Towards the Development of Philippine Agricultural and Service Exports in the light of the New Round of WTO Negotiations

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Introduction

Even prior to its membership to the WTO in 1994, the Philippines had already instituted a comprehensive tariff reform program that provided for a liberal schedule of tariff reductions and concessions on selected industrial and agricultural products, which were overtly in excess compliance of the commitments required by the organization. This trend can be noted in the remarkable reduction of the country's average MFN tariff rates from 26% in 1992 to a little below 10% at present. Notwithstanding the crushing impacts of the Asian Financial Crisis of 1997, which crippled the financial viabilities of several industries across Asia, the Philippine government remained undaunted in its bullish resolve to attain a 5% average MFN tariff rate by January 2004 and managed to maintain wide differentials between its applied and bound rates.

Furthermore, beginning from the incumbency of President Fidel Ramos, the country pursued an aggressive liberalization program in trade and investment policy by opening up strategic sectors such as telecommunications, mining and the retail trade services to partial foreign ownership; progressively eliminating tariff peaks and setting a course towards the tarrification of quantitative restraints. To provide vital safety nets for the protection of domestic industries, and as countermeasures against possible preparations of unfair trade practices, the country consequently ratified key legislation in the form of anti-dumping, countervailing and safeguard, duty laws. These trends reveal an apparent firmness on the part of the Philippine Government to conscientiously advance in its unilateral path towards freer trade in all economic sectors notably in anticipation of reciprocity and special and differential treatment from its trade partners in the developed world to accommodate its high value export goods.

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Unmet Expectations and Opportunities Posed by Negotiations

Unfortunately, the expected reciprocity and/or special and differential treatment, which were expressly anticipated by the country during the Uruguay Round of negotiations, did not completely materialize. The emergence and continued maintenance of subsidies in the agricultural sector, tariff discrimination, and non-tariff barriers such as sanitary and phytosanitary standards in the developed countries of the EU, US and Australia have remained perennial market access issues for the developing world, inclusive of the Philippine experience . The prospect of engaging in a new round of negotiations would therefore entail the establishment of another venue in which interests and legitimate clamors of the Philippines and the rest of the developing world could reverberate and bear upon the hindrances to fair trade imposed by the developed world. This will enable members of the developing world to assertively rally their cause to exploit their respective comparative advantages in the agricultural and service sectors, as the modalities of negotiations are finalized.

Purpose

This paper is meant to provide a brief factual background of the current political and economic situation enveloping the Philippine agricultural and services sectors. It will also skim through the present initiatives that the country is undertaking to promote its competitiveness in these sectors for the purpose of finally recommending possible focus areas of priority in view of the forthcoming round of negotiations.

Overview of Agricultural and Services in Relation to Total Production Output

The Agriculture and Service sector may be considered as the extremes of the spectrum of Philippine trade competitiveness. On one end, we can observe an irony in an agricultural sector, which despite the abundant existence of arable lands and natural resources, had failed to live up to its most productive potentials. For a fact, the country has become a net importer of essential agricultural products such as rice, milk, cream and wheat notwithstanding the dedication of 47%, or 13 million hectares[20] of its total land area for farming. In 2001, the trade deficit in agricultural products shot up 27% to US$1 billion, while in 2002 agricultural growth declined to 3.5% from the 200 figure of 3.5.[21] On the other end, we have the multi-faceted sector of the services, which has proven to be a veritable repository of Philippine comparative advantage, particularly in low to high value added labor-intensive services. In 2002 alone, the service sector

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[20] http://www.tradepartners.gov.uk/agriculture/philippines/profile/overview.shtml.
[21] Ibid.

posted the highest rate of growth at 5.4% as against 4.1% and 3.5% for industry and agriculture respectively. This considerable rate of growth in the services was rallied by the transport, communications, and storage services which expanded by 8.9, followed by wholesale/retail (5.7), private services (5.5), government services (4.6), finance (3.2) and real estate (1.6).[22]

These trends can be readily observed in the composition of the country's total production output, which reflects the underutilization of the country's agricultural factors and resources. In the beginning of the 1980s Philippine agriculture made up a quarter of GDP, with the services edging slightly ahead at 35%. The coming years however will witness a widening performance gap between the two sectors, as the delineation of comparative advantage became much clearer. During the aftermath of the financial crisis, the service sector laid claim to a clear majority of the total Philippine GDP at 52%, while agriculture settled for a comparatively lower share of 17%. In 2002 owing to a rebound in the industrial sector, 46% of GDP was attributed to the services, while agriculture only accounted for 20% of total GDP.

Agriculture

Years of adversity under a regime of import substitution-industrialization

The immediate cause of the dismal performance displayed by agriculture in the Philippines can be partially ascribed to the country's hard line resolution to pursue a strategy of import substitution industrialization at the beginning of the latter half of the 20th century. This era was characterized by generous subsidies granted to heavy industries, high tariff walls for industrial products and substantial disbursement of foreign loans to finance capital intensive industries and bail them out from constant losses. This policy mindset diverted vital funds and attention from the country's flailing agricultural sector, which was deprived of the necessary irrigation, infrastructure and crop development projects during those crucial years. The failure to invest in farms, to market roads, farmer training, advanced agricultural techniques and strategic irrigation facilities caused the sector to progressively lag behind relative to its ASEAN counterparts. Furthermore, the flow of public funds and incentives for business were concentrated on the development of the urban areas, particularly Metro Manila instead of the farming and fishing villages in the hinterlands whose rudimentary methods of production barely surpassed levels of subsistence, making it impossible to achieve linear development and exploit economies of scale.

Perennial conflicts in the political sphere such as the protracted armed struggles of insurgent farmers and communist factions in the rural areas arising

[22] http://www.virtual-asia.com/ph/weekly/030203ph.htm.

from discontentment over the long delayed implementation of the agrarian and structural land reform served to aggravate the situation towards a more somber prognostication. Vast tracts of fertile lands and untapped natural resources thus became less accessible and less attractive to develop and extract due to the constant threat of violence and the likely extortion of so called “revolutionary taxes” from the active insurgents who may take unsolicited interest in the land’s produce. Less than concerned landlords likewise, no longer bothered to harness the full potential of the hectares of farmland they owned and allowed their assets to lay idle and unproductive, much to the detriment of the domestic farmers who then, rarely had the opportunity to own up to the lands they tilled.

Renewed Hopes: Export Orientation and WTO Renegotiation

Towards the middle of the 1990s however, late in the realization of the country’s primeval source of comparative advantage and as the viabilities of infant industries turned for the worse, the Philippines started adopting a policy of export orientation and agricultural support. In 1994, Congress passed legislative measures to support the domestic export industries. RA 7844, or the Export Development Act of 1994, recognized that “the link between export growth and countryside development must be strengthened through policies favorable to SMEs, regional industrial centers, and export-processing zones to boost rural and farm-based entrepreneurship in identified geographic economic growth areas of the country” and articulated that “agricultural policies shall build up the viability and competitiveness of the country’s agriculture sectors and facilitate their linkage with industry to strengthen the industrial-industrial base of the country’s export thrust.”[4] Its provisions allow for the granting of tax incentives to Philippine exporters, and tax credits for the importation of non-locally produced raw material inputs destined for export processing and special economic zones; the existence of which has provoked some anxieties and questions on the part of the developed countries.[5]

Holding true to its commitments under the WTO however, the country did not automatically call for a readjustment of tariff rates for agricultural products; instead it focused on the tarrification of quantitative restraints, except for rice, and sought refuge for 118 sensitive products under the Special Agricultural Safeguard Measures. Parallel to these developments, the Philippine government recognized the necessity to produce in light of the imminence of multilateral tariff reduction and globalization in 1997, Congress enacted the Agriculture and Fisheries Modernization Act (AFMA) which granted various tax and duty exemptions for essential inputs to the agricultural sector such as machineries, fertilizers, and seeds. This same act likewise appropriated a fund of more than a

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[4] http://www.virtual-asia.com/ph/bizpak/legalcodes/export_1994_01.htm
[5] http://mkaccdb.eu.int/mkdb/stb/barrierdesint.pl?bnumber=010052

billion pesos for the rehabilitation of the sector and afforded for the installment of social safety nets which may be needed to ameliorate the potential displacements brought about by the gradual elimination of agricultural tariffs.

Private sector consultations on modalities for future negotiations and TF-WAAR

To purvey and assert domestic agricultural concerns at the multilateral trade negotiating table, the Department of Agriculture and concerned private sector groups formed a Task Force for WTO Agriculture Agreement Renegotiations (TF-WAAR) to discuss possible modalities for agricultural negotiations in the next WTO round of talks, which would be reflective of the interests of the country and the rest of the developing world. This task force convenes regularly and has already presented proposals for the negotiations on agriculture. These proposals contain a suggested framework for the modalities of the WTO round of negotiations giving due consideration to the inter-linkages between the issues of market access, domestic support and export subsidies.

The Philippine position

The Philippine proposal, which speaks of the country's adamant stance to assure market access and stimulate export development, argues that a scheduled tariff reduction will have to be complemented by a simultaneous, or interlinked compromise that will guarantee the commensurate phase out of trade distorting domestic support. This consists of two stages,[6] each to be implemented for a period of three years. The first phase or the harmonization stage will entail the setting up of a mechanism for tariff reduction beyond negotiated levels, integrating special and differential treatment to address tariff peaks and mega tariff distortions. For purposes of harmonization and uniformity, this phase would entail the conversion of all tariff scheduled into ad valorem terms, and the reference to Uruguay round bound rates as the relevant base levels for reduction. To insulate developing countries from trade distorting export subsidies and domestic support measures from the developed world, special and differential countervailing measures will be applied throughout the two phases. During the second stage, termed as the tariff reduction phase, the Philippines recommends the application of the Swiss formula,[7] without exception provided that the coefficient of developing countries will maintain a comfortable magnitude higher than that of the developing countries to allow slower reductions and longer implementation periods for the former. This completion of the first stage and the commencement of the second will be realized as soon as the developed countries

[6] Taken from a contribution of the Philippine mission to the WTO entitled *Integration of reforms in Export Completion, Domestic Support and Market Access in World Agricultural Trade; Basic Elements,*

[7] New Tariff = (Current Tariff * coefficient) / (Current Tariff + coefficient)

have substantially lowered their levels of trade distorting domestic support. A lobby to reserve developing countries the exclusive right to avail of special safeguards (SSG) and since although intended to address price volatilities and sensitivities in developing countries these measures have only been extensively utilized by the developed countries.

Salient features of the proposal relative to domestic support include the simplified classification of such measures into two categories; the amber box, for trade distorting support and the green box, for non to minimally distorting support. The contents of the blue box therefore, and the decoupled support payments under the green box will be rerouted to the amber box and scheduled for reduction. This will require a redefinition of the Aggregate Measures of support (AMS) to include within its scope, the amber box and decoupled support payments.

With regard to export subsidies and domestic support, the Philippine position calls for the obligation of developed countries to immediately eliminate all forms of export subsidies and prohibit them permanently and unconditionally over (3) three years, while extending the same obligation for developing countries for a longer timeframe of six (6) years. Minimum caps are also prescribed for various categories related to minimizing the, advertising and transport costs of exportation in developed countries.

To supplement these movements toward greater market access and fewer trade distortions from domestic support and export subsidies, the Philippine proposal makes an equivalent clamor for the elimination of export monopolies held by exporting state trading enterprises and putting in place a system of discipline in their operation in order to avoid conflicts with subsidy reduction commitments and ensure transparency. The same call for tighter discipline applies to the issuance of export credits.

Perennial impediments to market access

These pillars of the Philippine trade negotiating team for agriculture is designed to develop the domestic agricultural sector through the creation of market opportunities in the developed world, and the propagation of small and medium scale enterprises engaged in the exportation of local produce. However, much remains to be done in installing teeth in its capabilities at the Dispute Settlement Body (DSB). Discriminatory tariffs against Philippine tuna exports to the EU and the US remain. Excessive Australian sanitary and phytosanitary standards on the country's banana and pineapple exports have served as a convenient – albeit – questionable non-tariff barrier that has deprived local producers of an otherwise legitimately claimed share of their markets. Philippine desiccated coconuts have been slapped countervailing duties upon entry in

Brazil, based on almost entirely on technical grounds and questions on applicable laws.[8] While the Philippines remains wanting of the funds a necessary to muster sufficient man power and technical expertise to successfully manage its dispute settlement concerns, market access and export development would remain a formidable challenge on top of the arduous uphill climb it already faces in the next round of negotiations.

Other options for export markets

Dauntlessly however, despite the road blocks that may lay ahead in securing its share of the international market under the auspices of the WTO, the Philippines government, continues its consultation with domestic agricultural players to seek viable options to penetrate the ASEAN and China markets through the AFTA and the Asean-China FTA which is bound to materialize in the next ten (10) years. At the Tariff Commission, Philippine exporters of carageenan and coconut oil for instance are currently batting for their inclusion in the Early Harvest Package (EHP) for them to avail of lower tariffs and successfully gain a portion of the enormous 1.2 billion China market. A proposal to draft an EHP list for the Philippines comprised of all non-locally produced unprocessed raw materials has also been sounded at the Tariff Commission. However, owing to the general consensus of the Department of Trade and Industry that no genuine comparative advantage for the Philippines exists in raw, unprocessed agricultural products, apart from a small minority of fruits, vegetables, extracts thereof and seaweeds, prospects for the country's participation in the EHP does not hold much optimism. Corollary to this, in almost every public hearing of the Tariff Commission, majority of the agricultural producers meats and crops to the levels of their maximum MFN bound rates; often with the heated remark that the acceleration of tariff cuts was a unilateral decision which was not initially consulted with the private sector and that the AFMA funds allocated to serve as their safety nets had not been disbursed properly. Since the National Economic Development Authority has already issued a statement that the EHP would do more harm than good, it is not very likely that the pending domestic proposals favoring the country's inclusion in the EHP will prosper.

Apart from the current impediments that Philippine agriculture must hurdle at the level of multilateral trade negotiations, several domestic concerns still require the immediate attention and action of government. Foremost, is the long delayed institution of genuine agrarian reform to motivate domestic farmers to maximize idle, underutilized agricultural assets. For the same purpose, agreeable profit sharing schemes between civil society groups such as the

[8] http://www.sunsonline.org/trade/areas/commodit./10240096.htm.

Philippine Chamber of Commerce and Industry (PCCI) are requesting government financial institutions to accept farm lands as collateral for loans that farmers can use to acquire advanced machinery and build the irrigation systems necessary to improve crop yield and productivity. Technology transfer should also be accompanied by a massive educational effort to impart the important skills and expertise related to the application and management of modern farming techniques such as crop rotation and soil-less planting. Research and development is currently being intensified and profitable pharmaceutical or industrial usages for indigenous flora. Current research initiatives should similarly explore the likely conditions and locations in which higher value crops such as vegetables, asparagus, and lumber can be planted and harvested for higher foreign exchange inflows from higher value exportations.

Other issues

Moreover, for the Philippine cause to be more favorable and attractive to its trading partners at the WTO, it should exude adherence to greater reciprocity by toning down the politically motivated anomalies in its confidence to foster healthy competition through trade liberalization and facilitation. A poignant case in point is rice, which stands as the final frontier for the tarrification of all quantitative restrictions. The incumbent Secretary for Socio-Economic Planning once broached that the status quo of giving government exclusive rights to rice importation is a primary occasion for rent seeking government. He reckoned that only unscrupulous traders; who import rice during at exorbitant prices during planting season, are seen as the questionable beneficiaries of this scheme. For the greater interest of food security and transparency, it may thus be only a matter of time before the restrictions on rice are lifted and tarrified. This betrays and accentuates the urgent need to pursue a parallel track of research for higher value crops to replace crops in foregone expectation of the economic displacement of local rice farmers.

Services

Constant sector boom

Leaving the more sensitive issues of agriculture behind, we now delve into the background and future export development prospects for the country's service sector. It was already mentioned that the services, apart from accounting for almost half of local GDP, have also been the top performer in recent years, most especially in the export processing of semiconductors and electronic equipment. Undoubtedly, the upswing in which the service sector currently finds itself is a function of the aggressive measures undertaken in the early 90s to liberalize trade and investments in various sectors and opening them to foreign competition, notable of which is the breaking of the inefficient telecommunications monopoly which had been opprobrium to previous generations of consumers. The country's positive adoption of policies for domestic export support, and the conversion of the former US naval base of Subic and the airbase of Clark into special export processing zones further bolstered the expansion of the service sector.

Shortcomings: unemployment and underemployment

Despite the high growth rates registered by the domestic service sector however, it has not expanded fast enough to arrest the shrinkage of the domestic labor market. Since the domestic economy could not accommodate the hundreds of thousands of potential entrants to the labor force each year, job hunting has become an extremely competitive feat. Matching the qualifications of applicants with the appropriate work descriptions has become even more difficult, compelling and substantial portion of the domestic force to settle for low income menial occupations that lag far behind their actual credentials. The lack of quality jobs with sufficient compensation has led to a continuing phenomenon termed as the "Overseas Filipino Worker (OFW) diaspora" which began in the 1970s, at the height of the debilitating oil shocks and the rise of the Arab oil economies. Thousands upon thousands of Filipino engineers, and technical experts seeking higher incomes flocked to the Middle East at the time to quench the high skilled labor demands of the burgeoning oil and construction industries in Saudi, Bahrain, Iraq, Dubai, Kuwait, UAE and other Middle Eastern nations. This trend intensified into the 80s and 90s, as shortages in care givers, nurses and teachers befell developed economies with dwindling and aging populations, attracted more and more Filipinos to serve abroad. This exodus continues today with equal intensity. In 2002 alone 77,601 Filipinos lost their jobs, an 8.1% increase from the previous figure of 71,764. In that same year (2002), 886, 885 Filipinos left the country to take employment abroad. [9]

Human Resources: bulwark of Philippine comparative advantage

I recently mentioned, that, as opposed to the agricultural sector, it is in the sector of the services where the country finds its greatest source of comparative advantage, made possible in large part by its highly competitive labor force which has been internationally recognized for their fast learning curves, high levels of literacy and extensive exposure to quality education and technical training. Based on its research surveys, the US Based Meta group ranked the country first in the availability of knowledge based jobs and workers worldwide and 4th among Asian nations in terms of labor quality. These findings are put into perspective by the fact that the Philippines is the 3rd largest English

[9] http://www.virtual-asia.com/ph/weekly/030203ph.htm

speaking country in the world,[10] since the language has been the designated as the medium of instruction at all educational levels since the early decades of the 20th century.

Today, Filipino labor and its distinct qualities can already be considered a fixture in nearly every country. Its managers, educators, professionals, engineers and staff share a competitive advantage with regard to service quality and proficiency. This unique advantage held by country's human resources may be attested to, by multinational companies, government agencies and other institutions both here and abroad who have previously hired the services of Filipinos. GATS WTO therefore offers the country a more auspicious opportunity to exploit this comparative advantage and gain a substantial foothold in the international market. Further, through the GATTS, it may negotiate for better terms, such as national treatment, fewer hindrances to labor mobility and special and differential privileges from the developed world. Establish international linkages in the service sector abroad will facilitate technology transfer and skills training locally, enabling the Philippines to continuously upgrade the capacities of its workforce. All local professionals, including farmers and agriculturists would likewise benefit from such arrangements and extensive global ties. This should reasonably imply however, that local interests are safeguarded from further labor displacements, loss of regulatory powers over labor practices and pricing structures, and lastly, the deterioration of cultural integrity.

Domestic silence with GATS

Despite the existence of the abovementioned considerations, however, circumstances still indicate inadequacies in the Philippine effort to exploit GATS to its greater advantage. In the ongoing sectoral talks in the services, the Philippines does not play as much of a role as it does for the controversial issues surrounding agriculture. As a matter of fact, one could surmise that the frequency of GATS as a topic in local debates and hearings is surprisingly low, considering the potential ramifications it may have on the country's fastest growing sectors. According to Philippine professor Rene E. Ofreneo "GATS remains a big unknown, very little is known about it, nor are there extensive discussions in Congress and in the planning circles about Philippine participation in GATS."[11] Nonetheless, by virtue of the 1994 Senate hearings, the country committed to a "stand still" position, meaning a passive stand not to pursue any further entry restrictions, in the following sectors: communications, financial, tourism and transport services.[12]

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[10] http://www.boi.gov.ph/why_phils.html

[11] http://apan-info.net/ndcp/occasional_papers/HTML/Phil%20under%20GATTS.htm

[12] Ibid

Mismatched efforts with agriculture, blaring oversights

The interests of the domestic service sector are not equally embodied in a formal task force comprised of private sector and government representatives with the same magnitude as the one organized for agriculture. This may explain the infamous oversight of the Philippine negotiating panel when it failed to assert the inclusion of Overseas Filipino Workers (OFWs), under the concept of the "movement of natural persons." Without their inclusion in the said definition, Filipinos working completing overseas contracts will not be definitively considered as service providers abroad, but rather solely as overseas employment seekers. To fully purvey and develop the competitive advantage of the highly skilled Filipino laborer, future negotiators should decisively resolve this contention[13].

Foregone challenges to hurdle

The waters that Philippine negotiators will tread turn rough when the discourse begins to focus on the demands of OECD countries for the Philippines to lift its exemptions that the country holds with respects to the financial and professional services. At present, the Philippines only accords MFN treatment foreign financial service providers abroad who render the same preferential treatment for their Philippine counterparts abroad. The opening up of the professional services to foreign investments act of 1991, pursuant to the admonition prescribed by the Philippine constitution. Although some exemptions have already been granted to accommodate foreign professionals covered by contracts with foreign organizations and companies related to the country's thrust to intensify infrastructure and construction development, this negative list is still bound to be questioned. Particular attention may be brought to the continued practice of "labor market tests"[14] in the country and the criteria by which the results of these tests are based. Furthermore, land ownership restrictions for foreigners, which are explicitly mandated by the constitution, may be construed as inconsistent with GATS provisions could likewise be raised for debate.

It is most unlikely for the Philippines to bend over these demands just yet, since doing so would necessarily entail the incorporation of amendments to the constitution. In recent experience, any motion or proposal to alter specific provisions in the Philippine charter has been met with violent protests that have

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[13] Ibid

[14] These are conducted prior to the acceptance of a foreign application to ascertain whether the qualifications for the occupation he/she is to fulfill in the country is or is not available within the ranks of the domestic labor force.

threatened to cause deep crevices in the country's social integrity. Therefore, it will be in the best interest for the country's political and economic stability to have these exemptions extended or kept off the negotiating table.

Identification and support for globally competitive services

Outside the negotiations, the country must focus its energies in identifying and extending the needed support for domestic service sector industries that have the potential to effectively compete internationally. A few years back education, tourism, recreation and medicine have already been identified by the government as prospective areas wherein Filipinos can excel and make a dent in the global market.[15] All that remains to be done are the investment in research and development projects and effective marketing strategies to further promote local services abroad. In the event that further liberalization could no longer be averted in the sensitive sectors of the utilities, professions and financial services, government will have to immediately contemplate and research the installation of safety nets or relief programs to find alternative occupations for potential displacements. Repercussions that may ensue from rescinding the country's "stand still" attitude in the sensitive service sectors however may be minimized, provided that direct competition would be limited to larger players, with due exemptions for micro to medium enterprises, just as the country did when it liberalized the retail trade sector in 2000.

Conclusions/Recommendations

The Philippines is currently undertaking a simultaneous effort to develop its agriculture and service sectors, while securing a fair and favorable bargaining position for the exports of the same, at the WTO as a new wave of commitments under the ambit of the Doha round of negotiations draw nearer. This time around, notwithstanding a few setbacks, the country will have sufficiently mastered and fine tuned its arguments and straightened out its priorities to build a stronger case for these two sectors before the international trade negotiating community.

The country already manifested a high level of capability in unifying and rallying the cause of developing countries along its side in the ongoing talks regarding the access of their agricultural products to the markets of the developed world. Its proposed framework of modalities expounding on the inter-linkage of tariff reduction with the export subsidies and domestic support has proven to be an effectual

[15] http://apan-info.net/ndcp/occasisional _papers/HTML/Phil%20GATTS.htm

contribution in turning the tides of the discussion nearer the favor of the needier nations.

With regard to the service sector, a similar task force akin to TF-WAAR, will have to be organized to be effectually represent the country's interest, in particular reference to the millions of OFWs whose remittances contribute heavily to the stability of the country's domestic system of finances. A shrewd manner of bargaining must be planned and employed in order to assure that upon the conclusion of the following round of negotiations, OFWs would have already been included under the conceptual definition of "movement of natural persons" so as to recognize them as service providers or agents thereof, rather than job seekers. The Philippines would lose a great deal and miss out on fully maximizing the single most profitable advantage it grasps in its highly competitive labor force, if it does not successfully purvey this aspect of the negotiations. In this regard, the government should shake off from its long dormancy in tackling the fate of the country's service under GATS, and initiate bold moves to secure a more active role in the negotiations by conducting the needed consultations with the private sector.

At the end of the day however, what would constitute a defensible case for enhanced market access to developing countries and more favorable terms of negotiations, would be determined less by the specific contents of a framework proposals than the overwhelming concurrence of the developing world to settle differences and rally in unison behind this cause. The capability of developing countries to surmount the likely adversities that they may encounter in the next decade of the multilateral trade order will rest upon the consistency and harmony of their respective positions. Lines of communications between and among members of the developing world should be kept open, especially in these trying times, for the threshing out of elusive commonalities in negotiating positions. Supplemental to the continuing dialogues, efforts must also be focused on prevailing trade issues, so as to avoid the difficult situation of being left behind as negotiations, particularly in agriculture, enter the advanced stages.