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NEWS RELEASE

Disappointment for Producers, Processors and Exporters in Hong Kong

Hong Kong, Sunday December 18, 2005 – After six days of intensive negotiations, the WTO is no closer to rules to opening up markets for Canada's export dependent sectors. Ministers from WTO member countries have agreed to a Ministerial declaration that sets no direction on market access. "We might even say that this is a step backwards," said Liam McCreery, President of the Canadian Agri-Food Trade Alliance (CAFTA). "There was, in the first draft of the declaration, a line that would have at least signaled that countries understood the importance of improved market access, even for so called sensitive products, but that line was removed. We are very disappointed that Canada supported the removal of that line, and that we are back where we started on market access."

Ministers did make some progress on export competition and domestic support, committing to deeper overall reductions in trade distorting domestic support and to a date of 2013 for the elimination of all forms of export subsidies. Ministers also committed to increased disciplines on export credit and food aid. "We recognize much of Canada's work in this text on the export competition and domestic support pillars, and we appreciate that," said Mr. McCreery. "But we also note that Canada advocated the removal of the minimal progress made in the first draft on market access for sensitive products, without achieving any language that would have assured us that Canada is still seeking substantial improvements in market access for our exports even if they are designated sensitive."

With the lack of any progress on agricultural market access at this meeting, Ministers now have only about 4 months to accomplish what 5 years of negotiations have been unable to do. "All WTO member countries, including Canada, must now get serious about improving market access," said Mr. McCreery.

In order to make the work done at this Ministerial meaningful, Ministers are going to have to instruct their negotiators to achieve modalities that go way beyond this text. That means that there will have to be a large "down payment" on the elimination of export subsidies in the first years of the implementation period, and the cuts to trade distorting support will have to be very deep. "But this round will not be a success without a meaningful deal on agricultural market access," said Mr. McCreery. "Our Ministers and negotiators have shown they do have a strong influence on the negotiations. Canada's farmers, processors and exporters expect Canada to play a very strong role in achieving the promise of the 2004 framework, which is substantially improved market access, including for sensitive products."

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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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