

# WTO and agriculture sector

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**T**here are lots of things which required immediate government attention if we look towards issues related to the WTO and Pakistan's agriculture. Lack of awareness is still one of the most worrying concerns. Dissemination of the WTO related information among the all the stakeholder is largely required on the part of government on war footing basis at it has much-needed resources. To create awareness among people associated with all allied sectors, special session should be held at various levels. Civil Society and Private Sectors should also take initiative and enter in partnership with the government to share the responsibility in this regard.

It is a harsh reality that we have so far failed to prepare ourselves for the post-WTO scenario. The state of our preparedness with regards to WTO rules and regulations can be gauged from the fact that the government could hardly establish a WTO cell on food and agriculture at the Pakistan Agriculture Research Council (PARC) some two years back while appointment of co-ordinator at provincial level could be made last year.

Lack of technical expertise about WTO is the main challenge for Pakistan. Due to complexity of the world trading system, its

implementation required up-to-date knowledge and skills of not only the economic managers and policy makers but also people related to all agriculture-based sectors right from the growers.

Couple of months back, Institute of Policy Studies, Islamabad organised a series of workshops on WTO and its implications for Pakistan. The objective was to make Pakistani agriculturists, agri-businessmen, exporters and importers fully aware of WTO in general as well as its sector wise implications for Pakistan. The series also identified steps needed at various levels by different stakeholders to face the growing challenges on domestic and international front.

The speakers of the workshop rightly pointed out that Stakeholders' participation in legislation process regarding WTO in Pakistan must be ensured. Pharmaceutical information regarding patents be disseminated whether a patent exist on the product. Government of Pakistan should take quality Management initiatives for agri-produce because, following the implementation of WTO, thrust would primarily be on trade of quality products. Food security being the main concern requires sustainable agricultural policies focusing increased productivity. Aggressive market diversification strategy and search for new

market opportunities through trade centres abroad is inevitable. Marketing measures should be made efficient through web based product information and e-commerce. In addition diversification of agricultural exports from rice and cotton to non traditional high value added agricultural exports is inevitable.

At par with reform of commodity markets, the efficiency of input delivery system should also be improved. Black marketing, underinvoicing and sale of substandard fertilisers, pesticides and seeds should be eradicated through strict punitive actions, open market sales and breaking up of monopolies of registered dealers, industrialists and the government. For an effective entry into export market, Pakistan should concentrate on commodities with high comparative advantage and invest heavily in storage, packaging, grading, procurement and delivery system technologies.

There is an urgent need to make the various cross sections of the economy in government and private sector to be informed of the changes required by the new multilateral economic system. Also arrangements should be made by the government for updates on the developments in the WTO, through its permanent mission in Geneva.

We should at least start dissemination of information about

certain important issues related to agriculture and the WTO including its possible impact on the Pakistan's economy and the steps to safeguard our interests. Being a founder member of the WTO, since its foundation on January 1, 1995, we had 10 years to streamline our domestic economy in accordance with the rules and principles of various agreements.

The issue of tariff reduction under the Agreement on Agriculture (AoA) should be given priority as it would enable the farm sector to meet WTO challenges. Building of an atmosphere conducive to enhancing competitiveness is must for this exercise as WTO agreements are aimed at boosting farm trade through substantial reduction in protectionism in the member countries.

There is dire need to mobilise all the government departments and agencies, autonomous and semi-autonomous bodies to make efforts to cope with the challenges of WTO. It is a matter of fact that a lot of time has already been wasted to achieve the required standards. If we will not accelerate efforts to formulate long term strategy, we will become an isolated nation after the enforcement of WTO regime. Development of a persuasive and long-term strategy to find new markets for agricultural products must be given due attention by the quarters concerned.

A strategy for negotiations on market access for agricultural and non-agricultural products should also be initiated in consultation with the concerned section. An important feature of the Uruguay Round was the conclusion of Agreement on Agriculture which aims at bringing trade in agricultural products fully within the framework of WTO. The original GATT 1947 contained loopholes (like use of non-tariff quotas and subsidies on exports) on agricultural products which had distorted trade in agricultural products. The agreement aims to reform trade in the sector and to make policies more market oriented.

According to the numerical targets for cutting subsidies and protections, Pakistan is required to cut subsidies of protection in ten years period (1995-2004). It has bound tariffs on agricultural products at 100 per cent. The current applied rate is 25 percent. We should vigorously use remaining period of this duration.

Among other things, government should ensure world level agricultural commodity prices to its farmers, replace government intervention with regulated private marketing system and improve efficiency of input delivery systems etc. In order to achieve growth in agricultural output and to plan for food self-sufficiency and exportable surplus, it seems necessary to

raise agricultural commodities prices to world levels. Secondly, government intervention in agricultural commodities markets is against the spirit of trade liberalisation and must be replaced by creation of regulated private marketing system.

The leading experts should deliver a series of lecture on different issues in a number of workshops and seminars to be held not only all big cities but also at small cities and towns. These experts should deliver lectures on implementation of agreement on agriculture (AoA) and its inherent weaknesses, impact of the AoA on global agri-markets, projected benefits to developing countries and actual experience mandated negotiations on agriculture

Farming community and exporters should be advised to ensure quality of produces and exports in terms of purity of the products, environmental consideration and labour standards. It may recalled that the benefits of trade reforms are heavily dependent on how the developed countries respond to reform measures especially in terms of opening up of their markets, reduction of subsidies and support to agriculture, withdrawal of export subsidies and removal of quantitative restrictions, tariffs and taxes on import from developing countries. ■

— *By Munawar Hasan*