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Suriname

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GEORGETOWN, Guyana: The World Trade Organization's (WTO) recent proposed cut in the Most Favored Nations (MFN) rate for rice could hurt the industries in Guyana and Suriname.

Guyana's Foreign Trade and International Cooperation Minister, Dr Henry Jeffrey, said that the rate cut would result in the two countries having less of a preference to sell rice in the European market.

the only rice-producing countries during the African, Caribbean and Pacific (ACP) countries' negotiations for the Economic Partnership Agreement (EPA) with Europe .

Dr Jeffrey said that if the WTO proposal to reduce the MFN rate from 65 Euros to 16 Euros moves forward, rice-producing countries could be in "some serious trouble down the road", given that they are currently attempting to restructure their industries.

He said that Guyana has therefore written to a number of countries expressing concern over the issue and would be mobilising support among affected countries so that a strong case could be made at the WTO level.

"We are running a programme that has been partly financed by the Europeans and therefore, it's a bit problematic for us. We've been trying to work with all our partners. I've spoken to the Indian Minister of Trade... the Brazilians... sent a letter for this to be raised at the G4 meeting. I'm just out of Ethiopia where I raised the matter and I became part of the ACP resolution to the WTO on tropical and preference-related products," Jeffrey said.

The minister pointed out that while tropical products are supposed to be treated to deep cuts, preference-related products are not. He noted that goods such as rice were treated as products coming from countries that enjoyed long traditional preferences and should therefore not face such harsh reductions.

"The WTO had said that they should work to try to maintain those preferences for as long as possible to ease these countries as they restructure themselves to become part of the general world... but the proposal is, if a product is on both lists, it should be given a tropical product treatment," he explained.

A further contentious matter was that of the status of husk rice, which is sold to the Europeans, and is on both lists of tropical products and preferential products.

"That's another issue that we're also quarrelling about - that all rice should be on the preference list. Husk rice is the only rice on the preference list, but it's also a tropical product and therefore, subject to deep cuts and these cuts could be as much as 85 per cent," he said, although adding the WTO was talking about a 65 per cent reduction.

Jeffrey said that the Guyana government's proposal, sent to the WTO, put forward the suggestion that rice be treated like bananas, since that commodity, although a tropical product, has enjoyed long traditional preferences.

"So we're saying that it should be... put on what the WTO would call an 'x' list. The 'x' list products are treated specifically and wouldn't be subject to the overall cuts," he said.

The minister added that although rice may currently be "riding high" on the market, the industry would be in for a long haul if the WTO's proposal went ahead.

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