

COMMUNIQUE

MEETING OF CAIRNS GROUP MINISTERS* MANAUS, BRAZIL JULY 9, 1991

1. Ministers of the Cairns Group today expressed their deep concern at the current lack of serious political engagement in the Uruguay Round negotiations on agriculture. They stressed once again their disappointment over the failure of the Brussels Ministerial Meeting intended to conclude the Uruguay Round in December 1990.
2. The Cairns Ministers called upon leaders of the major industrialized countries at their forthcoming London Summit to exert leadership by facing squarely the political decisions necessary to fundamentally reform world agricultural production and trade.
3. Since the Brussels conference, agricultural trading tensions between the major industrial exporters have continued to intensify, especially through the uncontrolled and aggressive use of export subsidies. The continuing damage to the interests of Cairns Group countries caused by the failure of the multilateral system to deal effectively with the trade-distorting impact of agricultural subsidies underline the need for urgent reform. The Ministers noted that despite repeated commitments to reduce support, total transfers to agriculture by way of direct payments and consumer transfers in Organization for Economic Co-operation and Development (OECD) countries increased by 12 per cent in 1990, to US\$299 billion.
4. The Ministers noted that following the Brussels breakdown, work had resumed in Geneva in February this year and welcomed the agreed objective of specific binding commitments to reduce trade-distorting domestic subsidies, access barriers and export subsidies. Subsequent technical work has been useful and should assist the negotiation of reform commitments.
5. The Ministers took note of the comprehensive exposition of negotiating options in the paper recently prepared by GATT Director-General, Arthur Dunkel, in his capacity as Chairman of the agriculture negotiations. While welcoming Mr. Dunkel's

* Ministers and representatives of the Cairns Group (Argentina, Australia, Brazil, Canada, Chile, Colombia, Hungary, Indonesia, Malaysia, New Zealand, the Philippines, Thailand and Uruguay) met in Manaus, Brazil, July 8-9, 1991. A delegation from the Republic of Poland participated in the meeting as observers. An observer from the United States attended the public sessions.