

Dear Ambassador,

Subject: Services – Collective request on services related to agriculture

Further to article IV of the General Agreement on Trade in Services and in accordance with document S/L/93 and with paragraphs 7 and 11(b) of Annex C of the Hong Kong Ministerial Declaration, I am pleased, as the coordinating Member, to convey herewith a collective request in a group of services related to agriculture on behalf of a number of interested Developing Country Members.

Yours sincerely,

I. INTRODUCTION

Further to article IV of the GATS and paragraphs 15 and 50 of the Doha Ministerial Declaration, and in accordance with the Guidelines and Procedures for the Negotiations on Trade in Services (S/L/93) and with paragraphs 7 and 11(b) of Annex C of the Hong Kong Ministerial Declaration, the Permanent Mission of Argentina to the International Organisations in Geneva is pleased to present the delegation of _____ with a collective request in services related to Agriculture on behalf of the following interested Members: Argentina, Brazil, Uruguay _____

This request is presented by a group of developing country members in subsectors and modes of supply of particular interest of developing countries, in an effort to implement article IV of the GATS. All aforementioned interested Members are willing to consider, with due respect for their national policy objectives and in line with their individual levels of development, commitments in this sector. Those commitments, however, need not be the same as requested from developed countries, taking into account the flexibility provided for developing countries in Article XIX:2 of the GATS and reaffirmed in Paragraph 50 of the Doha Ministerial Declaration and the Guidelines and Procedures for the Negotiations on Trade in Services (S/L/93).

In accordance with paragraph 7 of Annex C of the Hong Kong Ministerial Declaration, this collective request is intended to complement, and not supersede, the bilateral request-offer negotiations and the specificity of bilateral requests.

Please note that the Australia, Canada, the European Communities, Iceland, Japan, New Zealand, Norway, Switzerland and the United States have received this request from the aforementioned group of interested Members.

The co-sponsors recognize that commitments in some of the identified sectors and modes of supply are being pursued in other collective requests (these currently include: Cross Border Supply; Mode 4; Distribution Services, Logistic Services). With a view to avoid duplication of work, individual co-sponsors intend to pursue the negotiations in those specific sectors or modes in the context of the relevant plurilateral negotiations. This notwithstanding, the co-sponsors reserve the right to pursue the negotiations of services related to agriculture in any appropriate forum.

Any comments or question regarding this request may be addressed to:

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| Delegation of Argentina, Geneva: Mr. Roberto Bosch roberto.bosch@ties.itu.int Tel: +41 22 929 8605 Fax: +41 22 798 5995 | Delegation of Brazil, Geneva: Mr. Audo Faleiro audo.faleiro@ties.itu.int Tel: +41 22 929 0911 Fax: |
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II. OVERALL OBJECTIVES OF THE REQUEST IN SERVICES RELATED TO AGRICULTURE

It is not necessary to underline the importance of the agricultural sector in the world economy, in particular for Developing Countries. As in other productive activities, developments in communications, information technology, transport and logistics, together with the emergence of business practices that promote the concentration on core activities of each business have given place to the outsourcing of several activities.

The agricultural sector is considered normally in terms of products, primary or industrialised. However services are an important component in the structure of the agricultural value chain, both downstream, in relation with the production of agricultural and livestock products, as well as upstream, in relation with the logistics and commercial distribution. Many of these services, provided normally on a contract basis or as part of an integrated production process can be traded internationally.

The liberalization of the sector will produce improvements of competitiveness and the quality of agricultural and food production and, consequently, will benefit both producers and consumers.

Existing limitations and the uncertainty of not having specific commitments in many of the most important potential markets for those services prevent Developing Countries from devising and implementing strategies to export those services, and thus, from taking advantage of their capacity and know-how acquired thanks to the efficient production of agricultural goods and export related services.

The pressure for liberalization of an over-protected sector –in particular in Developed Countries- have lead to an increasing search for efficiency, in which outsourcing and rationalization of activities can play a fundamental role. We trust that an ambitious outcome of the agricultural negotiation, in line with paragraph 13 of the Doha Development Agenda, will give an additional motivation to increase competitiveness in the sector through the liberalization of services related to agriculture.

III. SECTORAL COVERAGE

We are requesting that commitments be taken in the following services. The order in which services are presented does not reflect their relative importance.

| <u>W/120</u> | <u>CPC</u> | <u>Description</u> |
|--------------|-----------------|---|
| 1.A.i | 932 | Veterinary Services |
| 1.C.a | 851 | R&D services on natural sciences |
| 1.F.c | 865 | Management consulting services |
| 1.F.d | 866 | Services related to management consulting |
| 1.F.e | 8676 | Technical testing and analysis services |
| 1.F.f | 881 | Services incidental to agriculture, hunting and forestry |
| 1.F.g | 882 | Services incidental to fishing |
| 4.A. | 62111 | Sales on a fee or contract basis of agricultural raw materials and live animals |
| | 62112 (partial) | Sales on a fee or contract basis of food products and tobacco |
| | 62114 (partial) | Sales on a fee or contract basis of agricultural machinery |
| 4.B. | 6221 | Wholesale trade services of agricultural raw materials and live animals |
| | 6222 | Wholesale trade services of food, beverages and tobacco |
| 4.C | 631 | Food retailing services |

IV. SPECIFIC COMMITMENTS

In order to achieve a progressively higher level of liberalization of trade in services related to agriculture, for the services listed in Part III above, we are requesting addressee Members to schedule new or improved commitments with respect to the objectives listed below.

Mode 1: A number of the aforementioned services may be often provided through cross-border mode of supply, for those services we request:

- Substantial reduction of market access limitations
- Removal of existing requirements of commercial presence
- Removal of existing citizenship and residency requirements

Mode 2: We request commitments whenever technically feasible.

Mode 3:

- Removal of foreign equity limitations
- Removal of economic needs tests

Mode 4:

- Removal of economic needs tests
- Commitments on the categories of Contractual Services Suppliers and Independent Professionals.
- Removal of wage parity requirements.