

Revised Paper- Progressing WTO Ministers Decision to Eliminate Export Subsidies

Background

In December, 2015, WTO Trade Ministers agreed that the Export Subsidy for Agriculture products should be completely eliminated and or phase out. This Ministerial Decision was very difficult and took some time for WTO members to finally agree on. This was due to differentiating needs and interest of members in the Agricultural industry between developed and developing economies. This commitment seeks to promote fair competition to thrive amongst exporters and importers of agriculture products as well as addressing trade distortion measures within the market environment and allow for a level playing field.

Addressing agricultural export subsidy has been a long outstanding demand from many economies notably, developing economies. Progress made has subsequently made the multilateral trading system fairer, for farmers worldwide and would create a more level playing field for trade.

In light of this agreed decision as a result of 10th MC in Nairobi, the APEC Agenda on supporting the Multilateral Trading System will encourage, promote and contribute to progressing the objectives of the Bogor goals and to allow for fair trade amongst the APEC economies.

APECs contribution towards Supporting the Multilateral Trading System

The objective of this paper is to encourage economies to implement the WTO commitment on the Export Subsidy of which the proposed mechanism supports APEC's commitment and promotes transparency, that member economies can use to provide information hence phasing their subsidy (is) as per the Nairobi Decision on the targeted years.

This process will complement and not duplicate the WTO's existing notification process. The information will be shared and updated on a regular basis by member economies to provide information on the progress of their commitments to WTO process.

APEC members recognize that further work on agricultural export subsidy reforms may be required to even the playing field in agriculture trade as part of the journey towards achieving the Bogor Goals and build on the MC10 outcome by encouraging APEC Economies to continue negotiations at the WTO on the outstanding issues.

Progressing the Export Subsidy Commitment

APEC should aim to make commitments for the implementation of the WTO commitments on the Export subsidies from the Nairobi Ministerial Declaration in December 2015, through sharing and exchanging of information, on a voluntary basis. Sharing of information should begin in SOM 1 in 2017.

APEC ECONOMIES REPORTING TEMPLATE ON EXPORT SUBSIDY REDUCTION COMMITMENT

Export Subsidy

Aggregate Budgetary Outlay and Reduction Commitments

ECONOMIES			DEVELOPED MEMBER ECONOMIES		DEVELOPING MEMBER ECONOMIES		DEVELOPING MEMBER ECONOMIES ARTICLE 9.4 OF THE AGREEMENT ON AGRICULTURE SUBSIDIES		
	PRODUCT DESCRIPTION		WTO EXPORT SUBSIDY COMMITMENT	CURRENT PRODUCT LEVEL ¹ (AGGREGATE) SINCE 2015	EXPECTED PRODUCT LEVEL BY 2020 ² (AGGREGATE)	EXPECTED PRODUCT LEVEL BY 2018 ³ (AGGREGATE)	EXPECTED PRODUCT LEVEL BY 2022 ⁴ (AGGREGATE)	EXPECTED PRODUCT LEVEL BY 2023 ⁵ (AGGREGATE)	EXPECTED PRODUCT LEVEL BY 2030 ⁶ (AGGREGATE)
	HS Code	Product description	Estimated level in US\$	Estimated Level in US\$	Estimated Level in US\$	Estimated Level in US\$	Estimated Level in US\$	Estimated Level in US\$	Estimated Level in US\$

¹ Paragraph 6 of the Export Competition Decision (WT/MIN(15)/45 WT/L/980), "Developed Members shall immediately eliminate their remaining scheduled export subsidy entitlements as of the date of adoption of this Decision."

² See footnote three and four of the Export Competition Decision, "This paragraph shall not cover processed products, dairy products, and swine meat of a developed Member that agrees to eliminate as of 1 January 2016 all export subsidies on products destined for least developed countries... For these products, scheduled export subsidies shall be eliminated by the end of 2020."

³ Paragraph 6 of the Export Competition Decision, "Developing country Members shall eliminate their export subsidy entitlements by the end of 2018."

⁴ See footnote five of the Export Competition Decision, "developing country Member shall eliminate its export subsidy entitlements by the end of 2022 for products or groups of products for which it has notified export subsidies in in one of its three latest export subsidy notifications examined by the Committee on Agriculture before the date of adoption of this Decision."

⁵ Paragraph 8 of the Export Competition Decision, "developing country Members shall continue to benefit from the provisions of Article 9.4 of the Agreement on Agriculture until the end of 2023"

⁶ Paragraph 8 of the Export Competition Decision, "Least developed countries and net-food-importing developing countries listed in G/AG/5/Rev.10 shall continue to benefit from the provisions of Article 9.4 of the Agreement on Agriculture until the end of 2030"

This paragraph shall not cover processed products, dairy products, and swine meat of a developed Member that agrees to eliminate as of 1 January 2016 all export subsidies on products destined for least developed countries... For these products, scheduled export subsidies shall be eliminated by the end of 2020.