Trade Bargaining at the WTO: A Simulated Game with Application to Agriculture

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Overview of Today's Presentation

- Introduction to the game
- Rules of the game
- Background information for the game:
    - The WTO's broad objectives
    - Trade in agriculture: the salient issues
    - The Uruguay Round & agriculture
    - Major components of the Agreement on Agriculture
    - The post-Doha Agenda
    - State of play: New modalities for agriculture?
- Expectations for the game
- Country assignment, homework and presentation

Introduction to the Game

- We will be simulating a negotiating phase in the Committee on Agriculture at the WTO
- This will involve the following tasks:
  1. Understanding the (trade related) issues in agriculture
  2. Engaging with recent proposals on trade reform
  3. Bargaining for changes to the reform agenda
  4. Reaching agreement (or not!) on agricultural trade reform at the WTO
- I have provided relevant documentation to assist the preparation of your strategy (see Annex at the end of this document; also see document: "Draft Possible Modalities on Agriculture" distributed by TRALAC for this presentation)
- Our objective in this game is to finalise WTO policy for the agricultural sector

Rules of the Game

- Three to four delegates in the room will be assigned to represent a country that is not their own. All delegates should work in groups
- There will be five countries in total representing themselves and the regional groupings they belong to: USA (NAFTA), France (European Union), Brazil (MERCOSUR), South Africa (SADC), Malaysia (ASEAN)
- Each country's delegates will be required to work in groups to formulate a position for their country and to bargain for that position in a simulated WTO Negotiation, to take place on Monday 18 / 12
- You will be required to vote on other countries' positions, to lobby for your own positions, and formulate agreements / build alliances
- Country delegations will be required to make a ten minute presentation on their strategy for 'winning the game' (i.e. getting the new WTO agenda to work best for their country) on Monday 18/12

Rules of the Game

- This game does not work like the WTO in the sense that you will not be negotiating by consensus. Those proposals with the most votes win, and will be used to re-write the agenda
- Votes are not allocated equally, since the global negotiating agenda is not equal. The distribution is as follows:

USA:	25 Votes	Represents 50% voting power
France:	25 Votes	
Brazil:	18 Votes	Represents 50% voting power
South Africa:	16 Votes	
Malaysia:	16 Votes	

- The document we will use for this exercise is: "Draft Possible Modalities on Agriculture", published 12 July 2006. **You should thoroughly familiarise yourselves with this document.**
- You are also encouraged to do additional research on the WWW

Background: the WTO Objective to Promote Free Trade

- Why?
- Economic theory tells us that free trade leads to:

1. A maximum degree of allocative efficiency in the (global) economy
2. Specialization along the lines of the economy's comparative advantage
3. An optimal use of the economy's resources
4. Technical efficiency also increases with liberalization in those activities which would exist with or without protection, by virtue of competition of world markets with local production

Free Trade

- In addition, liberalisation relieves two specific and crucial scarcities:
  1. One is the shortage of foreign exchange: the opening of the economy, boosting its export activities (whether by removal of protection from import substitution or by granting equal protection to exports), leads to an increase of foreign exchange proceeds, and hence to an increase in importing capacity. The economy can thus sustain more imports of intermediate inputs and capital goods, which are often necessary ingredients in the expansion of production and acceleration of the economy’s growth

Free Trade

2. The other scarcity exists where protection is granted not by tariffs or other price mechanisms, but by quantitative restrictions of imports. One particular waste involved in quantitative restrictions is the loss of income derived from rent seeking behaviour

Time Frame?

- Given the welfare benefits of free trade, over what time frame can we expect the benefits to accrue?

Principles of Global Trading System

- The three guiding principles most important to the success of the GATT/WTO are *reciprocity*, *non discrimination*, and *transparency*
- Over the course of its existence, the GATT/WTO has sought to bring about effective multilateral governance of the world trading system
- Countries that are members of the WTO participate in various rounds of negotiation to try and ensure the WTO regulations stay current and address issues of concern to its members
- In the table below we look at the impact of various negotiating rounds on tariff levels in the USA to see whether there were significant differences in their levels of protection after negotiations took place

Table 1: Duty Reductions since 1934 under the US Trade Agreements Program

GATT Conference	Proportion of Dutiable Imports Subjected to Reductions	Average Cut in Reduced Tariffs in the USA after WTO Round	Average Cut in All Duties in the USA after WTO Round	Remaining Duties as a Proportion of 1930 Tariffs
Pre – GATT, 1934 – 1947	63.9	44.0	33.2	66.8
First Round, Geneva, 1947	53.6	35.0	21.2	52.7
Second Round, Annecy, 1949	5.6	35.1	1.9	51.7
Third Round, Torquay, 1950 – 1951	11.7	26.9	3.0	50.1
Fourth Round, Geneva, 1955 – 56	16.0	15.9	3.5	48.9

[Table 1 Continued]

GATT Conference	Proportion of Dutiable Imports Subjected to Reductions	Average Cut in Reduced Tariffs	Average Cut in All Duties	Remaining Duties as a Proportion of 1930 Tariffs
Dillon Round, Geneva, 1960 – 62	20.0	12.0	2.4	47.7
Kennedy Round, Geneva, 1963 – 1967	79.2	45.5	36.0	30.5
Tokyo Round, 1973 – 1979	n.a.	n.a.	29.6	21.2

- In addition: Uruguay Round: 1987-1993
  Doha Round: 2001-…(more details to come)

The Significance of the Rounds

- The first GATT sponsored multinational trade negotiations convened in 1947. Although much of the negotiation remained bilateral, the interplay among trading partners resulted in sizeable tariff cuts
- The Dillon Round was notable for acquiescing to the variable import levy and export subsidy agricultural price support policy used by the European Community (EC) but for which there was no provision under GATT
- The Kennedy Round saw successive deliberations regarding the issue of the Common Agricultural Policy used by the EC

The Significance of the Rounds

- The Tokyo Round was mainly concerned with the role of GATT after the breakdown of the fixed exchange rate system which had held since the Bretton Woods agreement
- However, despite the advances made in these negotiations, many exceptions to GATT principles had been tolerated and needed to be addressed. The main concern was for an increasing recognition of the discriminatory role which Non Tariff Barriers (NTB's) increasingly played

The Significance of the Rounds

- Other important considerations included agricultural import quotas and export subsidies; the Multifibre agreement governing trade in textiles and apparel; voluntary export restraints; barriers to trade in services; failure to protect trade related aspects of intellectual property rights (TRIPS); and retaliatory trade actions
- The Uruguay Round was successful in terms of getting agriculture on the agenda
- The Doha Round is still dealing with how to regulate these issues effectively

Types of Trade Barriers

- There is an important distinctions to be aware of:
  - Tariff barriers to trade, i.e. a charge per unit of imported goods
  - Non-tariff barriers to trade, i.e. some other form of barrier to importing
- In the tables below, we evaluate known non-tariff trade barriers – both explicit & implicit
- In both present and future Rounds of negotiations on agriculture at the WTO, these issues remain central to the ability of delegates to reach agreement

Table 2: Explicit Non-Tariff Trade Barriers

Explicit Trade Barrier	Description
1. Import quotas	Restrictions on quantity and/or value of imports of specific commodities for a given time period; administered globally, selectively, or bilaterally
2. Voluntary export restraints	Restrictions imposed by importing country but administered by exporting country; administered multilaterally and bilaterally; requires system of licensing; essentially similar to an orderly marketing arrangement
3. Domestic content and mixing requirements	Requires that an industry use a certain proportion of domestically produced components and/or materials in producing final products
4. Antidumping duties	Imposition of a special import duty when the price of imports is alleged to lie below some measure of foreign costs of production; minimum prices may be established to “trigger” antidumping investigations and actions
5. Countervailing duties	Imposition of a special import duty to counteract an alleged foreign government subsidy to exports; normally required that domestic injury be shown

Table 3: Implicit Non-Tariff Trade Barriers

Implicit Trade Barrier	Description
1. Government procurement policies	Preferences given to domestic over foreign firms in bidding on public procurement contracts, including informal procedures favouring procurement from domestic firms
2. Macroeconomic policies	Monetary/fiscal, balance of payments, and exchange rate actions that have an impact on national output, foreign trade, and capital movements
3. Competition policies	Antitrust and related policies designed to foster or restrict competition and that may have an impact on foreign trade and investment

Implicit Trade Barriers (Continued)	
4. Government industrial policy and regional development measures	Government actions designed to aid particular firms, industry sectors, and regions to adjust to changes in market conditions
5. Government financed research, development, and other technology policies	Government actions designed to correct market distortions and aid private firms; includes technological slipover's from government programs, such as defence and public health
6. Health and sanitary regulations, quality standards, animal welfare, and environmental laws	Actions designed for domestic objectives but that may discriminate against imports
7. Safety and industrial standards and regulations	Actions designed for domestic objectives but that may discriminate against imports

Trade in Agriculture: Background

- Before 1995, framework for agriculture was very weak
- Countries could provide high levels of domestic support (e.g. subsidies) that often resulted in overproduction and depression of world market prices
- Farmers in developing countries suffered the most – low prices and unemployment. Their products could not compete with subsidised products from foreign countries
- Realisation by negotiators that any agreement must go beyond the traditional remit of GATT market access
- Agreed that the reform programme should cover three main areas:
    1. Market access
    2. domestic support
    3. Export competition

1. Market Access in the Uruguay Round

- Uruguay Round = first time agriculture put explicitly on the agenda. Lasted from 1986 – 1994
- Developed countries:
  - Average tariff for all agricultural goods: 36%
  - Minimum decrease per tariff line: 15%
  - Time frame for implementation: 1995-2000
- Developing countries:
  - Average tariff for all agricultural goods: 24%
  - Minimum decrease per tariff line: 10%
  - Time frame for implementation: 1995-2004
- Least developed countries:
  - No reduction commitments
- Special Safeguard (SSG) measures introduced. Allowed additional (temporary) import duty

Market Access: Reduction Methods

- Note that there are various ways of reducing tariffs and increasing market access:
  1. Single rate: tariffs are cut to a single rate for all products
  2. Flat rate % reductions: the same percentage reduction for all products, no matter whether the starting tariff is high or low. E.g. all tariffs cut by 25% on each product over five years
  3. Uruguay Round approach: produced an agreement for developed countries to cut tariffs on agricultural products by a greater level and over a shorter time frame than developing
  4. Harmonizing reductions: designed to make steeper cuts on higher tariffs, bringing the final tariffs closer together (to "harmonize" the rates)
  5. Other methods: various formula approaches, most well-known is the "Swiss formula"

2. Domestic Support in the Uruguay Round

- The main principal behind discussions on domestic support is that any support must be de-linked from production. This is because production-related support is one of the most trade distorting forms of support
- Special and differential (S&D) treatment is afforded to developing countries: government measures designed to encourage agriculture and rural development are recognised to be an integral part of development programmes in developing countries – investment subsidies, input subsidies for low-income and resource-poor farmers and support to encourage the diversification from the production of illicit narcotic drugs

Domestic Support (continued)

- In WTO terminology, different types of subsidies are identified by "boxes".
  1. Amber box (not permitted): all domestic support measures considered to distort production and trade (with some exceptions). Includes measures to support prices, or subsidies directly related to production quantities
  2. Blue box: this is the amber box with conditions that are designed to reduce distortion. Any support that would normally be in the amber box, is placed in the blue box if the support also requires farmers to limit production
  3. Green box (permitted): in order to qualify, green box subsidies must not distort trade, or at most cause minimal distortion. They have to be government-funded (not by charging consumers higher prices) and must not involve price support

3. Export Competition in Uruguay Round

- Strictly prohibited. Why? Export subsides can allow an exporter to sell below cost of production. Subsidy usually depends on the difference between the world and domestic prices
- As prices fall or rise, the subsidy increases or decreases, protecting the exporter from market fluctuations
- This contributes to rapid changes in world prices – reduction of supply in times of high prices and increase in supply when prices are low
- This often leads to displacement of exports in third markets and unfair competition in the home market of producer not receiving subsidies
- However, there is S&D treatment for developing countries with export subsidies, subject to conditions

The Doha Round and the Doha Work Programme

- For agriculture, the Doha Round (2001) began by establishing certain key objectives that included finalising modalities and committing members to formulating comprehensive draft schedules based on these modalities
- The Doha Work Program (July 2004) proposed a “Framework for Establishing Modalities in Agriculture”
- It is useful to review this document, as it formed much of the basis for negotiation before and since 2004, and led in part to the July 2006 document on Draft Modalities
- Both of these documents are useful for the game, in that they help one understand what the issues on the table are and compel one to think about the implications of each point

The Doha Work Programme (DWP): 2004

- Reaffirmed the mandate of the Doha Ministerial Declaration
- Long-term objective of establishing a fair and market-oriented trading system through a programme of fundamental reform
- Final balance to be found only at the conclusion of negotiations and within a single undertaking
- Modalities to be developed need to incorporate operationally effective and meaningful provisions for S&D
- Cotton was recognised to be an important commodity and modalities were established for it
- Discussion below based on three components of agriculture negotiations: (1) market access, (2) domestic support, and (3) export competition

1a. Market Access & DWP: Key Issues

- Should reductions be made on the basis of a linear formula or a non linear formula (e.g. Swiss formula)
- Should there be a combination of both formulae?
- Should there be a tiered (banded) approach? If so, how many bands?
- How to handle sensitive products of developed countries – should they be exempted or minimally reduced?
- Should developing countries be able to protect certain special products (SP) – should they be exempted?
- Should developed countries continue to be able to use special safeguard measures? Should this right be extended to developing countries?

1b. Market Access & DWP: Summary

- Substantial improvements in market access for all products
- Reductions to be made using a tiered (banded) formula
- A progressive approach to be taken: tariffs in higher tiers to be subject to deeper cuts
- To be negotiated: how many tiers, which formula(e), sensitive / special products, quotas
- Sensitive products – flexibility for Members, but substantial market access improvement for every product
- S&D for developing countries – more time, gentler cuts, SSM, SP, improved access for tropical products, narcotic replacement crops
- LDCs not required to undertake reduction commitments; duty-free and quota-free access for LDC products, importance of cotton to LDCs
- Preference erosion to be addressed

2a. Domestic Support & DWP: Key Issues

- What sort of reforms should be made to the three boxes – Green, Blue, Amber and S&D?
- Re amber: it is generally accepted that they cause over-production, distort trade and should be substantially reduced. Question is by how much should current levels be reduced?
- Re blue: the issue is whether it should be maintained. Users of this type of box want to maintain it, as they claim it moderately distorts trade and helps with the reform process. Others want it to be moved into the amber box or limited
- Re green: the issue is whether it is being abused. How can this be prevented?
- Re S&D: how to make it more effective for developing countries without undermining the Agreement

2b. Domestic Support & DWP: Summary of Proposals / Decisions

- Overall support (defined as amber box + de minimis[1] + blue) to be reduced by a tiered formula. 20% cut in the first year of implementation
- Amber box: tiered formula, so that higher levels are reduced more; caps on support provided to individual products; reductions to be made on some
- Green box: review and monitor
- Blue box: to be capped at 5% of value of production, some flexibility envisaged
- De minimis: to be reduced; percentage to be negotiated. S&D for developing countries – exemption of support to subsistence and resource-poor farmers

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[1] Defined as insignificant state-directed support that is usually temporary &/or below a given financial amount

3a. Export Competition & DWP: Key Issues

- Should they be eliminated?
- Should there be parallel elimination of all forms of export subsidies – should disciplines on export credits, guarantees etc. be strengthened?
- How should the disciplines on state trading enterprises (STEs) and food-aid be strengthened?

- The effect of these will clearly have very different implications for different countries. Many poor countries still heavily rely on STEs in agriculture

3b. Export Competition & DWP: Summary

- Parallel elimination of all forms of export subsidies. Disciplines on all measures of equivalent effect – subsidised credit, credit guarantees, insurance, state trading enterprises, food aid, etc
- End date for the phase out of all forms of export subsidies to be negotiated
- S&D for developing countries – rights to be maintained until the removal of all forms of export subsidies and implementation of all rules / procedures
- Due account to be taken of the interests of LDCs in the formulation of disciplines on export support schemes
- Special consideration to be given to STEs which enjoy special privileges in order to preserve domestic consumer price stability and food security

Using this Information in the Game and Outside of it

- It is important to understand the historical background to each major component of the WTO
- I have summarised the key issues for agriculture to help you in the game. However, you should do this for yourselves for any aspect of trade policy that you may be asked to develop for your home countries
- You are expected to conduct research on your assigned country using the internet, and to develop a strategy for playing the game
- **Our objective in this game is to finalise WTO policy for the agricultural sector**
- We will use the document: "Draft Possible Modalities on Agriculture" that has been given to you

Simulation Game: Country Assignment

- Assignment of countries: 3-4 people per group. I will designate a country to each group
- Please choose groups where you are with other delegates from your home country. E.g. if there are two delegates from Rwanda, they should work together in the same group
- Please choose groups where you can communicate with other members from other home countries, so French and English speaking groups must be made where applicable

Steps in the Game

- Our working agenda that will be used for negotiation in this game is contained on pages 6 – 27 of the “Draft Modalities…” document
- There will be two bargaining rounds:
  1. Agenda setting: here you can change the document (remove or add something) to suit you country’s needs. You will need more than 50% of the vote in order to do this
  2. Finalise WTO agricultural policy: here you will have to contest each point in the document and propose a solution. Voting will take place on each point. Only solutions that have greater than 50% of the vote will remain
- It is likely that we will not complete the document. That is fine. All we need to do is get through some of the points to demonstrate how to change WTO policy
- You must make alliances with other countries to reach 50% of vote

Agricultural Negotiations: Developing a Strategy for your Country

- Strategy should be formulated after consulting:
  1. Your country's position on agriculture in the WTO (your group will have to do research on this. Check the WWW)
  2. Data on (1) major commodities traded in your assigned country (See: http://www.wto.org/English/tratop_e/schedules_e/goods_schedules_e.htm), and (2) a basic understanding of who your major trading partners are
  3. You should then decide which products are most important to your country and that you would want to protect the most
  4. You should then read the document "Draft Possible Modalities for Agriculture" and decide which statements you agree with and which you do not. In other words, you need to work out whether each point in that document (pages 6-27) is in your country's interests. If not, try and remove it or change it

Developing a Strategy (continued)

- Note that if you decide that something in the “Draft modalities..” document is not in your country’s interest, and you want to take it off the agenda, you will have to consult other groups to see whether you can vote it off the agenda. You need 50% of the vote or more to change the agenda (remove something from it or adding something to it)
- Alliances are the key to this game. Make sure you know which broad negotiating groups your country belongs to: e.g. Cairns group (pro agricultural liberalisation). Do some additional research on this. I have included information on which groups countries at the WTO are aligned with in the Annex attached to this document

An example: Section 2: Market Access (Pg 6 "Draft Modalities…")

- Subsection A. Tiered Formula for Tariff Reductions, Point 4: "Developing country Members shall reduce bound duties in accordance with the following tiered formula…"
- Once I've conducted research on my country, I may decide that the country wants to reduce tariffs as slowly as possible. My next steps are:
  - To propose an amendment to relevant point that reads something like: Members propose an amendment to point 4.(a) "Where the bound duty or ad valorem equivalent is greater than 0 and less than or equal to [20-50%], <u>the reduction shall be 10%</u>
  - Note that in order to do get support for this, you will need build alliances with other members, possibly working out favourable bilateral agreements, aid, or other such benefits to offer each other

Negotiating Round: Monday 18/12

- We will begin negotiations by asking whether there are any amendments to the agenda. This will be restricted to additions to or subtractions from the "Draft Modalities…" document
- We will then continue step by step through the points in the "Draft Modalities…" document and take votes to see whether the majority of members agree to the point. If they do, the point will become WTO policy
- We will proceed as far as possible within the limited time frame. The game will end once we've run out of time
- The final step will be that each country will have to propose a delegate to make a 10 minute presentation on how they developed their strategy and why they chose to bargain the way they did

ANNEX: USEFUL MATERIALS & RESOURCES FOR CONDUCTING RESEARCH ON COUNTRY NEGOTIATING POSITIONS AT THE WTO

RELEVANT ASPECTS OF WTO AGRICULTURE
For general information on agriculture at the WTO, see the following URL:

http://www.wto.org/English/tratop_e/agric_e/agric_e.htm

1. KEY DATES IN AGRICULTURAL NEGOTIATIONS POST DOHA

Start: early 2000

“Framework” agreed: 1 August 2004.

Formulas and other “modalities” for countries' commitments: originally 31 March 2003, now by 6th Ministerial Conference, 2005 (in Hong Kong, China)

Countries' comprehensive draft commitments and stock taking : originally by 5th Ministerial Conference, 2003 (in Mexico)

Deadline: originally by 1 January 2005, now unofficially by end of 2006, part of single undertaking. <u>This is where we are presently at.</u>

2. THE ORIGINAL WTO MANDATE ON AGRICULTURE (URUGUAY)

Article 20 of the Agriculture Agreement

1.1.1 Continuation of the Reform Process
Recognizing that the long-term objective of substantial progressive reductions in support and protection resulting in fundamental reform is an ongoing process, Members agree that negotiations for continuing the process will be initiated one year before the end of the implementation period, taking into account:

(a) the experience to that date from implementing the reduction commitments;

(b) the effects of the reduction commitments on world trade in agriculture;

(c) non-trade concerns, special and differential treatment to developing-country Members, and the objective to establish a fair and market-oriented agricultural trading system, and the other objectives and concerns mentioned in the preamble to this Agreement; and

(d) what further commitments are necessary to achieve the above mentioned long-term objectives.

3. THE DOHA MANDATE

From the Doha Ministerial Declaration, November 2001

1.1.2 Agriculture

13. We recognize the work already undertaken in the negotiations initiated in early 2000 under Article 20 of the Agreement on Agriculture, including the large number of negotiating proposals submitted on behalf of a total of 121 members. We recall the long-term objective referred to in the Agreement to establish a fair and market-oriented trading system through a programme of fundamental reform encompassing strengthened rules and specific commitments on support and protection in order to correct and prevent restrictions and distortions in world agricultural markets. We reconfirm our commitment to this programme. Building on the work carried out to date and without prejudging the outcome of the negotiations we commit ourselves to comprehensive negotiations aimed at: substantial improvements in market access; reductions of, with a view to phasing out, all forms of export subsidies; and substantial reductions in trade-distorting domestic support. We agree that special and differential treatment for developing countries shall be an integral part of all elements of the negotiations and shall be embodied in the schedules of concessions and commitments and as appropriate in the rules and disciplines to be negotiated, so as to be operationally effective and to enable developing countries to effectively take account of their development needs, including food security and rural development. We take note of the non-trade concerns reflected in the negotiating proposals submitted by Members and confirm that non-trade concerns will be taken into account in the negotiations as provided for in the Agreement on Agriculture.

14. Modalities for the further commitments, including provisions for special and differential treatment, shall be established no later than 31 March 2003. Participants shall submit their comprehensive draft Schedules based on these modalities no later than the date of the Fifth Session of the Ministerial Conference. The negotiations, including with respect to rules and disciplines and related legal texts, shall be concluded as part and at the date of conclusion of the negotiating agenda as a whole.

4. THE DOHA DECLARATION EXPLAINED

Agriculture (paragraph 13 & 14)

Negotiations on agriculture began in early 2000, under Article 20 of the WTO Agriculture Agreement. By November 2001 and the Doha Ministerial Conference, 121 governments had submitted a large number of negotiating proposals.

These negotiations will continue, but now with the mandate given by the Doha Declaration, which also includes a series of deadlines. The declaration builds on the work already undertaken, confirms and elaborates the objectives, and sets a timetable. Agriculture is now part of the single undertaking in which virtually all the linked negotiations are to end by 1 January 2005.

The declaration reconfirms the long-term objective already agreed in the present WTO Agreement: to establish a fair and market-oriented trading system through a programme of fundamental reform. The programme encompasses strengthened rules, and specific commitments on government support and protection for agriculture. The purpose is to correct and prevent restrictions and distortions in world agricultural markets.

Without prejudging the outcome, member governments commit themselves to comprehensive negotiations aimed at:

- market access: substantial reductions
- exports subsidies: reductions of, with a view to phasing out, all forms of these

- domestic support: substantial reductions for supports that distort trade

The declaration makes special and differential treatment for developing countries integral throughout the negotiations, both in countries' new commitments and in any relevant new or revised rules and disciplines. It says the outcome should be effective in practice and should enable developing countries meet their needs, in particular in food security and rural development.

The ministers also take note of the non-trade concerns (such as environmental protection, food security, rural development, etc) reflected in the negotiating proposals already submitted. They confirm that the negotiations will take these into account, as provided for in the Agriculture Agreement.

5. COUNTRIES, ALLIANCES AND PROPOSALS

Source: http://www.wto.org/English/tratop_e/agric_e/negs_bkgrnd04_groups_e.htm

Members that submitted proposals and technical papers in Phase 1, with an indication of groupings and alignments based on joint-authorship

1. Albania (transition: domestic support)	72. Kenya (own proposal + developing country grouping 1, 2, 3 + African Group)
2. Angola (African Group)	73. Korea, Republic (own proposal + non-trade concerns)
3. Antigua and Barbuda (Caricom)	74. Kyrgyz Republic (transition: domestic support, market access)
4. Argentina (Cairns Group + MERCOSUR)	75. Latvia (transition: domestic support, market access + non-trade concerns)
5. Australia (Cairns Group)	76. Lesotho (African Group)
6. Barbados (Caricom + small island developing states + non-trade concerns)	77. Liechtenstein (non-trade concerns)
7. Belize (Caricom)	78. Lithuania (transition: domestic support, market access) (Joined WTO on 31 May 2001)
8. Benin (African Group)	79. Madagascar (African Group)
9. Bolivia (Cairns Group + “MERCOSUR+” 1, 2)	80. Malawi (African Group)
10. Botswana (African Group)	81. Malaysia (Cairns Group + ASEAN)
11. Brazil (Cairns Group + MERCOSUR)	82. Mali (own proposal + African Group)
12. Brunei (ASEAN)	83. Malta (non-trade concerns)
13. Bulgaria (transition: domestic support, market access)	84. Mauritania (African Group)
14. Burkina Faso (own proposal + African Group)	85. Mauritius (own proposal + small island developing states + non-trade concerns + African Group)
15. Burundi (own proposal + African Group + non-trade concerns)	

16. Cameroon (African Group)	86. Mexico
17. Canada (Cairns Group + own proposal on market access, supplementary proposal on domestic support)	87. Mongolia (transition: domestic support + non-trade concerns)
18. Central African Republic (African Group)	88. Morocco (own proposal + African Group)
19. Chad (African Group)	89. Mozambique (African Group)
20. Chile (Cairns Group + “MERCOSUR+” 1, 2)	90. Myanmar (ASEAN)
21. Colombia (Cairns Group + “MERCOSUR+” 2)	91. Namibia (own proposal + African Group)
22. Congo (African Group)	92. New Zealand (Cairns Group)
23. Congo, Democratic Rep (own proposal + African Group)	93. Nicaragua (developing country grouping 1, 2)
24. Costa Rica (Cairns Group + “MERCOSUR+” 1)	94. Niger (African Group)
25. Côte d’Ivoire (African Group)	95. Nigeria (own proposal +developing country grouping 3 + African Group)
26. Croatia (transition: domestic support, market access)	96. Norway (own proposal + non-trade concerns)
27. Cuba (developing country grouping 1, 2, 3 + small island developing states)	97. Pakistan (developing country grouping 1, 2, 3)
28. Cyprus (non-trade concerns)	98. Paraguay (Cairns Group +MERCOSUR)
29. Czech Republic (transition: domestic support, market access + non-trade concerns)	99. Philippines (Cairns Group + ASEAN)
30. Djibouti (African Group)	100. Poland (own proposal + non-trade concerns)
31. Dominica (small island developing states + Caricom)	101. Romania (non-trade concerns)
32. Dominican Republic (developing country grouping 1, 2, 3)	102. Rwanda (African Group)
33. Egypt (own proposal + African Group)	103. Saint Kitts and Saint Nevis (small island developing states + Caricom)
34. El Salvador (developing country grouping 1, 2, 3)	104. Saint Lucia (Caricom + non-trade concerns)
35. Estonia (transition: market access + non-trade concerns)	105. Saint Vincent and the Grenadines (small island developing states + Caricom)
36-51: EU (Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal,	106. Sénégal (own proposal + African Group)
	107. Sierra Leone (African Group)
	108. Singapore (ASEAN)

Spain, Sweden, UK) (own proposals + non-trade concerns) 52. Fiji (non-trade concerns) 53. Gabon (African Group) 54. The Gambia (African Group) 55. Georgia (transition: domestic support, market access) 56. Ghana (African Group) 57. Grenada (Caricom) 58. Guatemala (Cairns Group) 59. Guinea (African Group) 60. Guinea Bissau (African Group) 61. Guyana (Caricom) 62. Haiti (developing country grouping 1, 2, 3) 63. Honduras (developing country grouping 1, 2, 3) 64. Hungary (transition: domestic support, market access) 65. Iceland (non-trade concerns) 66. India (own proposal + developing country grouping 3) 67. Indonesia (Cairns Group + ASEAN) 68. Israel (non-trade concerns) 69. Jamaica (small island developing states + Caricom) 70. Japan (own proposal + non-trade concerns) 71. Jordan	109. Slovak Republic (transition: domestic support, market access + non-trade concerns) 110. Slovenia (transition: domestic support, market access + non-trade concerns) 111. South Africa (Cairns Group + African Group) 112. Sri Lanka (developing country grouping 1, 2, 3) 113. Suriname (Caricom) 114. Swaziland (own proposal + African Group) 115. Switzerland (own proposal + non-trade concerns) 116. Tanzania (African Group) 117. Thailand (Cairns Group + ASEAN) 118. Trinidad and Tobago (small island developing states + non-trade concerns) 119. Togo (African Group) 120. Tunisia (African Group) 121. Turkey 122. Uganda (developing country grouping 1, 2, 3 + African Group) 123. United States 124. Uruguay (Cairns Group+MERCOSUR) 125. Zambia (African Group) 126. Zimbabwe (developing country grouping 1, 2, 3 + African Group)

Key to the groups:

ACP (African, Caribbean and Pacific Group of States) (56 WTO members out of a total of 79):

Angola, Antigua and Barbuda, Barbados, Belize, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Congo, Cote d'Ivoire, Cuba, Democratic Republic of the Congo, Djibouti, Dominica, Dominican Republic, Fiji, Gabon, The Gambia, Ghana, Grenada, Guinea, Guinea-Bissau, Guyana, Haiti, Jamaica, Kenya, Lesotho, Madagascar, Malawi, Mali, Mauritania, Mauritius, Mozambique, Namibia, Niger, Nigeria, Papua New Guinea, Rwanda, St Kitts and Nevis, St Lucia, St Vincent and the Grenadines, Senegal, Sierra Leone, Solomon Islands, South Africa, Suriname, Swaziland, Tanzania, Togo, Trinidad and Tobago, Uganda, Zambia, Zimbabwe

African Group (All African members of the WTO, currently 41 countries):

Angola, Benin, Botswana, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Congo, Congo (Democratic Republic), Côte d'Ivoire, Djibouti, Egypt, Gabon, The Gambia, Ghana, Guinea, Guinea Bissau, Kenya, Lesotho, Madagascar, Malawi, Mali, Mauritania, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, South Africa, Swaziland, Tanzania, Togo, Tunisia, Uganda, Zambia, Zimbabwe

African Union/Group, ACP, least-developed countries (see "G-90", but with 64 WTO members)

ASEAN (members of WTO):

Brunei, Cambodia (WTO since October 2004), Indonesia, Malaysia, Myanmar, Philippines, Singapore, Thailand (Laos and Viet Nam are negotiating WTO membership)

Cairns Group (19 members since 21 November 2006, and papers e.g. G/AG/NG/W/11, 35, 54, 93):

Argentina, Australia, Bolivia, Brazil, Canada (G/AG/NG/W/11, 35, 93), Chile, Colombia, Costa Rica, Guatemala, Indonesia, Malaysia, New Zealand, Paraguay, Peru, Philippines, South Africa, Thailand, Uruguay

Caricom:

Antigua and Barbuda, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, St Kitts and Nevis, St Lucia, St Vincent and the Grenadines, Trinidad and Tobago, Suriname

"Central American grouping": Dominican Republic, Honduras, Nicaragua and Panama, sponsored paper WT/MIN(03)/W/10 at the Cancún Ministerial Conference

Commodities Group (unofficial document JOB(05)/113):

Côte d'Ivoire, Kenya, Rwanda, Tanzania, Uganda, Zimbabwe

Cotton-4:

Benin, Burkina Faso, Chad, Mali

"Developing country grouping" = joint sponsors of:

(**1**) G/AG/NG/W/13 (S&D and development box): Cuba, Dominican Republic, Honduras, Pakistan, Haiti, Nicaragua, Kenya, Uganda, Zimbabwe, Sri Lanka, El Salvador

(**2**) G/AG/NG/W/14 (Green Box): Cuba, Dominican Republic, Honduras, Pakistan, Haiti, Nicaragua, Kenya, Uganda, Zimbabwe, Sri Lanka, El Salvador

(**3**) G/AG/NG/W/37 + Corr.1 (market access): Cuba, Dominican Republic, El Salvador, Haiti, Honduras, Kenya, India, Nigeria, Pakistan, Sri Lanka, Uganda, Zimbabwe

"European-East Asian grouping" = joint sponsors of:

(**1**) JOB(03)/167: Bulgaria, Chinese Taipei, Iceland, Rep of Korea, Liechtenstein, Switzerland

(**2**) WT/MIN(03)/W/12: Bulgaria, Chinese Taipei, Iceland, Israel, Japan, Korea, Liechtenstein, Norway, Switzerland (See G-10)

G-10 (Currently 9 members, since Bulgaria left):

Iceland, Israel, Japan, Rep. Korea, Liechtenstein, Mauritius, Norway, Switzerland, Chinese Taipei (See "European-East Asian grouping")

G-20 (Since 21 November 2006, 22 members):

Argentina, Bolivia, Brazil, Chile, China, Cuba, Egypt, Guatemala, India, Indonesia, Mexico, Nigeria, Pakistan, Paraguay, Peru, Philippines, South Africa, Tanzania, Thailand, Uruguay, Venezuela, Zimbabwe

Previously:

(**1**) WT/MIN(03)/W/6/Add.2: Argentina, Bolivia, Brazil, Chile, China, Colombia, Costa Rica, Cuba, Ecuador, Egypt, El Salvador, Guatemala, India, Mexico, Nigeria, Pakistan, Paraguay, Peru, Philippines, South Africa, Thailand, Venezuela

(**2**) WT/L/559 (countries participating in the 11-12 December 2003 G-20 Ministerial Meeting): Argentina, Bolivia, Brazil, Chile, China, Cuba, Egypt, India, Indonesia, Mexico, Nigeria, Pakistan, Paraguay, Philippines, South Africa, Tanzania, Venezuela, Zimbabwe

G-33 ("friends of special products", since 27 November 2006 understood to comprise 46 countries):

Antigua and Barbuda, Barbados, Belize, Benin, Bolivia, Botswana, China, Congo, Côte d'Ivoire, Cuba, Dominica, Dominican Republic, El Salvador, Grenada, Guatemala, Guyana, Haiti, Honduras, India, Indonesia, Jamaica, Kenya, Rep. Korea, Madagascar, Mauritius, Mongolia, Mozambique, Nicaragua, Nigeria, Pakistan, Panama, Peru, Philippines, St Kitts and Nevis, St Lucia, St Vincent and the Grenadines, Senegal, Sri Lanka, Suriname, Tanzania, Trinidad and Tobago, Turkey, Uganda, Venezuela, Zambia, Zimbabwe

G-90 (64 WTO members of the African Union/Group, ACP and least-developed countries)

Angola, Antigua and Barbuda, Bangladesh, Barbados, Belize, Benin, Botswana, Burkina Faso, Burundi, Cambodia, Cameroon, Central African Republic, Chad, Congo, Côte d'Ivoire, Cuba, Democratic Republic of the Congo, Djibouti, Dominica, Dominican Republic, Egypt, Fiji, Gabon, The Gambia, Ghana, Grenada, Guinea (Conakry), Guinea Bissau, Guyana, Haiti, Jamaica, Kenya, Lesotho, Madagascar, Malawi, Maldives, Mali, Mauritania, Mauritius, Morocco, Mozambique, Myanmar, Namibia, Nepal, Niger, Nigeria, Papua New Guinea, Rwanda, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Senegal, Sierra Leone, Solomon Islands, South Africa, Suriname, Swaziland, Tanzania, Togo, Trinidad and Tobago, Tunisia, Uganda, Zambia, Zimbabwe

Least-developed countries (LDCs) (32 WTO members):

Angola, Bangladesh, Benin, Burkina Faso, Burundi, Cambodia, Central African Republic, Chad, Congo, Democratic Republic of the, Djibouti, Gambia, Guinea, Guinea Bissau, Haiti, Lesotho, Madagascar, Malawi, Maldives, Mali, Mauritania, Mozambique, Myanmar, Nepal , Niger, Rwanda, Senegal, Sierra Leone, Solomon Islands, Tanzania, Togo, Uganda, Zambia

MERCOSUR:

Argentina, Brazil, Paraguay, Uruguay

"MERCOSUR+" = joint sponsors of:

(**1**) G/AG/NG/W/38: MERCOSUR + Bolivia, Chile, Costa Rica

(**2**) G/AG/NG/W/104: MERCOSUR + Bolivia, Chile, Colombia

MERCOSUR, Bolivia, Chile, Costa Rica, Guatemala, India and Malaysia sponsored proposal G/AG/NG/W/139 on export credits

"Non-trade concerns" = 38 countries that sponsored note G/AG/NG/W/36/Rev.1 (conference papers on non-trade concerns):

Barbados, Burundi, Cyprus, Czech Republic, Estonia, EU, Fiji, Iceland, Israel, Japan, Korea, Latvia, Liechtenstein, Malta, Mauritius, Mongolia, Norway, Poland, Romania, St Lucia, Slovak Republic, Slovenia, Switzerland, Trinidad and Tobago

Recent new members (RAMS or recently acceded members):

Albania, Armenia, Bulgaria, China, Croatia, Ecuador, FYR Macedonia, Jordan, Kyrgyz Rep., Moldova, Mongolia, Oman, Panama, Saudi Arabia, Chinese Taipei

Previously, joint sponsors of unofficial paper JOB(03)/170: Albania, Croatia, Georgia, Jordan, Moldova and Oman

"Small and vulnerable economies":

Barbados, Bolivia, Cuba, Dominican Republic, El Salvador, Fiji, Guatemala, Honduras, Mauritius, Mongolia, Nicaragua, Papua New Guinea, Paraguay, and Trinidad and Tobago (sponsored TN/AG/GEN/11 of 10 November 2005 and subsequent documents).

(Before that, for the September 2005 Cancún Ministerial Conference, Antigua and Barbuda, Barbados, Belize, Bolivia, Cuba, Dominica, Dominican Republic, El Salvador, Fiji, Grenada, Guatemala, Guyana, Honduras, Jamaica, Kyrgyz Rep, Maldives, Mauritius, Mongolia, Nicaragua, Paraguay, Papua New Guinea, Solomon Islands, Sri Lanka, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Trinidad and Tobago sponsored WT/MIN(05)/22 and addenda. All are ACP members except Bolivia, El Salvador, Guatemala, Honduras, Kyrgyz Rep, Maldives, Mongolia, Nicaragua, Paraguay, Sri Lanka)

"Small island developing states"(SIDS):

Barbados, Cuba, Dominica, Jamaica, Mauritius, St Kitts and Nevis, St Lucia, St Vincent and the Grenadines, Trinidad and Tobago

Recently-acceded members (RAMs):

Albania, Armenia, Bulgaria, China, Croatia, Ecuador, FYR Macedonia, Jordan, Kyrgyz Rep., Moldova, Mongolia, Oman, Panama, Saudi Arabia, Chinese Taipei

Previously "Transition Group", joint sponsors of:

(**1**) G/AG/NG/W/56 (domestic support): Albania, Bulgaria, Croatia, the Czech Republic, Georgia, Hungary, the Kyrgyz Republic, Latvia, Lithuania, Mongolia, Slovak Republic, Slovenia
(**2**) G/AG/NG/W/57 (market access): Bulgaria, Czech Republic, Estonia, Georgia, Hungary, Kyrgyz Republic, Latvia, Slovak Republic, Slovenia, Croatia, Lithuania

Tropical products group:

Bolivia, Bol. Rep. Venezuela, Colombia, Costa Rica, Ecuador, El Salvador, Honduras, Guatemala, Nicaragua, Panama, Peru

6. DATA

Source: http://www.wto.org/English/tratop_e/agric_e/negs_bkgrnd19_data_e.htm

World trade in agricultural products, 2003

Value $bn	**674**
Annual change %	
1980-85	-2
1985-90	9
1990-95	7
1995-2000	-1
2001	0
2002	6
2003	15
Share in world merchandise trade %	**9.2**
Share in world exports of primary products %	**41.2**

Source: WTO International Trade Statistics 2004, table IV.3, includes trade between EU members

Top 15 agricultural exporters and importers, 2003

	Value $bn	Share in world %		Value $bn	Share in world %
Exporters			**Importers**		
EU members (15)	284.14	42.2	EU members (15)	308.87	42.8
EU to rest of world	73.38	10.9	EU from rest of world	98.11	13.6
United States	76.24	11.3	United States	77.27	10.7
Canada	33.69	5.0	Japan	58.46	8.1
Brazil	24.21	3.6	China	30.48	4.2
China	22.16	3.3	Canada [c]	18.02	2.5
Australia	16.34	2.4	Korea, Rep. of	15.56	2.2

Thailand [a]	15.08	2.2	Mexico	13.85	1.9
Argentina [b]	12.14	2.1	Russian Fed. [a]	13.73	1.9
Malaysia	11.06	1.6	Hong Kong, China	10.81	-
Mexico	9.98	1.5	retained imports	6.47	0.9
			Taipei, Chinese	7.96	1.1
Indonesia	9.94	1.5	Switzerland	7.12	1.0
New Zealand	9.60	1.4	Saudi Arabia	6.26	0.9
Russian Fed. [a]	9.37	1.4	Thailand [a]	5.72	0.8
Chile	7.47	1.1	Indonesia	5.44	0.8
India [a]	7.03	1.2	Turkey	5.22	0.7
Above 15	**548.44**	**81.8**	**Above 15**	**580.44**	**80.4**

Source: WTO International Trade Statistics 2004, table IV.8. "EU members" includes trade between EU members

[a] Includes WTO Secretariat estimates. [b] 2002 instead of 2003 [c] Imports are valued f.o.b.

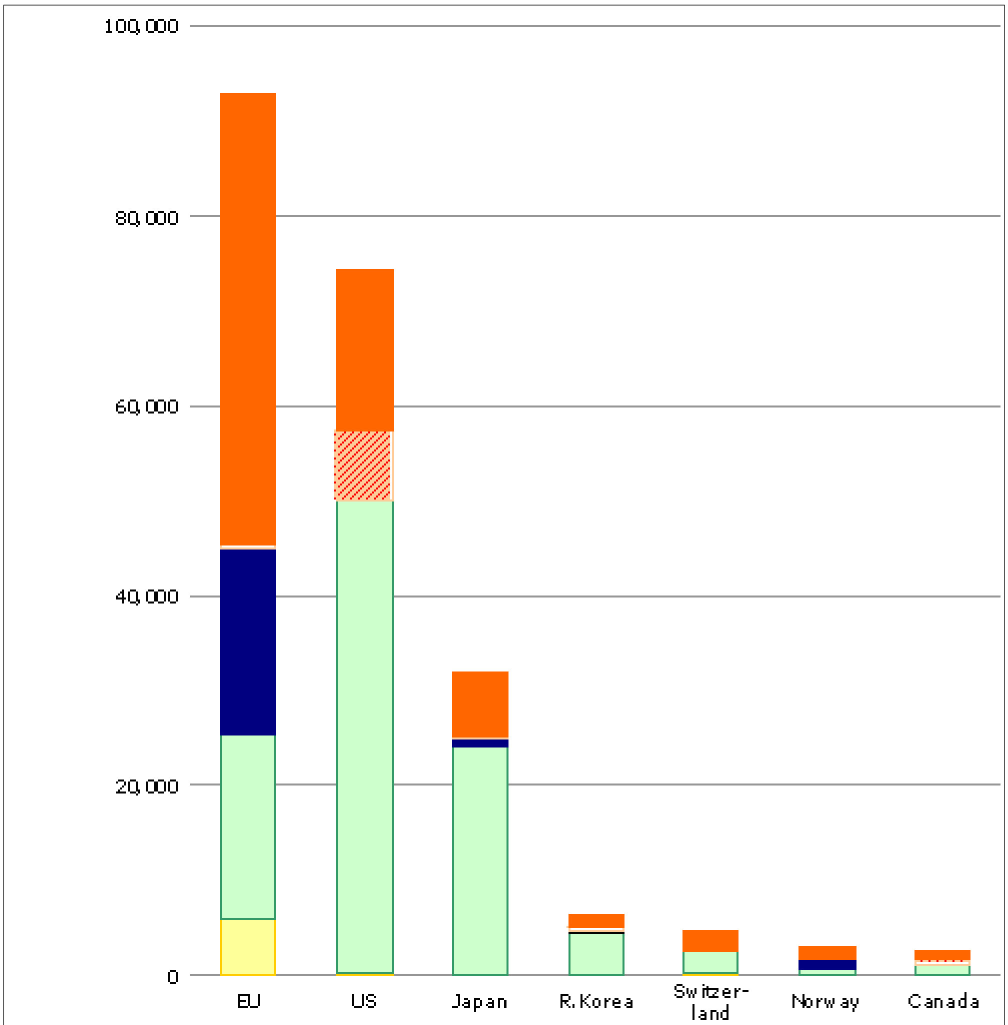
Agricultural products' share in trade, by region, 2003

	Exports	Imports		Exports	Imports
Share in total merchandise trade, %			Share in primary products trade, %		
World	9.2	9.2	World	41.2	41.2
North America	11.0	6.2	North America	56.6	32.2
Latin America	19.8	9.7	Latin America	47.2	44.0
Western Europe	9.6	10.4	Western Europe	57.6	48.3
C./E. Europe/Baltic States/CIS	8.8	10.1	C./E. Europe/Baltic States/CIS	22.7	47.6
Africa	13.9	15.9	Africa	20.2	59.4
Middle East	3.4	12.4	Middle East	4.4	68.0
Asia	6.3	8.9	Asia	46.3	33.2

Source: WTO International Trade Statistics 2004, table IV.5, includes trade between EU members

How much do they spend?

Notified domestic support, 1999, and export subsidies, 1998. US$ million



	EU	US	Japan	R.Korea	Switzer-land	Norway	Canada
Amber Box	47,318	16,862	6,705	1,305	2,258	1,383	631
De minimis	304	7,435	292	409	-	-	741
Blue box	19,558	-	831	-	-	984	-
S&D Art.6.2				52			
Green box	19,694	49,749	24,081	4,590	2,190	548	1,177
Export subsidies	5,835	147	0	3	292	77	0

Source: member governments' notifications to WTO