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PRESS RELEASE

EUROPEAN FARMERS: WTO AGREEMENT IS INCOMPLETE AND ONE-SIDED

Hong Kong. The WTO agreement reached in Hong Kong today is incomplete and one-sided said the Presidents of the umbrella organisations of European farmers and agricultural co-operatives (COPA and COGECA) Rudolf SCHWARZBÖCK and Eduardo BAAMONDE. Much more work needs to be done to reach a fair outcome.

European farmers came to Hong Kong hoping for an agreement. They have been through 3 CAP reforms to be able to play their part and put a substantial offer on the table. In this agreement the EU has moved yet a further step to meet trading partners' demands but we still are waiting to ensure that our concerns will be met on a whole series of issues.

The proposed timetable for the elimination of EU export subsidies is clearly conditional upon full parallel treatment of our partners' export support warned the Presidents.

If the US, Australia, Canada and New Zealand do not have to make parallel cuts in the trade distorting support they give to their agricultural sector, it is they who will profit from this agreement, not developing countries.

We have moved a further step in Hong Kong, but we must now ensure a final agreement which results in:

- real parallel treatment in terms of both timetable and cuts of all forms of export subsidy including the need for the full self-financing of export credits and the elimination of the monopoly powers of State Trading Enterprises as well as the use of food aid in-kind
- a phasing-out period for export subsidies and modalities which ensure farm prices and markets are not undermined and destabilized. Otherwise it will create severe hardships for European farmers and many will be forced out of business
- a satisfactory outcome on market access which goes not an inch further than the EU's offer of 28 October 2005, including the maintenance of the Special Safeguard clause

- effective cuts in US domestic farm support, notably their marketing loans and counter-cyclical payments to match the EU's offer of a 70% cut
- a firm commitment to start serious negotiations on the extension of the register of geographical indications to other products, in addition to wines and spirits
- and the guarantee that the EU can take full account of its non-trade concerns.

We will be working hard over the coming months to ensure that this agreement in Hong Kong results in a fair outcome in this Doha Round and one which ensures the maintenance of sustainable agriculture in Europe and benefits the most needy developing countries concluded the Presidents.

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