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COHERENCE BETWEEN TRADE POLICY AND OTHER PUBLIC POLICY CHALLENGES

Trade in Agricultural Products: Creating an Optimal System

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I. Introduction

1. Today's subject is the relationship between trade policies and other public policy measures, and I would like to focus on the relationship between agricultural trade and environmental measures.

II. Certain disciplines are needed in trade in farm products because agriculture is related to environmental protection.

2. The key issues that the world faces in the 21st century are the increase of population and the securing of adequate food resulting from it, as well as global-scale environmental issues such as global warming that require urgent attention.

3. It is widely known that large-scale agricultural production methods that strive exclusively for efficiency have given rise to various environmental issues, such as soil erosion, groundwater depletion, and salinization, and that agricultural production remains no longer sustainable.

4. Unlike production of industrial goods, agriculture is affected by natural environment; agricultural products are produced with soil and water. Although products can be exported, soil and water cultivated in nature cannot be. We must fully appreciate these unique characteristics of agricultural products and recognize that agricultural trade should not be governed solely by market principles and that certain disciplines are needed to prevent deterioration of the environment that would endanger the survival of humanity with the increase in world population.

III. Non-Trade concerns should be given appropriate status.

5. Agriculture is generally seen as a sector that harms the environment, but in the case of the "paddy field farming" of Japan and other Asian countries, we have continued to grow rice in the same paddy fields for thousands of years in harmony with the natural environment. The paddy fields located nationwide moreover play the important function of preventing disaster by storing rainwater and serving essentially as dams in Japan which is a mountainous nation with much steep-slope topography. This is a good example of the multifunctionality of agriculture. This is why rice is more than an issue of trade for Japan; it is a concern of the entire population and a very important issue in national politics as well.

6. The multifunctionality of agriculture varies depending on the circumstances in each country and may include conservation of land, prevention of floods, and maintenance of favourable rural landscapes,

rural communities and cultures. This multifunctionality - namely, non-trade concerns - must be given appropriate position in agricultural trade rules.

7. As representatives of the people, we parliamentarians should not be focused on short-term commercial gains, and must adopt a long-term perspective to create and pass on to future generations trade rules that enable the coexistence of various types of agriculture that will incorporate the varied conditions in each country. We need to take a firm stand against tariff capping that disregard the unique conditions and history of each nation.

IV. Illegal logging should be addressed.

8. Illegal logging is another important issue related to trade and the environment.

9. The GS Summit held in the UK in July this year recognized that illegal logging is triggering the deterioration of lifestyles and the environment and the loss of biodiversity today in the poorest countries in Africa and elsewhere. For many years I have been engaged in efforts to counter illegal logging, and these measures were recognized as an important step toward the sustainable management of forests. To address this issue, it is crucial that both lumber producing and consuming countries make efforts to eradicate trade in illegally logged wood. I strongly urge the WTO to address this issue as well.

V. Conclusion (Trade should contribute to the advancement of developing countries)

10. Needless to say, new rules for agricultural trade must contribute to the development of developing countries, one of the goals of this round.

11. The Uruguay Round Agreement on Agriculture endeavoured to make historic improvements in market access. However, because export subsidies and trade-distorting domestic support were retained, profits from agricultural trade have ended up going in disproportionate amounts to a small number of exporting developed countries. We must have strong resolve to build a foundation for fair competition for developing countries and to create trade rules that truly contribute to the advancement of developing countries through substantial reduction of trade-distorting domestic support and elimination of export subsidies.