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<u>Statement Circulated by H.E. Mr. A. Baltas, Vice-Minister</u>

Over the last 50 years of the multilateral trading system, we have seen considerable progress towards the liberalization of commercial exchanges. This is the framework in which trade liberalization is evolving. Nevertheless, much remains to be done for the achievement of the objectives set out in the preamble to the Marrakesh Agreement Establishing the WTO, particularly as regards elimination of discriminatory practices in international trade relations.

Basing themselves on the experience acquired over the last three years, and in accordance with the new international trade requirements, the Members of the WTO should initiate the debate which will lead to a new global round of trade negotiations. Agriculture occupies a special position in this context and its importance to Members is considerable. My statement will be brief and will focus on the agricultural sector.

We are convinced that the Agreements on agriculture and on sanitary and phytosanitary measures must be honoured before new negotiations are undertaken. However, our experience up to now with regard to implementation of the Agreement on Agriculture shows that some aspects have not been properly taken into account or are incorrectly interpreted or even circumvented.

The "peace clause" places every Member under an obligation to apply countervailing measures with due restraint. We observe, however, that such measures have been applied under circumstances where they are not always justified, which in our view constitutes a direct violation of the commitments set out in the clause. We believe that the future review of the Agreement should develop stricter rules to prevent the unjustified use of this type of measure.

Agricultural policy reform is a long-term process that frequently goes hand in hand with painful adjustments. For that reason, we attach particular importance to the provisions concerning direct payments under output limitation programmes. During the Uruguay Round negotiations, these provisions, which are designed to facilitate the adjustment and adaptation of agricultural policies, were not envisaged as transitional mechanisms, but rather as a permanent feature of the Agreement. Any effort to weaken these provisions can only have adverse consequences for agricultural policy reform.

Direct export subsidies are already subject to strict disciplines. However, contrary to the prescribed commitments and after more than three years of implementation of the Uruguay Round Agreements, Members have not yet drawn up international rules on the provision of export credits and export credit guarantees. It is necessary for all WTO Members to abide by this commitment.

Allow me also to draw your attention to the close links between agricultural policy and the environment. Trade liberalization and the reform of agricultural policies frequently impinge on the relationship between agriculture and the environment. Their impact is complex and not necessarily positive. For that reason, an overall approach should be developed to the analysis of the nature of those links. In this connection, particular attention should be paid to the least-developed regions, particularly in countries where agriculture serves to prevent internal migration.

Public health, food security and consumer protection should be central to our concerns. We must guarantee an appropriate level of sanitary and phytosanitary safety without creating unnecessary trade barriers. Scientific support, risk evaluation and respect for transparency form part of the mechanism best suited to ensuring this equilibrium. However, we observe a proliferation of the dangers arising from the production methods used today. We must offer consumers an appropriate level of protection and take account of their concerns.