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**POSSIBLE DIRECTIONS FOR THE AGRICULTURAL TRADE  
LIBERALISATION UNDER DOHA ROUND  
AND THE EUROPEAN UNION'S STAND CONCLUSIONS  
FOR POLAND**

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**ABSTRACT.** This article aims at presenting the agricultural aspect of ongoing negotiations in the scope of the Doha Round. In this paper are set out interests and positions of the most important groups of countries in WTO and key pillars of agriculture negotiations.

**Key words:** liberalization of agriculture, World Trade Organisation (WTO), Doha Round, Market Access, Domestic Support, Export Competition, Green Box, Blue Box, Amber Box

### **Introduction**

Agriculture was one of the spheres of economic life excluded from the GATT negotiations. The situation changed diametrically after the conclusions of the Uruguay Round were made. This was caused by the legal and economic situation in the second half of the 20th century. After the end of the Second World War the following rounds of negotiations aimed at liberalising world trade were concentrated on the industrial sector. This tendency stems mainly from the situation at the beginning of the 1950s when the industrial sphere produced most of the GDP income thus the majority of countries were interested in the possibility of increasing their export of industrial goods to the Third Countries. The avoidance of the agricultural subject during negotiations resulted in creating special preferential conditions of the way agriculture was functioning. This situation created many conflicts and tensions especially between the USA and The European Community (EC). As it is widely known agri-food products have low price and demand flexibility thus many governments of many states where agri-food production is an important part of economy have undertaken many actions aimed at providing

farmers with stable income. Thus the possibility of commencing talks on marketization of this economic sphere came across strong opposition from the GATT members. France is a very good example illustrating this situation. Due to higher production costs and the strong position of French agricultural lobby, for many years this country had influenced the defensive attitude of The European Commission (EC) resulting in rejecting any attempts to begin talks on liberalisation of the agricultural sector in the WTO. Not until the 1980s did the breakthrough come. It happened during the Uruguay Round negotiations (1986-1993) when the USA supported by producers of agri-food produce stated that agriculture must be included in the liberalisation of world trade (**Kawecka-Wyrzykowska and Synowiec 2001**). Declaration of Punta Este confirmed the above.

It is worth mentioning that the EC agreed on entering into negotiations due to the necessity of gaining access to the markets in Third Countries, because the system of high intervention prices resulted in costly production surplus which could have been exported only when accompanied by costly export subsidies which were a burden to the EC budget. This caused conflicts among the EU Member States. While France's defensive attitude made it to reject any plans for changes the Common Agricultural Policy (CAP), the United Kingdom openly demanded reforms of the agricultural sector. Difficult negotiations conducted above all between The EU and the USA resulted in a compromising agreement on agriculture. Furthermore the document also has to be treated as breakthrough, because for the first time in the history of negotiations aimed at liberalising world trade important decisions regarding agricultural sector were made. They are divided into three subject areas (**Kaczurba and Kawecka-Wyrzykowska 2002**):

- Market Access (MA),
- Domestic Support (DS),
- Export Competition (EC).

Regarding MA a decision on tariffication was made i.e. on providing duty equivalents to most non-tariff funds that are concentrating mostly on banning the re-implementation of non-tariff limits. Another important decision concerned tied-up duty rates on agricultural produce and subsequent reduction thereof. The Uruguay Round is considered as a breakthrough also due to the following important decision that were made e.g. decision on a gradual limitations of internal support funds and on gradual decrease of export subsidies (Annex... 1996).

The fact that the following attempts to liberalise world trade further made in Singapore (1996) and in Seattle (1999) ended in fiasco prove the difficult character of the subject of agriculture. The rules for the future agreement on liberalization of the world trade in agricultural products were not set until July 2005 on the WTO General Council meeting in Genoa. The ministerial conference that took place on 13-18 December 2005 in Hong Kong was to bring a significant improvement in new rounds of negotiations (Dauhy – Doha) which began in 2001 (**Dębski et al. 2005**). High hopes were put on the Doha Round. It was widely thought that the final agreements would solve most of the problems in the centre of the new round of negotiations. The words of Mr. Peter Mandelson – the EU Commissioner for Trade from April 2006 prove that: “As this Round is a development round it is clear that developed countries have to contribute more than poorer countries. The EU is ready to pay more than others, but we must get something in return. I remain a firm supporter of this Round and I will make every effort to secure an ambitious and balanced outcome across all negotiating pillars (agriculture, industrial products, services and rules)” (**Mandelson 2006**).

Unfortunately as the result of serious conflicts of interests and a lack of will to agree to compromise, the negotiations were terminated on 24 July 2006. In order to break the deadlock, Mr. Pascal Lamy – the Director-General of the World Trade Organization – offered WTO Member States so called “soft negotiations” from December 2006 as a temporary solution for the informal talks that are currently taken place.

The aim of this report is to provide information on the scope of interest during a current Round of negotiations concerning agriculture as well as to present The European Community’s (EC) stand on that subject.

The thesis of this work is that concessions stated in the offer proposed by The European Commission on 28 October 2005 are sufficient and the conditional character of the offer itself is justified and depends on the position of other partners in negotiations including especially the USA and G-20 Group.

In order to maintain clarity of the text this article has been divided into three subject areas. In the first part the author presented the main demands of the key participants during negotiations (of particular countries and groups of countries), next it concentrates on presenting the position that The European Commission took in the key areas of agricultural negotiations. The final part of the article is dedicated to the role of the agri-food sector in Poland as well as characterising the perspective of this economy sector export development.

### **The views of the key states/groups under the current Doha Round of negotiations**

1. **The EU** – as the official side of negotiations in WTO takes a defensive stand on the agricultural subject, but it has to be stressed that this is not a common stand for all its Member States. Under the integration group two sub-groups of states representing different views on the master of liberalization of the trade in the agri-food sector has emerged. Countries with higher GDP per capita (thus having significantly offensive businesses in sectors of industry and service) where agriculture has a marginal position are ready to accept far-reaching. The EU concessions in agriculture in order to negotiate higher access to the Third Countries markets in industrial goods and service exports. Representative to this category are: The UK, Germany, Scandinavian countries, the Netherlands, Czech Republic and Estonia.

The stand of the following countries is opposite: Poland, France, Portugal, Cyprus, Italy Spain, Greece, Bulgaria, Hungary, Ireland, Slovenia and Romania. The analysis of the presented list of states shows that both The EU 15 and The EU 25 have defensive interests. Generally speaking these are the countries where the agricultural sphere plays a vital role in national economies. Furthermore, these countries use to a large extent the support from the Common Agricultural Policy (CAP) thus forcing through in the The EU a defensive stand concerning possible agricultural reforms.

2. **USA** – a country responsible for a deep reduction of duty tariffs due to the fact that tariff barriers are considered the reason for limiting access to the markets of trade partners. On the other hand it presents a firm opposition against the possibility of limiting its won internal support. This could result in the need for modifying American support schemes for agriculture (so-called Farm Bill Programs).

3. **Cairns Group** – an informal group created in 1968 in Australia and consisting of key producers and exporters of food: Australia, New Zealand, Canada, Argentina. These countries are interested in gaining higher access to the markets of other WTO Members. In the past these countries played an important role of a promoter of including agricultural issues to the negotiations.

4. **G-20 Group** – consists of developing countries like: Argentina, Bolivia, Brazil, Chile, Egypt, Guatemala, India, Mexico, Uruguay, Venezuela, Pakistan, Tanzania or Thailand. Like the USA these countries also stress the need for marketization of production rules and agricultural trade sector rules in developing countries by emphasizing their weaker position in this area and in a way demanding equal chances. At the same time G-20 Group demands special treatment concerning future obligations in the industrial sector (NAMA-Non Agricultural Market Access).

5. **G-10 Group** – consists of highly-developed countries such as: Norway, Lichtenstein, Japan, Switzerland, Israel, Island or Taiwan (before its the EU accession Bulgaria was also a member). This Group represents conservative opposition against the possibility of a deep liberalization of trade in agri-food products by firmly emphasizing the need of stretching the obligations on so-called non-trade aspects of the agricultural sector (e.g. compulsory environmental protection, food safety, animal welfare).

It has to be pointed out that groups characterised above are informal and additional membership of one of the states does not exclude the possibility of representing a different stand in other areas that are being discussed during the Doha Round.

### **The European Commission's stand concerning the key subject areas on liberalisation of the agricultural sector**

The EU Member States represent their interests in WTO as one entity thus European Communities present the common concession list for all their members. Based on the primary law, the negotiations are conducted by the EC, but the guidelines are set by the the EU Council, especially under GAERC (General Affairs and External Relations Council) and the 133 Committee (supporting body set up pursuant to Article 133 of the Treaty of Rome, it coordinates the external EU trade policy). Due to the fact that the negotiation mandate is rather general, the EC is allowed a lot of leeway during negotiations. New EC obligations come into force after they are adopted by the The EU Council.

The EC submitted its offer on 28 October 2005. (Oferta negocjacyjna... 2005) subject to the express condition that it is conditional and its validity depends on the fact of other WTO Member States are willing to compromise in all economic sectors being subject to negotiations – agriculture, NAMA and services. The EC expected all participants to compromise, but special attention was paid to countries like the USA, India and Brazil. The assessment of the negotiations evaluation indicates that the core of negotiations concerned the stand and ability to compromise of the three countries and the EU, participants of an informal group so-called G-4 Group. The scope of the liberalisation obligations should be divided into three fields of negotiations (so-called three pillars), identically to the situation during the Uruguay Round: Market Access, Domestic Support and Export Competition.

## Market access

In this regard the EC presents a stand that predicted reduction of customs duty for non-sensitive goods will be dependent on the starting level of the ad valorem customs duties under four reduction groups (so called “bands”). The other participants of negotiations agree with this opinion that the level of future liberalisation will have to take into account the level of country’s economic growth thus the following different propositions for tariff reduction for the developed and developing countries. The current EC stand on his subjects has been presented in the following table.

**Table 1**  
**The EC proposition of the reduction of customs duty for non-sensitive goods**  
**Oferta Komisji Europejskiej odnośnie stopnia redukcji stawek celnych dla towarów**  
**niewrażliwych**

Developed countries Kraje rozwinięte		Developing countries Kraje rozwijające się	
Reduction range Pasma redukcyjne	Reduction Redukcja	Reduction range Pasma redukcyjne	Reduction Redukcja
<0;30>	35% (20%-45%)	<0;30)	25% (10%-40%)
(30;60>	45%	(30;80>	30%
(60;90>	50%	(80;130>	35%
more than 90 powyżej 90	60%	more than 130 powyżej 130	40%

Source: **Hagemajer** and **Michalek** (2006).  
 Źródło: **Hagemajer** i **Michalek** (2006).

According to the EC proposition the average level of cuts in the four range categories would amount to 39%. Under the possible range of compromises the EC proposed to increase average costs to around 50% (**Mandelson** 2005), The EU Member States did not agree to such significant concessions concerning the access to The European Community, especially among those with developed agricultural production including Poland and France. There is also an issue of creating a so-called “list of sensitive goods” i.e. tariff lines for which a smaller range of exemptions/facilitations in implementations of the liberalisation obligations shall be set. The European Commission opts for abolishing 8% tariff line for this category (around 180 producers). The USA opposes to that and proposes to limit the range of sensitive products even to 1% of the overall number of tariff lines.

Serious conflicts of interests concern also the issue of increasing market access through the enlargement of the existing tariff contingent. The USA has many different ideas how to solve this issue. G-20 countries and Cairns Group opt for tariff contingent’s enlargement by 10% of the domestic consumption. This is justified by the opinion that due to further liberalisation of trade in imported agri-food products, the consumption is to rise. The European Commission on the other hand firmly rejects these

solutions by saying that it is very difficult to calculate domestic consumption in a form of 8-digit CN codes and thus have high margin of error.

Special Safeguards (SSG) is a very controversial subject due to the possibility that they will remain in force. SSG is a tool established as a result of the Uruguay Round, enabling to impose additional customs fee on an agricultural product which price in import fell below the set threshold price or if its import volume exceeds so-called threshold amount. The European Commission demands for this instrument to remain in force in case of a need for protection the following sensitive for The European Community agricultural products arises: beef, poultry, vegetables and different kinds of fruit. The USA and G-20 countries on the other hand opt for complete elimination of the above-mentioned tool for domestic market protection.

In its offer the European Commission takes into account more difficult economic situation of developing countries thus it opts for each developing state (DEV) for being able to create apart from the list of sensitive goods a list of so-called "special goods". It is already known that the list is going to be created based on the following criteria: the level of rural areas development or food safety and on these basis products qualified as special goods are going to be excluded from the access market obligations. Furthermore Special Safeguard Mechanism (SSM) is being created. It would be initiated automatically in case of the need for special goods protection. Developing countries demand for the future special goods list to include even 20% of tariff lines (**Dydoń and Niemczyk 2006**). It needs to be stressed that the European Commission proposes that the SSM could be initiated only in case of changes in the import volume and connecting this potentially new tool for protection of developing countries markets with price changes according to The European Commission discrimination, because the mechanism could be used as a tariff barrier. Objective assessment of the presented situation explicitly shows that The European Commission is right about the special and distinctive way of treating developing countries due to the fact that this group of WTO Members is going to have less obligations concerning access to their domestic markets compared to developed countries. What is worth mentioning, the European Commission has a proposition of "arranging" states classified as DEV. The category is not precise and some of the countries currently classified as developing in reality are on a level of development often comparable with the level of economically better developed states (e.g. China or Brazil), in spite of this they still use their privileged position of DEV countries. It seems though that this last proposition from the European Commission is not likely to be adopted during the Doha Round due to rather strong position of the above-listed countries. Another argument that supports the opinion of the European Commission is the fact that it is hard to classify a country which is in fact a net exporter of food (e.g. Argentina or Brazil) as threatened with famine and based on this to grant it special protection funds for developing countries.

### **Domestic Support**

During Uruguay Round negotiations it was observed that both the amount of domestic support granted to farmers in each country as well as the type of this support have

direct influence on world trade and thus the agreement on agriculture from 1995 contains various provisions regulating this issue.

WTO divides the support into three categories, so-called “Boxes” (additional information on each support category can be found on the WTO website Domestic support in agriculture 2007):

- **Green Box** – includes those form of support for agricultural sector which are considered not to have negative impact on world trade thus currently there are no limits of using this category of domestic support that includes: agricultural pensions; area payments or funds for trainings.

- **Blue Box** – includes these forms of domestic support which are aimed at limiting agricultural production and considered to have little negative impact on world trade. A characteristic feature of this domestic support category is its close connection with a production limit. Currently this type of support category has no limitations (most of the support is granted independently of current market situation) but it is almost certain that as a result of the current Round limits on this category are going to be imposed in amounts of 2.5% or 5% of annual value of agricultural production of a WTO Member in particular historical period called “base period”.

- **Amber Box** – all forms of support for agricultural production classified as having extremely negative impact on world trade. This category includes measures such as: e.g. intervention buying – direct state measures (in reality specialized governmental agencies) regulating the market. Due to the character and results of measures under the Amber Box, funds for this type of support annually (so-called AMS – Aggregate Measurement of Support) are subject to strict control and limitation. Annually each WTO Member is granted separately AMS amount. Currently modification works on AMS are advanced and The European Commission opts for dividing the states – WTO Members into three categories depending on the amount of support level and the highest support reduction beginning from the widest range.

The European Commission consequently protects its opinion that the issue of changing rules and criteria from Green Box is beyond the negotiation mandate which is the result of Doha Declaration and consequently rejects the possibility of including this subject in negotiations. G-10 shares this opinion. Furthermore the European Commission firmly stresses the fact that the EU is currently reforming the Common Agricultural Policy aimed at modification of rules of support for farmers so as to transfer them from the Amber Box and Blue Box categories to the Green Box category. In the present situation rules of using the Green Box would have negative impact on the expensive and difficult implementation process of new reforms by the EU.

**De minimis support** – below this level the support granted under the Amber Box is not included in AMS. Currently developed countries are granted a limit of 5% of the agricultural production annual value of particular produce in the case of support granted for particular produce and 5% of the annual agricultural production for support schemes aimed at agricultural producers regardless of the produce type. According to The European Commission proposition the level of de minimis support should be limited to around 50-80% for developed countries so if the above proposition was adopted in this form, highly developed countries would be given a new limit of 1% of the agricultural production annual value.

Apart from the above-mentioned propositions for changes in the support category, additional category – so-called General Level Disrupting Trade which will be a sum of AMS, Blue Box and de minimis is to be introduced. The European Commission pro-

poses that the reduction ranges and predicted reduction indicators for the General Level Disrupting the Trade were the same as for AMS.

It could be said that the proposed scale of changes liberalisation trade in the II pillar proves that WTO Members have big ambitions for the agri-food trade to be subject to stronger liberalisation. The above is proved by the plan to create additional domestic support category presented above, because in reality WTO Members with high level of payment under the Blue Box or de minimis category can be obliged to make additional reduction to those already required for additional elements of the General Support Level Disrupting Trade.

### **Export competition**

In the case of export competition there are the following three types of tools aimed at improving competitiveness of export goods on the third state markets:

- Export subsidies,
- Export loans,
- STE activities (STEs – State Trade Enterprises),
- Some kinds of practice concerning food support.

The European Commission declared that it is ready for total abolishment of subsidies for agri-food export before 2013 and is ready to “re-arrange” the rest of support tools for export disrupting world trade. The stand of The European Commission regarding this issue should be traded as compromise, because 90% of all forms of subsidised export are intended for this international group (**Dydoń** and **Niemczyk** 2006). Due to the fact that in this form of negotiations there are no signs of willingness to compromise from the side of negotiation partners thus the European Commission more often points to the fact that elimination of export subsidies is conditional what means that it is not yet certain.

Since it is necessary to abolish state privileges of the STEs because their activities strongly destructs market processes, The European Commission took equally firm stand. In this case the core of the EU criticism is concentrated on such STE activities like: benefiting from highly privileged conditions concerning access to capital (governmental guarantees; preferential conditions for the access to contingents, not being subjected to competition rules; guarantees for loan and help in paying them off, possibility of preferential use of transport services). Especially strong opponents to this The European Commission’s stand are countries such as: Canada and Australia – countries where STEs have strong economic position. According to these countries many of the practices criticised by the European Commission such as price pooling (practice ensuring price guarantee protecting governmental agencies before unexpected fall in product prices. Apart from this the programme enables governmental agencies to get load ensuring improvement of cash flow for the beneficiary and it is highly popular among private companies; Price pooling program 2007).

STE activity is widely used in food aid practices (especially Canadian STEs which export cereal surplus) and that is why the main EC proposition regarding this issue is to stop food aid in-kind apart from situations of natural disasters when such aid is accepted. Instead beneficiaries would get financial aid for purchasing food at food pro-



ducers of their choice while being subject to certain amount of control from international organisations. EC opts for changes in granting food aid mainly because of the fact that many donor-countries (often it is Canada) treats this form of selling their agricultural products as an alternative way of “getting rid of” agricultural produce surplus which is connected with additional high costs of storage.

To end this part of the solutions concerning II pillar of agricultural negotiations it is worth mentioning that EC stand is conditional and none of the agricultural issues from III pillar is definitely settled. However, the conclusion may be completely opposite in the case of I and II agricultural pillars. Predicted future level of trade liberalisation is going to be set for the reduction of agricultural products rate. Furthermore, it is expected that future five tariff barriers will probably exceed the upper EC limit stated in the negotiation offer from October 2005. On the other hand judging from the current stage of talks it could be assumed that as far as domestic support is concerned EC is ready to accept far-reaching compromises similar to the pillar I. The above statement (and EC stand) is a result of the situation that currently Common Agricultural Policy is undergoing a reform and significant funds have been intended for this purpose. The above statement is justified by the speech made by Commissioner for Agriculture and Rural Development Mariann Fischer Boel who stated that The EU will not accept reduction that it is so high that it disrupts markets and makes new CAP reforms necessary (Fisher-Boel 2005).

### **Forecast results of agricultural trade liberalisation for Polish agriculture**

Export of agri-food products to third country markets is a great opportunity for Polish agricultural sector, although the development prospects within this area depend mainly on the level of opening of the markets of those countries, which in turn depends on the level of customs protection and possible non-tariff barrier applied by a given country. EC actively participates in the process of agricultural products trade liberalisation. The result of the implementation of final provisions completing the WTO Uruguay Round was a significant reduction of EU customs duties in the import of goods from third countries being WTO members, thus gaining access to developed countries' markets on equally preferential terms. Another round of trade negotiations under the WTO (the Doha Development Round), held since 2001, is to lead to further reduction of customs protections among the WTO members. Along with the multilateral negotiations under the WTO, the EU has created a developed system of bilateral commercial contracts, ensuring more preferential trade conditions between the EU and nearly 20 countries than those resulting from the WTO agreements<sup>1</sup>. Additionally, a process of trade negotiations between EC and MERCOSUR integration group (consisting of such Latin American countries as: Argentina, Brazil, Paraguay, Venezuela and Uruguay) is being held and in short, similar talks with ASEAN countries are to be commenced.

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<sup>1</sup> It concerns the following countries: Algeria, Palestinian Autonomy, South African Republic, Chile, Croatia, Israel, Morocco, Jordan, Mexico, Republic of Macedonia, Iceland, Liechtenstein, Norway, Turkey, Tunisia or Switzerland.

Summing this subject up, an assumption, that a process of reducing customs duties for imported agricultural products will move forward in the nearest future, should be made. A parallel liberalisation of access to external markets of third countries, which make use of (and will make use of to larger extent in the future) the easier access of their food products export to the EU customs area, is to be expected. Therefore, agri-food products trade liberalisation processes worldwide, which gain force, are on the one hand a chance for Polish agriculture via enabling domestic processors access to cheap raw materials not produced in the temperate climate. It particularly concerns southern fruit, plant oils, coffee, tea or some vegetable kinds. On the other hand though, we need to remember about threats related to trade exchange liberalisation, which may turn out to seriously affect the Polish agricultural sector. The increased inflow of third country products into the EU area creates the risk of reduced demand for Polish food products. It must be additionally assumed, that the process of driving Polish farmers out of EU markets will not be compensated by finding other extra-EU markets, despite the aforementioned reduction of customs duties. The explanation for the above phenomenon is the fact that it is non-tariff barriers, not the customs tariffs, that turn out to be an actual trade policy tool (**Budnikowski** and **Kawecka-Wyrzykowska** 2000). The efficiency of this type of non-tariff measures (especially veterinary and phytosanitary regulations is confirmed by the problems of Polish meat, meat products and plant products exporters to eastern markets. A ban on import of these industries' products to Russia; **Naszkowska** 2006) and Ukraine is particularly worrying, since markets of these countries were ready to absorb the aforementioned products. The results of burdensome and long-lasting veterinary and phytosanitary procedures required in food export to the US, Mexico, Brazil, Israel and Asian countries (China, Korea) are severe.

The reduction of tariffs proceeding on WTO forum is progressive, maintained according to the rule stating that the higher ad valorem tariff initial level the higher customs duty reduction on a given product. EU-sensitive products are currently protected by relatively high tariffs compared to other agri-food products, therefore it is expected that proceeding trade liberalisation will trigger greater opening of those tariff lines than other agricultural products. The following products are sensitive for Polish economy: beef, pork, poultry, sugar, milk and milk products, some vegetables and fruit. From the point of view of Polish economy interest, it is necessary for EC to uphold the possibility to use the following agricultural market protection instruments: entry prices or special safeguard clauses (SSG). Being governed by rightness of the same argument, it must be noted that Poland should call for the extending the scope of products covered by SSG in view of extending the list of products currently covered by this protective measure by products sensitive for Polish economy.

The factor which in the long run will facilitate the development of Polish agriculture is Common Agricultural Policy stabilising the prices of the following raw materials: cereals, feed and all meat types. Reforming the EU agricultural policy will be beneficial to Polish agriculture, especially replacing subsidies supporting agricultural production by means of Single Area Payment Scheme with introduction of the requirement of using agricultural good practices and food safety requirements. The chances for Polish agricultural production are seen in the planned reform principles, also due to the fact that high requirements will definitely abate the motivation of agricultural crops producers of the Western Europe, which will reduce the food self-sufficiency of countries with high labour costs and will certainly contribute to moving the agricultural production to countries of comparable advantage regarding the agricultural products production – includ-

ing Poland. The reasons for Polish agri-food products' expansion should be found in high quality of products, as well as in competitive market prices. The source of cost advantage is particularly low labour costs compared to Western European countries, despite the appreciation of PLN to EUR, which proves that Polish food producers show high adaptive abilities towards new and changing economic reality.

The key asset and thus the chance for Polish agricultural products development is their high quality and competitive prices compared with analogous products of Western European countries. In order to fully utilize this asset, it is necessary to protect traditional labels, as well as promote domestic food, since today Polish agricultural products are not well-recognizable, so that we could assume that the demand for them will be retained abroad due to the aforementioned risks related to excessive reduction of customs duties. In the long-term perspective, such a situation creates danger of a permanent process of replacing Polish agricultural products serving as a raw material for many food industry branches. The example showing the consequences of the described situation are the difficulties faced by Polish producers resulting from the excessive import of frozen strawberries from China, at dumping prices (Środki ochronne 2005).

Factors stimulating the export of domestic agricultural sector are the initiatives promoting the name of Polish agricultural products. The example is "Get To Know Polish Food" Programme, addressed at every EU entrepreneur, promoting high quality food products. The factors additionally increasing the competitiveness of Polish food on foreign markets are the organic methods of production made common in this sector. The effectiveness of actions undertaken in this scope is signified by the growing popularity of regional and traditional products. Apart from the high quality of these products, the factors encouraging the clients to purchase them are their unique taste, smell, product qualities and their health qualities (Rzytki 2005). It must be emphasised that great significance is attached to creating and promoting local brands in the EU countries. Apart from that, regional and traditional goods are treated as exceptional products, or even as the important element of cultural heritage of the Western Europe. An excellent example confirming the authenticity of an observation made is the fact that due to the direct sale of regional products, profitability of French farmers is twice as high as the German farmer and ten times higher than that of a Polish food products producer. Therefore, local and regional products are the significant part of the contemporary market economy and, what is more, create a chance for development of the Polish agriculture.

## **Conclusions and observations**

1. In the negotiating offer of 28 October 2005, the EC expressed their readiness for a far-reaching compromise regarding the agricultural sector liberalisation. The above attitude of EC seems to be at odds with the interest of economically less developed EU Member States, including Poland. In addition, taking into account the lack of significant concessions made by other WTO partners, it seems that there are no rational premises at the moment for the EU taking on the burden of resolving a stalemate in negotiations by making more liberal concessions.

2. A thesis may be raised, stating that the first pillar of negotiations assumes the reductions of customs duties and the key issue is only the amount of future reductions. Reduction of EU tariff protection will be a factor increasing the food products' import

from third countries, which may effect in drawing the Polish food products out of the EU market, where Polish export is located at the most. On the other hand, the broad opening of the EU market will not translate into the Polish export to non-EU markets growth. Preferential treatment of agri-food import from developing countries will not significantly influence the Polish market, since currently, these countries are not facing any highly oppressive barriers concerning the access to the EU, including Polish, agri-food market. Taken the aforementioned issues into account, it needs to be noted that it is of Polish interest that EU retained the possibility to use protective measures regarding the agricultural market, such as entry prices or SSG clauses.

3. Abolishing the subventions in agri-food export will be of an impairing impact on Polish export competitiveness and this trend will reveal itself forcefully after 2013. Additionally, this phenomenon will be amplified by Polish agriculture losing its natural price competitiveness being a consequence of price competitiveness resulting from lower production costs.

4. From the point of view of the EC agriculture interest, it is necessary that future EU contributions do not exceed the scope of the Common Agricultural Policy reform. Apart from that, it is important that EC consulted the Member States on the issues of assuming future contributions. Such consultations are necessary, especially when the EC heads at modifying the previously adopted negotiating position.

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MOŻLIWE KIERUNKI LIBERALIZACJI HANDLU ROLNEGO  
W RAMACH RUNDY DOHA A STANOWISKO UNII EUROPEJSKIEJ.  
WNIOSKI DLA POLSKI

S t r e s z c z e n i e

Negocjacje liberalizujące handel światowy w zakresie rolnictwa w ramach obecnej Rundy Doha koncentrują się na trzech obszarach tematycznych: dostępu do rynku, wsparcia wewnętrznego i konkurencji eksportowej. Kluczowych uczestników tych rokowań można zaklasyfikować w kilka ugrupowań w zależności od postulowanego stopnia otwarcia sektora agrarnego. Do najważniejszych uczestników rokowań należy zaliczyć takie państwa, jak: USA, UE, Brazylię i Indie i to właśnie od uzgodnień tych krajów będzie zależał stopień przyszłej liberalizacji handlu światowego artykułami rolnymi. KE przedstawiła swoje postulaty negocjacyjne w ofercie złożonej 28 października 2005 roku. Największy zakres możliwych do akceptacji ustępstw dotyczy pierwszego filaru negocjacji, z kolei możliwość liberalizacji instrumentów wsparcia eksportu jest najbardziej warunkowa. Ponieważ przyszłe zobowiązania przyjęte przez KE będą wywierać bezpośredni wpływ na warunki funkcjonowania rolnictwa w Polsce, jest konieczne, aby KE zachowała możliwość stosowania środków ochronnych w rolnictwie, takich jak klauzula SSG. Interes gospodarczy Polski wymaga również modyfikacji przez KE listy towarów wrażliwych, tak aby w większym stopniu odzwierciedlała ona produkty rolne cenne dla gospodarki Polski, takie jak: mięso wołowe, wieprzowe, cukier, mleko i produkty mleczne, niektóre owoce i warzywa. Dodatkowo Polska powinna zwiększyć działania promujące jakość i wyjątkowość polskich produktów tradycyjnych i regionalnych. Jest to niezwykle istotne, gdyż w wyniku działań liberalizujących handlu należy oczekiwać zwiększonego napływu towarów rolno-spożywczych z krajów trzecich bez możliwości uzyskania przez Polskę analogicznej rekompensaty. Komitet 133 jest bardzo dobrym miejscem, na forum którego Polska może prezentować swoje kluczowe postulaty chroniące sektor rolny. Poza tym Polska może zabiegać o poparcie dla swojej pozycji wśród krajów, w których sektor agrarny odgrywa równie istotną rolę, jak Francja i Irlandia.