



CANADIAN AGRI-FOOD TRADE ALLIANCE

Suite 308 151 Slater Street

Ottawa, Ontario K1P 5H3

Tel: (613) 560-0500 Fax: (613) 236-3590

www.cafta.org email: office@cafta.org

NEWS RELEASE

Success in the Doha Round Now Depends on the European Union

Ottawa, Monday October 24, 2005 – The world is looking to the European Union to develop a meaningful offer on agricultural market access to move the WTO negotiations on agriculture forward. The Canadian Agri-food Trade Alliance supports the call of the Cairns Group for the EU to come up with a serious offer, or the entire Doha Round could be at risk.

“We were frustrated with the slowing of the momentum last week in Geneva,” said CAFTA President Liam McCreery. “The United States proposal on domestic support breathed life into the negotiations, but the EU has so far been unwilling to respond with an equally ambitious proposal on market access. We fear that time is running out.”

CAFTA’s President and Executive Director returned to Geneva last week to support and advise Canada’s Ministers as they participated in negotiations with a select group of WTO member countries. “We had hoped that the EU would table a serious offer on market access that would at least match the ambition in the United States domestic support offer, and possibly force the U.S. to go farther,” said Mr. McCreery. “Without a substantial market access offer from the EU, there is a real risk that the U.S. will not improve its domestic support proposal, but will actually roll back its offer.”

A very ambitious market access proposal from the EU would force the U.S. to make bolder cuts on overall domestic support spending and to agree to discipline blue and green box spending. The current EU proposal doesn’t even come close to equity with the U.S. domestic support proposal as it would only result in an average tariff cut of 25% for EU countries. That would not be an acceptable outcome for Canada’s market dependent sectors.

The EU has committed to work through the week to improve its offer on market access, and come back to the WTO late this week with a new offer. CAFTA hopes that it will propose tariff cuts and quota increases that will result in real improved access into EU markets.

The mandate of the agreement on agriculture is “to establish a fair and market-oriented trading system through a program of fundamental reform.” The Doha mandate and the framework established last summer are built on that mandate. “CAFTA will continue to work diligently, in Canada, in Geneva and elsewhere to push the negotiations forward towards that reform,” said Mr. McCreery. “This is our only chance for decades to make real improvements and reduce the distortions in the international market place - for farmers, processors and exporters, and for the economy of Canada.”

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For Information: Liam McCreery, CAFTA President Cell: (519) 532-0202
Patty Townsend Executive Director Tel: (613) 560-0500

The Canadian Agri-Food Trade represents producers, processors and exporters of agriculture and agri-food products, as well as suppliers of agricultural inputs. Accounting for over 80% of Canada’s agriculture and food exports, and more than 60% of farm cash receipts, CAFTA’s members are united in their dependence on trade, and in their need for a liberalized international trading environment.



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