

Summary of the Third Beijing Agricultural Trade Policy Dialogue

Summary of the Third Beijing Agricultural Trad

在GOOGLE搜索此内容

2007-6-20 阅读2034次

Summary of the Third Beijing Agricultural Trade Policy Dialogue

Prepared by Shunli Yao and Chen Wang

First draft: 13 July 2006; This revision: 16 May 2007

The Third Beijing Agricultural Trade Policy Dialogue was held in Beijing on 2nd to 5th November 2005. The Dialogue consisted of three components over four days: Applied Trade Policy Research Seminar, Trade and Development Roundtable and Agricultural Trade Policy Consultation. With the three components combined, the Dialogue addressed key issues related to China's institutional capacity to develop trade policy in line with national economic development goals, focusing on China's role in the WTO agriculture negotiations.

On day 1 and 2, Chinese researchers met with each other and some international participants at the Applied Trade Policy Research Seminar, where they shared their experiences in international trade research. At the day 3 Trade and Development Roundtable, Chinese and international participants discussed the potential impact of agricultural trade liberalization on the environment, rural-urban migration, regional inequality, patterns of agricultural production and other development issues. Day 4 was devoted to Agricultural Trade Policy Dialogue, where Australian and Chinese trade negotiators, agriculture officials and academics, exchanged views on the on-going WTO agriculture negotiations in the run up to the Hong Kong Ministerial Meeting. The Dialogue also commissioned four policy studies on Chinese agricultural trade and their preliminary findings were presented at the meetings.

Australian participants included Ms Elizabeth Ward (Assistant Secretary, Agriculture and Food Branch, DFAT), Mr Troy Podbury (Manager, International Trade Section, ABARE), Mr Vincent Hudson (Manager, North Asia Section, DAFF), Mr Graeme Thomson (former lead negotiator for Australia on China's WTO accession), Professor Donald MacLaren (Melbourne University), and Dr Yinhua Mai (Monash University). International participants also included Professor Wusheng Yu from the Royal Veterinary and Agricultural University in Denmark.

Chinese participants included Dr Qian Keming (Director General, Agricultural Trade Promotion Center, MoA), Dr Ke Bingsheng (Director General, Research Center of the Rural Economy, MoA), Mr Lu Xiankun (Division Director, Department of WTO Affairs, MofCom), Ms Li Yihong (Division Director, Department of International Trade and Economic Affairs, MofCom), Mr Zhang Yong (Division Director, Bureau of Industry Injury Investigation, MofCom), Mr Xu Hongyuan and Ms Wang Kaiyuan (Division Directors, Agricultural Trade Promotion Center, MoA), Professors Zhong Funing and Zhu Jing (Nanjing Agricultural University), Professor Tian Weiming (China Agricultural University), and Dr Yao Shunli (Dialogue Manager, Peking University).

This brief summary includes key points drawn from discussions conducted and findings of the four commissioned policy papers presented at the Dialogue.

1. WTO Hong Kong Ministerial Meeting and the Doha Round

Ms Ward outlined Australia's view of the state of play in the agriculture negotiations in relation to each of the three "pillars": export competition, domestic support and market access. In her assessment of the status of the WTO agriculture negotiations, Ms Ward pointed out that the negotiations were at a critical stage. The WTO Hong Kong Ministerial Meeting provided an important opportunity to achieve a breakthrough. Without a breakthrough in agriculture, negotiations in other areas and the whole Round would not be able to move forward. China had growing export interests, and a clear interest in levelling the playing field by removing distortions on agricultural trade. While China had sensitive sectors, it would gain overall by trade reform, as it had done following WTO accession. All WTO members would need to keep pressure on the major players to prevent a minimalist outcome in Hong Kong.

Dr Qian Keming said that the Dialogue was a timely event, and it enhanced the communications between negotiators and policy researchers in their preparation for the coming intensive negotiations in Hong Kong. His analysis of various proposals suggested that negotiating positions on export subsidies were converging among WTO members, but more needed to be done in the area of market access and domestic support in the run-up to the Hong Kong meeting. In particular, the EU's proposal on market access gave too much flexibility to developed countries to avoid reform, and to date there had been inadequate consideration of both the Special and Differential (S&D) treatment of developing countries and the treatment of the Recently Acceded Members (RAMs) in the negotiations. Dr Qian outlined a new proposal on the treatment of RAMs that China was discussing with other developing countries in the G20 grouping, which it wanted considered in the negotiations.

Mr Troy Podbury presented a detailed evaluation of the limited nature of the EU's proposal on market access. He described the proposal as "clever" only in the sense that it was conditional on other countries' making concessions in areas that were most sensitive. Professor Donald MacLaren underlined the different approaches of trade negotiators and trade economists to the gains from trade. Trade negotiators tended to view trade reform in their own countries as a "concession" rather than a source of efficiency gains.

Mr Lu Xiankun agreed with Ms Ward on the complexity of the ongoing negotiations. With all issues entangled with each other, he believed that it was a difficult situation even for the most experienced negotiators. Mr Lu said that, at that moment, progress on agriculture market access, particularly with better offer from developed Members such as EU, was the key issue for the Hong Kong Ministerial Meeting. Mr. Lu also emphasized that one should not lose sight of other issues of equal importance including domestic support and export subsidies. He shared Dr Qian's view that developing countries including China were concerned that there had not been significant discussion on S&D.

Ms Ward said that the weight and importance of the Chinese economy meant that many Members were looking to China to play a role in bringing the Doha Round to a conclusion. Mr Graeme Thomson hoped that China could turn itself from a goal-keeper into a striker in the negotiation game. Mr. Lu responded that China always play a constructive role to bring the negotiations to a successful conclusion while its extensive commitments on all aspects should be taken into consideration by other Members.

2. Market Access in Agriculture Negotiations

Ms Ward emphasized that substantial progress on market access was critical to the achievement of a substantial outcome for both Australian and Chinese

farmers. The EU's market access proposal did not represent a substantially higher level of ambition than that seen in the Uruguay Round.

In mentioning his recent visit to Europe, Mr Xu Hongyuan pointed out that EU's concession in market access would largely depend on how far the EU's Common Agricultural Policy (CAP) reform could go. EU's most difficult areas would be in dairy and sugar, which were deemed sensitive.

Dr Qian reiterated that China had been actively promoting trade liberalization. However, for agriculture, China needed more policy space and time to digest its WTO accession commitments. China had to strike a balance between liberalizing agricultural trade and protecting domestic producers.

Dr Qian said that Chinese agricultural tariffs experienced substantial cuts from 55% in 1992 to 15.6% in 2003. China had no tariff peaks. Dr Ke Bingsheng clarified that in terms of weighted average, the current agricultural tariffs are as low as 7~8%. Mr Lu Xiankun added that unlike other countries, there was no "water" in the Chinese tariffs, i.e., no difference between its applied and binding tariffs, and any further tariff cuts would have a real impact on import levels.

In a commissioned paper, Professor MacLaren depicted the monopolistic behaviour of state trading enterprises (STE) and domestic marketing bureaus. He presented a theoretical framework that described a situation of the Chinese agricultural state trading and domestic marketing arrangements. The paper showed that theoretically STE reform as committed in China's WTO accession protocol could produce an ambiguous welfare outcome, depending on the interactions between efficiency gains due to more grain imports, terms of trade loss, and efficiency loss due to more distortions in domestic grain procurement market. This conclusion from the paper is consistent with the theory of second best. However, the actual welfare effect of China's STE reform would require further investigation.

3. Cairns Group, G20 and China

Ms Ward identified market access reform in relation to developing countries as the only area where Cairns Group and G20 positions differed. Respective positions on export competition and domestic support were very similar. The Cairns Group continued to advocate the importance of developing countries making real offers on market access, to maximize what the developed countries would be prepared to offer in this negotiation, and more importantly, to reap the benefits of reform which could only be gained from lowering barriers.

Professor Tian Weiming believed that with substantially reduced agricultural tariffs, China could be very flexible in adopting a position in the negotiation and is a potential leader of trade liberalization in the Doha Round. However, China's interests in agricultural market access reform *per se* is limited, partly because Chinese agriculture had a limited export potential and its major export destination countries used more sanitary and phytosanitary measures (SPS), technical barriers to trade (TBT) and anti-dumping measures than tariffs in restricting imports of Chinese agricultural products. He suggested that Chinese interests in the WTO agriculture negotiations would be better assessed in conjunction with other negotiation agendas of relevance to Chinese foreign trade, such as non-agricultural market access (NAMA) reform, which would boost Chinese labor-intensive industrial exports.

In his analysis of the G20 coalition, Mr Xu Hongyuan indicated that India would be unlikely to make concessions in market access. China's position would depend on how the RAMs issue was addressed. Dr Qian indicated that the treatment of RAMs was a new issue in the Round and also the focus of the

Chinese concern. Dr Ke regretted that the treatment of RAMs was not even mentioned in the US and EU proposals. China was not seeking “special” treatment, but rather “fairer” treatment. The general attitude in China was that China would benefit from free trade overall. However, some farmers in poorer areas in the wheat, sugar and dairy sectors would suffer. Mr Lu reiterated that China was not satisfied with the lack of progress on the S&D issue for developing countries, especially on SPS, SSM (special safeguards measures) and the treatment for developing Members without amber box.

4. Agricultural Trade Liberalization and Adjustment Assistance

Using a dynamic CGE model (MMC), Dr Yinhua Mai (Monash University) demonstrated that agricultural trade liberalization would depress the Chinese grain sector, but raise rural income when the share of non-agriculture income continues to rise. She suggested that increasing rural households’ access to non-agriculture income be an effective way to cushion and even more than offset the adverse impact of agriculture trade liberalisation on rural income.

Trade liberalization involves adjustment which would affect the livelihood of millions. Mr Graeme Thomson advised that negotiators should not be heartless reformers. In addition to adjustments policy at macro level (e.g. tax breaks), micro policies also needed to be in place to accelerate the adjustment process and minimize the pain associated with the adjustment.

Professors Zhong Funing and Zhu Jing (Nanjing Agricultural University) argued that agricultural trade liberalization could be a two-edged weapon, given the low degree of mobility of agricultural resources in China. This was the theme of their paper on the natural conditions, capital inputs, human resources and institutional arrangements affecting Chinese agriculture. The policy implications of their paper was two-fold: protective measures were required in the transitional period for certain crops and areas as these were necessary to ensure social stability; at the same time, policy instruments to improve resource mobility in Chinese agricultural should be explored and implemented to reap the benefit of trade liberalization in the long run.

Mr Troy Podbury used data on world sugar prices to show the relative impact of price fluctuations and tariff cuts on India’s sugar price over 1996–2005, highlighting that more attention should be directed at market volatility than tariff reductions when designing adjustment assistance. Adjustment assistance should target the most vulnerable: the less educated, the poor, elderly, and those living in remote areas and with small amounts of land. He presented examples of Australia’s approach to adjustment assistance programs, which included voluntary buy outs, grants for farmers to establish businesses in regions most directly impacted by reform, government supported R&D to improve agricultural practices and agricultural extension services.

5. FTA and Multilateral Negotiations

Based on a recent survey on quantitative studies on FTAs and other forms of preferential trading agreements (PTAs), Professor Wusheng Yu discussed the impact of a PTA on member and non-member countries; as well as the influence of regionalism in general on the multilateral negotiations under the WTO. He pointed out that although a PTA may offer gains to the participating countries, multilateral liberalization is likely to generate the largest gains for the whole world.

In a paper that analysed Chinese agricultural reform and its implication for WTO and FTA negotiations, Dr Shunli Yao looked into the relationship between the bilateral/regional and the global trade talks in the context of China-ASEAN and China-Australia FTA negotiations, with particular reference to the rice and wheat sectors. In terms of grain sectoral adjustment, a

comprehensive China-Australia FTA would be consistent with the multilateral process, while the China-ASEAN FTA was not. Given different trade patterns in rice and wheat in the region, the China-ASEAN FTA imposed little pressure on Japan to liberalize its rice trade; but a comprehensive China-Australia FTA could put pressure on the US and thus generate competitive liberalization in global grain trade.

Both Mr Vincent Hudson and Ms Li Yihong said that FTA and WTO negotiations were complementary to each other. Mr Hudson said the Australian Government gave the highest priority to an outcome in the multilateral negotiations, but viewed comprehensive and WTO-consistent FTAs as a means to help generate momentum in multilateral negotiations. FTAs could expose member countries to agricultural liberalization in a gradual manner and pressure other non-member countries to speed up global agricultural negotiations. Mr Graeme Thomson noted Australia's high expectations and determination to achieve comprehensive FTA agreements. He mentioned that the Australia-New Zealand Closer Economic Relations agreement was the only FTA in the world under which all tariffs and quantitative restrictions on trade in goods were eliminated.

Ms Li explained that since China had substantially opened up its foreign trade as part of its WTO accession commitments and is still in the transition period, some domestic industries are not ready for further liberalization in such a short period after the WTO accession, particularly in agricultural, services and fledgling high-tech sectors. A survey on the China-Australia FTA showed that 60% respondents were more interested in the domestic market, which they believed has huge potential. Regarding a possible "comprehensive" China-Australia FTA, Ms Li said that even the Australia-US FTA has exceptions.

Indeed, sugar is exempted from the Australia-US FTA, but only because of the strength of the US sugar lobby, which is the most powerful farm lobby in the US. China wants to exempt grain imports from its FTA with Australia mainly out of food security consideration and not because of any lobby group equivalent to the US sugar lobby. Dr Yao argued in his paper that China's grain self-sufficiency policy has much weaker institutional underpinnings, and the government's definition of grain self-sufficiency as well as its perception of the food security issue is evolving over time.

6. The Role of Universities in Trade Policy Advising

In addressing the opening session of the Trade and Development Roundtable, Professor Zhang Weiyang (Executive Vice Dean of the Guanghua School of Management at the Peking University) identified the capacity to provide policy advice as a key criteria for a successful university.

At the Applied Trade Policy Research Seminar, Mr Zhang Yong said MofCom has been actively seeking advice on trade policy issues from Chinese universities. He also introduced MofCom's efforts to build China CGE models to support its trade policy decision making. In recent years, MofCom has been sending out scout teams around the world to learn the experiences of CGE modelling in key overseas agencies and is in the process of developing a large CGE modelling project. He wished the seminar participants could lend their support to this important project.

Professor Wang Qiwen (Guanghua School of Management at Peking University) cautioned that the current incentive scheme in Chinese universities discourages CGE work, because for the same efforts put into developing a reasonably good CGE model, a faculty member could have had quite a few articles published in international economics journals, which would be highly-valued in his/her promotion, if not in practical policy advising.

In response to criticism of the seemingly incorrect negative cross price

elasticities in GTAP model, Professor Wusheng Yu explained that the said parameters are in fact uncompensated price elasticities. With all income elasticities positive in GTAP, it is theoretically consistent to have those negative cross price elasticities, even for two pure substitutes. Needless to say, given the enormous interests in and the equal amount of confusion about CGE models in the Chinese policy community, a vigorous CGE program is badly needed in a Chinese university.

相关信息:

没有相关信息

相关评论:

没有相关评论 [点这里发表评论](#)



发表、查看更多关于该信息的评论



打印本页

[| 北京大学](#) | [中心概况](#) | [BiMBA](#) | [CENET](#) | [联系方式](#) | [站点导航](#) | [繁体版](#) | [ENGLISH VERSION](#) |

Copyright© 1998-2005 北京大学 中国经济研究中心 版权所有

保留所有权利, 未经允许请勿挪用, 有任何问题与建议请联络: webmaster@ccer.pku.edu.cn

京ICP备05005746