

**BHURBAN G-20 MINISTERIAL DECLARATION
BHURBAN, 9-10 SEPTEMBER 2005**

Communication from G-20

The following communication, dated 26 September 2005, from the G-20, is being circulated to Members.

1. The G-20¹ Ministers at their meeting in Bhurban, Pakistan, on 9-10 September 2005, reaffirmed their commitment to the multilateral trading system and to the ongoing negotiations on Agriculture, which are central to the Doha Development Agenda. They reiterated their commitment to conclude the DDA negotiations in 2006 in a manner that furthers their common goal of eliminating trade-distorting policies in agriculture maintained by developed countries, and providing for substantial improvement in market access for all products, in line with the level of ambition set out in the Doha Ministerial Declaration.

2. Ministers reaffirmed the G-20's position on the three pillars of the agriculture negotiations as contained in the Declaration adopted in New Delhi, India, on 19 March 2005. This position has been subsequently elaborated in a number of detailed proposals submitted by the G-20 to the WTO. Its central elements are:

- **Domestic support** - Any agreed formulae for overall reduction and in AMS support should result in substantial and effective reduction in trade distorting support. New disciplines on Blue Box and Green Box shall ensure that the Blue Box will be less trade distorting than the AMS and that the Green Box policies are indeed non or minimally trade or production distorting. The development dimension should be clearly reflected in the domestic support pillar. Developing countries without AMS should not be subject to any cut in their *de minimis* support. Developing countries that allocate all or substantially all their *de minimis* support to resource-poor or subsistence farmers are exempt.
- **Export Competition** - An immediate standstill commitment on all forms of export subsidies should give effect to the spirit of the July framework. Moreover, all forms of export subsidies should be eliminated in a period no longer than five years.
- **Market Access** - Agreement on the nature of the formula is the central element of the structure in this pillar. G-20 Members believe that a linear tariff reduction formula within bands, preserving the overall proportionality between developed and developing countries, is the best approach to achieving substantial market access for

¹ Argentina, Brazil, Bolivia, Chile, China, Cuba, Egypt, Guatemala, India, Indonesia, Mexico, Nigeria, Pakistan, Paraguay, Philippines, South Africa, Thailand, Tanzania, Uruguay, Venezuela, Zimbabwe.

all products, particularly those of export interest to developing countries. Other elements of the G-20 proposal that are important include: tariff capping, the binding of all tariffs in *ad valorem* terms, elimination of SSG by developed countries, and agreement on a very limited number of sensitive products, where improvements in market access will result from a combination of tariff cuts and TRQ expansion on an MFN basis.

- **Special and Differential Treatment** for developing countries constitutes an integral part of all elements of the negotiation. The G-20 is also determined to make operational the provisions in the Framework on special and differential treatment for developing countries so as to preserve the food security, rural development and livelihood concerns of millions of people.

3. Ministers directed their officials to pursue these proposals in the next phase of negotiations. They also directed them to continue to elaborate upon the structural aspects underlying these proposals within the mandate of the Group and commensurate with requirements of the particular stage in the process.

4. Ministers reiterated that agriculture is the engine of these negotiations, that it is vital to the economies of all developing countries and that their agricultural strategies support their economic development and poverty alleviation programs.

5. Ministers reaffirmed their commitment to achieving full modalities by the Sixth WTO Ministerial Conference, and, in this light, concluded that the lack of results last July has put the DDA in a critical situation. There is no room for complacency or for treating the process in a business-as-usual manner.

6. Ministers called for the pace of the negotiations to be intensified. This should, when appropriate, include the definition of levels of ambition, through the use of concrete figures to facilitate agreement on key elements of the three pillars. Ministers acknowledged that the G-20 proposals have evoked constructive responses from many members. These proposals are a reflection of an exercise in consensus building through the accommodation of the different interests within the Group as they strike a balance between offensive and defensive interests. It has been widely recognized that the G-20 proposals constitute a genuine middle ground. They are technically consistent. They provide a basic structure on which to make progress towards consensus and remain on the table.

7. Ministers called on the developed countries in general and the major subsidizers in particular to respond to the G-20 proposals in a constructive way and to fully commit themselves to the reform of their agricultural policies.

8. While supporting an intensification of negotiations, Ministers insisted that there is no alternative to a bottom-up approach as advocated by the G-20. The format of meetings can vary, but transparency and involvement must be maintained. Ministers stressed that only through a genuine process of dialogue and negotiation involving the whole of the WTO membership can progress be achieved and results obtained that will be balanced and will entail benefits for all.

9. While acknowledging that the round is conducted on the basis of a single undertaking, Ministers cautioned against the insistence, specially by major subsidizers of the agriculture sector, of trying to condition needed changes in their trade distorting domestic policies to concessions that would lead to unbalanced results by imposing on developing countries a disproportionate and high burden.

Developing countries that do not apply such policies should not be expected to pay for the elimination of distortions that affect international trade in agricultural products.

10. Ministers stressed the need to give priority to strengthening alliances between the G-20 and other developing country groups. Ministers welcomed the invitation to the coordinators of the G-33, Least Developed Countries (LDCs), the African Group, ACP countries, and CARICOM. Ministers emphasized that the G-20 should continue to work together with other groups, including the G-90, and individual Members with the aim of strengthening convergences and ensuring that the development dimension of the Doha work programme is achieved.

11. Ministers reiterated that Special Products and the Special Safeguard Mechanism are integral elements of the negotiations and welcomed the initiative of the G-33, to which the G-20 is prepared to contribute, to develop a list of indicators for the designation of Special Products based on the criteria of food security, livelihood security and rural development needs.

12. Ministers expressed their full support for provisions exempting LDCs from any reduction commitments and highlighted the need for steps to be taken to promote their export capacities, including addressing supply constraints. Ministers stressed that it should be ensured that LDCs make meaningful gains from reform of each of the three pillars in the current negotiations.

13. Ministers noted that work in the Sub-Committee on Cotton needs to be expedited so that early agreement can be reached on effective measures consistent with all aspects of the Framework Agreement. They stressed the urgency to address this question not later than the Sixth Ministerial Conference in the light of the current crisis affecting African cotton producers.

14. Ministers stressed that tariff escalation should be eliminated to allow developing countries to diversify and increase their export revenues by adding value to their agricultural production.

15. Ministers emphasized that modalities for the fullest liberalization of tropical products and products of particular importance to the diversification of production from the growing of illicit narcotic crops by developed countries must also be arrived at by the Sixth Ministerial Conference.

16. Ministers emphasized that market access for products of export interest to developing countries should not be impeded by the use of non tariff barriers by developed countries.

17. Ministers recognized that preferences, which are of importance to many developing countries, are being eroded by both regional and multilateral liberalisation processes. Ministers also agreed that, in accordance with the provisions of the 'July Framework', preference erosion should be addressed in the negotiations. In order to accomplish that, the development dimension in the multilateral trading system should be mainstreamed through (i) expanded market access for products which are of vital export importance to the preference beneficiaries; (ii) effective utilisation of existing preferences and (iii) additional financial assistance and capacity building to address supply constraints, promote diversification and assist in adjustment and restructuring.

18. Ministers stressed that concerns of Recently Acceded Members must be effectively addressed through specific flexibility provisions in all pillars as part of the full modalities to be achieved by the Sixth Ministerial Conference.

19. Ministers also stressed the importance of strengthening disciplines on export prohibitions and restrictions provided under Article 12.1 of the Agreement on Agriculture. Ministers directed their officials to pursue this subject promptly.

20. Ministers agreed that the concerns of small, vulnerable economies must also be effectively addressed as part of the Work Programme mandated in paragraph 35 of the Doha Ministerial Declaration without creating any new categories of developing countries.

21. Ministers expressed appreciation for the contribution made by Dr. Supachai Panitchpakdi to the DDA negotiations as the Director General of the WTO. They also welcomed the appointment of Mr. Pascal Lamy as Director General.

22. Ministers acknowledged the contribution of the former Chairman of the Committee on Agriculture – Special Session, Ambassador Tim Groser, and welcomed the new Chairman, Ambassador Crawford Falconer.

23. Ministers resolved to stay in close contact with each other to take stock of important developments and to constantly assess the situation of the negotiations as the Hong Kong, China Ministerial approaches. They maintained that to achieve substantial progress in Hong Kong, the negotiating texts should be largely finalized well before the Sixth Ministerial to allow for adequate consideration by all WTO Members.

24. At the invitation of Pakistan's Minister of Commerce, Ministers held a retreat on 10 September. They held fruitful discussions on all aspects of the Doha Round.

25. Ministers thanked the Government and the people of Pakistan for their warm hospitality and generosity in hosting and organizing this Ministerial Meeting.
