

Original: English

**FTAA - COMMITTEE OF GOVERNMENT REPRESENTATIVES ON THE PARTICIPATION
 OF CIVIL SOCIETY**

COVER SHEET

| | |
|---|---|
| Name (s) | HALINA B. OSTROVSKI |
| Address | 360 Bay Street, Suite 300 |
| | Toronto, Ontario |
| | M5H 2V6 |
| | CANADA |
| Organization (s) (if applicable) | Business Network for Hemispheric Integration (BNHI) |
| Country (ies) / Region (s) | The Hemisphere |

| | | | |
|------------------------|---|-----------------|-------------------|
| Number of Pages | 3 | Language | English / Spanish |
|------------------------|---|-----------------|-------------------|

ISSUES ADDRESSED (Check all that apply)

| | | | |
|------------------------------|-------------------------------------|--|--|
| Agriculture | <input checked="" type="checkbox"/> | Subsidies, Antidumping and Countervailing Duties | |
| Competition Policy | | Civil Society | |
| Dispute Settlement | | Electronic Commerce | |
| Government Procurement | | Smaller Economies | |
| Intellectual Property Rights | | The FTAA Process | |
| Investment | | Other: | |
| Market Access | | | |
| Services | | | |

EXECUTIVE SUMMARY – 2 pages maximum – (see Open Invitation):

APPROVED RECOMMENDATIONS

1. Nontariff barriers

- a. Negotiations on the elimination of nontariff barriers should begin immediately and they should be eliminated in step with the negotiations on tariff reduction.
- b. A standstill clause should be agreed upon for trade in agriculture as of December 31, 1999.

2. Tariffs

- a. Negotiations on tariff reduction should be carried out in step with negotiations on the elimination of nontariff barriers.
- b. Differentiated treatment may be established for sensitive products.
- c. A timetable for tariff reduction should be established keeping in mind the differences in market size and relative development of the economies of the countries of the hemisphere.
- d. Developing countries should be allowed sufficient time -- no less than the time granted by WTO -- to implement their tariff reduction commitments.
- e. Tariff peaks should be reduced more quickly than tariffs in general, for both ad-valorem and specific tariffs.
- f. High tariffs should be reduced more quickly, until they are comparable with the other tariffs.
- g. Tariff scaling for products with value added in each production chain should be eliminated.
- h. Minimum access quotas should be increased until they are eliminated, as the final objective.
- i. A common nomenclature should be adopted based on the 1996 Harmonized System, to a minimum of eight digits.
- j. A standstill clause should be agreed upon as of December 31, 1999, except for those products for which reduction commitments already exist under the Agreement on Agriculture of the Uruguay Round.

3. Safeguards

- a. Adopt the WTO's general safeguard mechanism.

4. Export subsidies

- a. Completely eliminate export subsidies on intra-zonal trade.
- b. Develop mechanisms to neutralize the impact of imports of subsidized agricultural products originating outside the zone.
- c. Declare the hemisphere a 'subsidy-free zone', as a priority objective in establishing the FTAA.

5. Other practices that distort trade in agriculture

- a. Domestic support for production that distorts trade in agriculture should be cut back.
- b. Greater transparency and discipline should be established in the treatment of food aid so that it does not displace the exports of FTAA member countries to third countries.
- c. State marketing companies should be subject to stricter and more transparent discipline in order to avoid monopolistic practices or trade distortions.
- d. Domestic regulations in each country that distort agricultural production and trade should be eliminated.

6. Sanitary and phytosanitary measures

- a. The WTO's SPS Agreement should be adopted.
- b. The WTO's SPS Agreement should not be reopened.
- c. In the event an SPS agreement is established for the hemisphere, it should be consistent with the WTO's SPS Agreement.
- d. Do not allow health and phytosanitary certification requirements to become nontariff barriers.

7. General considerations

- a. The concept that a 'single undertaking' should be applied in FTAA negotiations is affirmed.
- b. The term for FTAA negotiations should not exceed the next WTO Round and the maximum should be the year 2005.
- c. Establish, in general, differentiated and most favoured treatment for developing countries.
- d. It is recommended that a study be conducted of export credit and credit guarantees to ensure that their application does not signify a distortion in trade in agriculture.
- e. All the countries of the hemisphere should try to take common positions in multilateral negotiations in the WTO.
- f. Do not renew the WTO 'peace clause'.
- g. Treatment of the amber, blue and green box measures should be revised under the frame of the WTO to ensure they do not cause distortions in agricultural production or trade.

- h. The progress made in the multilateral negotiations on agriculture should be gradually incorporated into the FTAA negotiations.

BUSINESS FACILITATION MEASURES

1. Continue to prepare and improve the inventories of nontariff and tariff (ad-valorem and specific) barriers, safeguards, export subsidies, and other practices that distort trade in agriculture and which have similar effects to subsidies, and sanitary and phytosanitary measures.
2. Establish a methodology for their registration, monitoring and compliance.

AREAS OF DIVERGENCE

Labour, environmental and health issues

Two positions were expressed. The first considered that these issues should not be linked to trade agreements under the FTAA or WTO, and should be discussed in specific forums. The second maintained that labour, environmental and health issues should be dealt with under the frame of the FTAA.

Chair: Jorge Zorreguieta (Argentina) Vice-chair: Mario Salaverría (El Salvador)

Rapporteur: Florencia Jubany (Canada) Vice-rapporteur: Raúl Roccatagliata (Argentina)