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AGRICULTURE

AMENDMENTS TO PARAGRAPH 1.3 OF ANNEX A

Communication from Norway

The following communication, dated 12 September 2003, has been received from the delegation of Norway.

Background

1. The Chair's draft text on Blue Box support (Paragraph 1.3 of Annex A) with a harmonisation of the Blue Box payments, limited to 5 per cent of the production value, will yield inequitable results across the Membership. In contrast to most countries, which would get increased flexibility if the Chair's proposal were to take effect, the 5 per cent ceiling would in case of Norway imply a reduction of existing Blue Box support of around 87 per cent.

2. In Norway, Blue Box support has played a major role in shifting away from more trade distorting policies, and it has been an indispensable element in our safeguarding of non-trade concerns.

3. On this basis, in order to ensure that commitments are made in a more equitable way, Norway believes that an optional approach should be available and submits the following proposal.

Proposal

The first part of Paragraph 1.3 (ii) of Annex A should be amended as follows:

"support under 1.3(i) shall not exceed 5% of the total value of agricultural production in the 2000-2002 period by [...]. <u>Alternatively, Members shall have the option to reduce their existing Blue Box</u> support, as disbursed in the period 2000-2002, by 50%."

Original: English