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### STATEMENT BY THE PHILIPPINES

#### FACILITATOR'S CONSULTATION ON AGRICULTURE, MC11 MINISTERIAL DECLARATION, AND OTHER RELEVANT PLENARY SESSIONS

*12 December 2017*

The following communication, dated 12 December 2017, is being circulated at the request of the delegation of the Philippines.

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Chair, the Philippines is deeply regretful and disappointed that there is no draft decision on the Special Safeguard Mechanism (SSM) despite being a Nairobi priority like Public Stockholding (PSH) and Cotton and despite the long-standing request of an overwhelming number of Members.

The Philippines reiterates that it could not join any consensus for adopting any draft substantive decision in the absence of a solution on SSM or through an improved SSG. There simply is no sufficient political basis for us to do so.

What are we asking for? A special dispensation on the subsisting SSG: (a) to have access to a different calculation of trigger prices based on the last 3-year average price; and (b) to apply compensatory duty equal to 90% of the price gap between the trigger price and the import price.

To give context to our concern, the current SSG trigger price for corn is 5 cents/kg while the import price for the last three (3) years averaged 31 cents, which is almost six (6) times higher than the trigger price. For pork this is US\$36 cents/kg compared to US\$1.65, or almost five (5) times higher than the SSG trigger price. These mean that unless the price of imported corn is lower than 5 cents/kg and pork at 36 cents/kg, our government cannot impose additional tariff to protect our farmers. These numbers are ridiculous because the buying price of local corn is at 30 cents/kg and pork is roughly US\$4.50.

The Philippines, therefore, is in dire need of this special dispensation to be able to cushion the impacts of import surges and price declines especially for our very vulnerable sensitive products that are constantly bombarded by exports of highly subsidized products.

Madam Chair, the Philippines nonetheless would like to engage on the draft decisions to ensure that our minimum requirements could be included therein:

On the draft decision on PSH, the Philippines would like the following minimum requirements reflected in the decision:

- The Peace Clause flexibility may be extended to all public stockholding programmes that exist at the time of the adoption of this decision in MC11.
- For all programmes covered under the Bali Decision as well as those existing at the time of MC11, there must be a specific provision prohibiting direct and indirect exportation of PSH stocks.

- However, exportation may be allowed with permission from the importing country. For this purpose, the exporting Member shall notify and secure authority from the importing Member within (30) days in advance of the shipment.

On the draft decision on Domestic Support, the Philippines would like the following minimum requirements reflected in the decision:

- Phase out of Total Aggregate Measure of Support (AMS) over (10-20) years, with (25%-50%) down payment at the product-specific AMS level at the time of the decision; and
  - No commitment for those Members without AMS entitlements.
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