH 76, TN/AG/W/4/REV.4 AND TN/AG/W/5)

19. Views remain sharply divided on whether there should be an exception allowing the maintenance of tariffs in excess of 100 percent ad valorem on products outside a Member's overall "Sensitive Product" entitlement.

20. Differing views have also been expressed on the appropriateness of the payment options in the bracketed text in paragraph 76, were any such exception to be granted.

E. TARIFF QUOTA C

33. Initial technical exchanges have been undertaken on the issues of seasonality, price and

II. TEMPLATE DEVELOPMENT

42. The work the Negotiating Group has been undertaking on development of templates is understood by all Members to be of an exclusively technical nature. It has been a very deliberate and deliberative process undertaken in the open-ended format.

43.

verified by Members in advance of the establishment of Modalities – including that data which is required by those provisions to be annexed to the Modalities themselves.

52. An opportunity was provided, until 4 December 2009, for additional Members who wished to submit Domestic Consumption data for the purposes of Sensitive Product declaration consistent with Annex C of TN/AG/W/4/Rev.4 and for Members to make technical amendments to data previously submitted. The data which has been submitted by 10 Members (counting the EU as one) is subject to an ongoing process of verification.

53. Data provision and verification activity has also continued in respect of Value of Production (VoP) data to be annexed to the Modalities (in terms of Members and base years) as required by paragraph 12 of TN/AG/W/4/Rev.4. As part of this process it has been clarified that the operating definition of Value of Production remains that which flows from the Agreement on Agriculture.

54. It is understood that VoP data which has been submitted for years and by Members beyond that required by paragraph 12 of TN/AG/W/4/Rev.4 currently serves for transparency purposes only.

55. Data has also been sought for the product-specific AMS and product-specific Blue Box to be annexed to the Modalities as required by paragraphs 22 and 40 of TN/AG/W/4/Rev.4. It has been clarified that this data needs to be provided by developed country Members only.

56. With it being understood that commitments will be expressed in HS 2002 nomenclature, work is also underway to confirm AVE (ad-valorem equivalent) transposition for the purpose of the AVEs to be annexed to the Modalities as required by paragraph 60 of TN/AG/W/4/Rev.4.

57. A number of other questions that have been raised relating to the provision of data remain to be addressed.