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ANNUAL EXPORT COMPETITION REVIEW

SUBMISSION FROM THE CAIRNS GROUP TO THE 77TH MEETING OF THE COMMITTEE ON AGRICULTURE (COA) IN JUNE 2015

The following communication, received on 28 May 2015, is being circulated at the request of the Cairns Group.

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At the 9th WTO Ministerial Conference (MC9) Ministers adopted the Declaration on Export Competition (WT/MIN(13)/40). Amongst other things, this established annual dedicated discussions in the Committee on Agriculture (CoA) in support of the reform process, and more specifically in furtherance of the final objective set out in the 2005 Hong Kong Ministerial Declaration i.e. the parallel elimination of all forms of export subsidies and disciplines on all export measures with equivalent effect.

The first such discussion was held on 5 June 2014 based on the Secretariat's background document G/AG/W/125. The Cairns Group supplemented this with its own report G/AG/W/129 which included key conclusions drawn from the analysis. Likewise, to inform the dedicated discussions on 4 June 2015 the Secretariat circulated on 19 May 2015 document G/AG/W/125/Rev.2 on "Export Subsidies, export credits, export credit guarantees or insurance programmes, international food aid and agricultural exporting state trading enterprises" (hereafter "the report") pursuant to the Ministerial Declaration.

The Cairns Group again welcomes and supports the report as an important contribution to the dedicated annual discussions in the CoA to examine developments in the field of export competition. As it did before, the Cairns Group supplements the report with some key conclusions drawn from the analysis. These include considering the alignment of Members' policies with the latest revised draft modalities for agriculture (TN/AG/W/4/Rev.4) given that they were considered by Ministers at MC9 as remaining an important basis for an ambitious final agreement in the export competition pillar and have since been the basis of negotiations.

1 EXPORT SUBSIDIES

1.1. Export subsidy use at an aggregate and individual Member level has dramatically decreased, and in some cases has been discontinued, in the period since 1995 when notifications became mandatory as part of the Uruguay Round. Exceptions to this are Canada and Norway, and it would appear Switzerland which has a proposal before its Parliament for a decision in June to increase its export subsidy outlays for processed agricultural products by almost a third (CHF 20 million). Several other Members, including India, Mauritius, Morocco, Mexico, Pakistan and Thailand, have also been posed questions in the Committee on Agriculture regarding the use of export subsidies in recent years.

1.2. While this overall trend may be a result of high world commodity prices, it is also the case that some WTO Members have taken positive steps to reduce their export subsidy use. For example, under the 2014 Farm Bill the United States of America repealed the Dairy Export Incentive Program (DEIP). In addition, Norway has discontinued the use of export subsidies for several products and the EU's Common Agricultural Policy, adopted in December 2013, stated that export subsidies may only be used as an "exceptional measure".

1.3. Of the 18 Members[1] that had scheduled export subsidy reduction commitments, eight have notified zero use of export subsidies since the Doha Round of WTO negotiations started in 2001: Australia, Brazil, Colombia, Iceland, Indonesia, New Zealand, South Africa and Uruguay.

1.4. Of the remaining Members with scheduled reduction commitments, seven have notified recent use of export subsidies: Canada, the European Union (EU), Israel, Norway, Switzerland-Liechtenstein and the United States of America (Table 1)[2]. Many of the Members that are currently using export subsidies are doing so on a small proportion of their scheduled product lines and utilising a low percentage of their available export subsidy budgetary allowance. The types of products for which export subsidies have been notified include dairy products, wheat and wheat flour, coarse grains, beef meat, pig meat, poultry, eggs and incorporated products. The highest total spending in absolute numbers and in terms of percentage of total budgetary outlay commitments appears to be on dairy products, poultry meat, and incorporated products.

1.5. Clear conclusions can be drawn regarding the extent to which Members' export subsidies policies and expenditure align with the final objective of the full elimination of export subsidies. This is due to Members' notifications and the supplementary information provided in response to the Secretariat's questionnaire. With the exception of a few Members, who continue to provide export subsidies, the value of outlays, the percentage of products subject to export subsidies and the number of Members using export subsidies has declined dramatically. In most cases export subsidy use has fallen to zero and where this is not the case there are some reports of steps being taken to reduce their use.

1.6. The Secretariat's report and Cairns Group conclusions herein are based on the information that Members have provided or notified on their export subsidy use in relation to their scheduled commitments. This does not fully capture all export subsidies such as those not covered by budgetary expenditure, and export subsidies purportedly made under Article 9.4 of the Agreement on Agriculture by a small number of Members and which have been the subject of Members' questions in recent meetings of the Committee on Agriculture.

[1] Counting all EU Members with export subsidy commitments as one.
[2] In Mexico's notification for 2008-2012 it notified the export subsidies for wheat and maize under Article 9.4.

Table 1 Export subsidy outlay details by Member

Member	Sum of budgetary outlay (USD thousand)[3]	Date of latest information	Total notified budgetary outlays as % total commitments	Budgetary outlay as % product level commitments[4]
Canada	USD 87,579	2011	21%	– Butter, skim milk powder (100%), cheese (88.6%), other milk products (99.9%), incorporated products (100%)
Switzerland-Liechtenstein	USD 75,608	2013	16%	– Milk products, cattle for breeding and racehorses (0.4%), fruits, potatoes, processed agricultural products (60.9%)
European Union	USD 45,569	2012	0.7%	– Wheat and wheat flour, coarse grains, sugar, butter and butter oil, skim milk powder, cheese, other milk products, beef meat (0.1%), pig meat, poultry meat (30.3%), sugar[5], eggs, wine, fruit and vegetables, incorporated products (0.5%)
Norway	USD 44,749	2013	54%	– Swine meat (97.2%), sheep and lamb meat, eggs and egg products (96.5%), butter, cheese (53.9%), processed agricultural products (84.1%)
Israel	USD 798	2012	2%	– Fresh flowers (1.2%), fruit other than citrus (9.5%), fresh vegetables (2.5%), citrus fruits
United States of America	0	2012	0%	– Butter and butter oil, skim milk powder, cheese

[3] Conversions to USD from other currencies are based on the IMF's average annual real exchange rates as reproduced in the USDA ERS exchange rate data sets, available at http://www.ers.usda.gov/data-products/agricultural-exchange-rate-data-set.aspx#.

[4] Products listed have been the subject of notified export subsidies since 2004. Where percentage is not specified against the product, the outlay at the most recent notification was 0.

[5] Only notified quantities, representing 98.2% of the corresponding export subsidies quantity commitment level, as expressed in G/MA/TAR/RS/357.

1.7. Room for improvement remains in Members' notification performance (Table 2), with the most dated being Venezuela (1998), Turkey (2000) and Panama (2003).

Table 2 Members' most recent export subsidy notifications vary from 1998 to 2014[6]

Member	Year last notified for
New Zealand	2014
Uruguay	2014
Australia	2013
Brazil	2013
Norway	2013
Switzerland–Liechtenstein	2013
Iceland	2013
Israel	2012
European Union	2012
United States of America	2012
Mexico	2012
Indonesia	2011
Canada	2011
Colombia	2010
South Africa	2010
Panama	2003
Turkey	2000
Venezuela, Bolivarian Republic of	1998

1.8. In January 2014 the EU Commissioner for Agriculture and Rural Development announced plans to entirely eliminate export subsidies in the framework of preferential partnership agreements with African countries[7]. A review of trade agreements signed from 2008 by Members who have recently used export subsidies reveals that the majority (20 of 35) include provisions restricting Parties' abilities to use export subsidies beyond WTO commitments (Table 3). It is common for the use of export subsidies to be limited or prohibited between Parties although often only taking effect after the elimination of tariffs for relevant products.

Table 3 Treatment of export subsidies in FTAs signed since 2008 by Members recently using export subsidies

Trade Agreement	No export subsidy commitments	Export subsidies limited or prohibited between Trade Agreement Parties
United States of America		
United States - Republic of Korea (2011)	X	
United States - Colombia (2011)		X
United States - Panama (2011)		X
US Total	***1***	***2***
European Union		
European Union - Georgia (2014)	X	
European Union – Moldova, Republic of (2014)	X	
European Union - Ukraine (2014)		X
European Union – Korea (2014)	X	
European Union - Central America (2012)		X
European Union – Iraq (2012)	X	
European Union - Colombia, Peru (2012)		X
European Union – Eastern and Southern African States[8] (2009)	X	

[6] As of 21 May 2015.

[7] A modern farming sector, producing in line with society's expectations. European Commission - SPEECH/14/33, 16/01/2014. Accessed 23 May 2014 at http://europa.eu/rapid/press-release_SPEECH-14-33_en.htm.

[8] Madagascar, Mauritius, the Seychelles and Zimbabwe.

Trade Agreement	No export subsidy commitments	Export subsidies limited or prohibited between Trade Agreement Parties
European Union – CARIFORUM[9] (2008)		X
European Union – Bosnia and Herzegovina (2008)		X
European Union – Serbia (2008)		X
EU Total	***5***	***6***
Canada		
Canada - European Union (2014)		X
Canada - Republic of Korea (2014)	X	
Canada – Honduras (2013)		X
Canada – Panama (2010)		X
Canada – Jordan (2009)	X	
Canada – Colombia (2008)		X
Canada – Peru (2008)		X
Canada – Colombia (2008)		X
Canada Total	***2***	***6***
Switzerland-Liechtenstein and Norway (EFTA)[10]		
EFTA - Bosnia-Herzegovina (2013)		X
Switzerland-Liechtenstein - China (2013)	X	
EFTA - Central American States (Panama & Costa Rica) (2013)		X
EFTA - Montenegro (2011)	X	
EFTA - Hong Kong (2011)	X	
EFTA - Ukraine (2010)	X	
EFTA - Peru (2010)		X
EFTA - Cooperation Council for the Arab States of the Gulf (GCC) (2009)	X	
EFTA – Canada (2009)		X
EFTA – Albania (2009)	X	
EFTA – Serbia (2009)	X	
Switzerland – Japan (2009)		X
EFTA - Colombia (2008)		X
EFTA Total	***7***	***6***
Grand Total	**15**	**20**

2 EXPORT FINANCING SUPPORT

2.1. Forty seven Members[11] replied to the questionnaire on export credits, export credit guarantees and insurance programmes ("export financing support") provided by Members for the export of agricultural products. This was an increase on the 35 Members providing replies during the last review period. Twenty replied that they provided no export financing support (as compared to 23 last year) and 27 (as compared to 12 last year) provided replies with information on their export financing support programmes. Analysis here is based on these 27 Members plus Turkey who replied during the last review period.

2.2. The more complete reporting was due to responses by Colombia and the Russian Federation and the EU disaggregating its response by EU Member State. While the EU response was limited to half of its Member States[12], the enhanced detailed information is welcomed and appreciated. While positive, the more complete reporting increases the sample size in the analysis which should be considered in comparing conclusions with those drawn last year.

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[9] Antigua and Barbuda, Bahamas, Barbados, Belize, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, Saint Lucia, Saint Vincent and the Grenadines, Saint Kitts and Nevis, Suriname, Trinidad and Tobago.

[10] Switzerland-Liechtenstein and Norway negotiate trade agreements as part of the European Free Trade Association (EFTA), which comprises of Iceland, Liechtenstein, Norway and Switzerland. The EFTA FTA agreements cover processed agricultural goods in the main agreement, and have separate bilateral agreements for other agricultural products.

[11] Counting individually the EU Member States that replied but not counting the EU itself.

[12] The EU provided responses for 14 of its 28 Member States: Austria, Bulgaria, Croatia, Denmark, Estonia, Finland, France, Germany, Hungary, Latvia, The Netherlands, Poland, Sweden, United Kingdom.

2.3. Of the four types of export financing support mentioned in the Rev.4 modalities, risk cover (comprising export credit insurance or reinsurance and export credit guarantees) is the most common form of such support to agricultural goods. Of the 43 types of programmes in the sample, 35 (81%) fall within the category of risk cover and 25 out of 28 (89%) Members reported having such programmes.

2.4. Around 80% of agricultural exports that received export financing in 2014 were supported by some type of risk cover, with most of this provided by Canada (46%) and the United States of America (33%)[13]. Comparing 2013 with 2014 data, the value of agricultural exports from the US supported by risk cover decreased from around USD 3 billion to USD 2 billion while exports from Canada increased from USD 2 billion to nearly USD 3 billion.

2.5. The second most used kind of programme within the sample is direct financing support (comprising direct credits/financing, refinancing, and interest rate support). Brazil, Canada, EU (Croatia, Estonia, Hungary), Malaysia and Viet Nam (25%) provide at least one type of direct financing support and nine types of programmes were reported in total.

2.6. Clear conclusions cannot be drawn on the alignment of Members' export financing programmes with the Rev.4 modalities, mostly because most Members did not provide information on whether the programmes are self-financing, one of the conditions established by the modalities. The report suggests up to four exceptions. New Zealand stated clearly that its programme covers all operating costs and expected losses. Canada indicated that its official Export Credit agency is self-financing and Australia reported the EFIC to be self-funded. The United States did not report as it did last year that its programme must cover the operating costs and losses of the programme "over the long term" (but not over a four year rolling period as required by the modalities). It is unclear whether this represents a change in policy or a change in reporting.

2.7. More than half of the programmes reported have a repayment term that exceeds the 180 days maximum repayment term set out in the Rev.4 modalities. This includes the Export Credit Guarantee Programme of the United States (GSM-102), which, despite the decline as compared to last year, finances the second greatest share of agricultural exports in the sample. The repayment term of Canada's risk cover however, which accounted for the greatest share in 2014, does not exceed 180 days.

2.8. The export destination or group of destinations of Members' programmes varies greatly without a clear pattern across them, if each programme is given equal weight. However, from an exports-weighted point of view, at least around 70% of financed agricultural goods are exported from a developed to a developing country.

3 AGRICULTURAL EXPORTING STATE TRADING ENTERPRISES

3.1. As was the case during the last review period, twenty Members notified or reported agricultural exporting STEs covering a wide range of products (Table 4). These Members notified or reported a total of 67 agriculture exporting STEs, which is ten fewer than during the last review period. Four more Members also confirmed they do not have agricultural exporting STEs, bringing the total to 29 Members[14]. A continued positive transparency development is that new and updated information was reported on agricultural exporting STEs by several Members as compared to current STE notifications. However, it is disappointing that there was no overall improvement in the response rate.

3.2. China (25) and India (14) reported by far the most agriculture exporting STEs, accounting for 58% of the total reported number by all Members. Notably, Colombia reported only four agriculture exporting STEs, whereas it reported 14 last year[15].

[13] Members' shares of the total are approximate because of variations in time periods reported by each Member (e.g. financial versus calendar year, incomplete data or average annual values), but are nonetheless indicative of their role in global trends in export financing.

[14] Counting the EU and its Member States as one.

[15] Colombia's most recent notification to the Working Party on State Trading Enterprises (G/STR/N/15/COL) clarified that only 4 of their 14 STEs are active exporters.

3.3. The distribution by product grouping shows a similar concentration with two product categories (fruits and vegetables and tobacco) accounting for 52% of the reported agriculture exporting STEs. The next most numerous product category is "wheat and wheat flour, coarse grains and rice" with five such STEs reported.

3.4. Only nine of the 20 Members (Australia; Colombia; Costa Rica; Ecuador; Indonesia; Israel; Moldova, Republic of; New Zealand; and Ukraine) responded to the section of the questionnaire requesting information on export values, prices and destinations. This is an improvement over the last reporting period when 6 Members responded to this portion of the questionnaire. Notwithstanding this improvement and the fact the responses may have been limited by commercial confidentiality considerations, these Members account for just 14 STEs (21% of those reported), making it difficult to assess the overall influence of agriculture exporting STEs on global markets. Where such information is provided, export volumes and values generally (but not always) appear small relative to overall global trade in the products in question.

3.5. Of the four developed countries that reported agriculture exporting STEs (one each in Australia, Canada, New Zealand and Ukraine), those in Australia, New Zealand and Ukraine appear to have export monopoly powers. Of the 63 agriculture exporting STEs reported by 16 developing countries, several appear to have export monopoly powers or other special privileges. The report does not however contain sufficiently detailed trade statistics to determine whether these STEs would meet the Rev.4 modalities general *de minimis* criteria (Annex K, footnote 5). Similarly, while many of the developing country STEs would likely meet the Rev.4 modalities special and differential treatment criteria (Annex K, paragraphs 4-6), in most cases more information would be required to make a complete assessment, particularly with respect to paragraph 6.

Table 4 Reported Agriculture Exporting STEs by Member

Member	Number of agricultural exporting STEs	Product Coverage
Australia	1	rice
Brazil	1	any agriculture products
Canada	1	wheat, barley, canola
China	25	rice, maize, cotton, tobacco, tea, soybeans
Colombia	4	various alcoholic beverages
Costa Rica	1	cane sugar
Dominica	1	bananas
Ecuador	1	maize, rice, cereals
Fiji	1	raw sugar, molasses
Grenada	1	cocoa beans
India	14	onions, gum karaya, sugar,
Indonesia	1	rice
Israel	3	groundnuts, eggs, fruits, vegetables
Moldova, Republic of	1	wine
Morocco	1	loose leaf cigarettes
New Zealand	1	kiwifruit
Trinidad and Tobago	1	cocoa, coffee
Tunisia	2	snuff, leak tobacco, olive oil
Ukraine	1	undenatured ethyl alcohol of an alcoholic strength by volume of 80% vol. or higher; ethyl alcohol and other spirits, denatured, of any strength
Viet Nam	5	salt, rice, coffee, tea, fruits, vegetables, etc.

4 INTERNATIONAL FOOD AID

4.1. Sixty Members[16] responded to the elements of the questionnaire relating to International Food Aid. Of these, 15 Members are donors of international food aid[17], with Chinese Taipei being a new questionnaire respondent. In general terms, the majority of donors provided a greater level of detail on their food aid programmes when compared with the responses to the 2014 survey. This greater level of detail enables us to draw firmer conclusions about the extent to which food aid donors' programmes are already consistent with the food aid disciplines contemplated in Rev.4 (Annex L).

4.2. Based on the information available, 13 of the 15 food aid donors' programmes are consistent or partially consistent with the proposed food aid disciplines. Cuba and Viet Nam did not provide enough information to make an assessment. Ten food aid donors appear to have programmes that are completely or what would appear to be completely consistent with the proposed disciplines (Australia, Brazil, Canada, EU, New Zealand, South Africa, Switzerland, Chinese Taipei, Thailand, and the United States of America). Three Members have programmes that are partially consistent with the proposed disciplines, in that they have significant food aid operations that are completely consistent whilst also having other food aid programmes that may or may not be completely consistent (China[18], Japan[19], and the Russian Federation[20]).

4.3. Nine Members provide untied cash based food assistance (Australia, Canada, EU, Japan, New Zealand, the Russian Federation, South Africa, Switzerland, and the US) of which five provide cash exclusively (Australia, Canada, EU, New Zealand and South Africa). In value terms, the majority of food aid that is provided by the donors is untied cash based food assistance. Under Annex L, untied cash based food assistance is presumed to be consistent with the Article.

4.4. Ten Members provide in-kind food assistance (i.e. they provide actual commodities as aid) (Brazil, Cuba, China, Japan, the Russian Federation, Switzerland, Chinese Taipei, Thailand, the US and Viet Nam). Of these ten, four also provide untied cash based assistance (Japan, the Russian Federation, Switzerland and the United States). Based on the information provided, it would appear that eight of the ten Members provide in-kind food assistance in response to emergency situations (paragraph 6 of Annex L) (Brazil, China, Japan, the Russian Federation, Switzerland, Chinese Taipei, Thailand and the US). Two Members did not provide enough information to gauge the extent to which their in-kind food aid is in response to emergency situations (Cuba and Viet Nam).

4.5. Twelve donors confirmed that all of their aid is untied and in fully grant form (Australia, Brazil, Canada, China, EU, Japan, New Zealand, South Africa, Switzerland, Chinese Taipei, Thailand, and the US). Three donors did not answer this question (Cuba, the Russian Federation and Viet Nam).

4.6. Three Members permit monetization (Japan, China and the US). Of these, the US places conditions on monetization and has arrangements to try and avoid commercial displacement. Four Members did not specify whether or not they permit monetization (Cuba, the Russian Federation, Thailand and Viet Nam).

[16] Counting the EU as 28 plus 1.

[17] EU is counted as one Member for the purposes of discussing donors.

[18] It is possible that China is completely consistent with the proposed disciplines. Whilst China does not prevent re-export of food aid and permits monetisation its aid has been donated to the World Food Programme or what would appear to be emergency appeals to countries listed where there are World Food Programme emergencies.

[19] The majority of Japan's programmes are consistent with the proposed disciplines. Much food aid is donated through the World Food Programme. More information on the "counterpart funds" system should enable a complete assessment.

[20] It is possible that the Russian Federation's programmes are entirely consistent with the proposed disciplines. The Russian Federation gives much aid to the World Food Programme. It did make two in-kind donations to Nicaragua and North Korea (both of whom are listed as emergency countries by the World Food Programme). If we had more information on these donations, particularly whether monetisation was permitted or re-export permitted then a complete assessment could be made.

4.7. Only two Members (China and Thailand) specifically allow their food aid to be re-exported. Three members did not specify whether or not they permit food aid to be re-exported (Cuba, Thailand and Viet Nam).

4.8. The responses to the questionnaire detail an impressive record of food aid provision, the vast majority of which is donated, on the basis of the information available, on terms that are substantially or fully consistent with the proposed disciplines in Annex L. The majority of respondents provided detailed answers in response to the questions. Transparency would be improved if Members were to answer all the questions rather than just providing their ES1 and ES3 notifications. Notwithstanding this, the Membership should take some comfort in the excellent picture of food aid practices and that the majority of food aid provision reported already being fully consistent with Annex L.

Table 5 Overview of Members' food aid programmes[21]

Member	Is aid provided on a cash basis and if so how much?[22]	Is aid provided "in-kind" i.e. actual commodities and if so how much?	If aid is provided "in-kind" is it provided to the WFP, relevant international organisation or in response to an emergency?	Is the aid provided in fully grant form (i.e. not tied)?	Is monetization of the aid prohibited or not possible?	Is re-export of "in-kind" food aid permitted?	Most Recent Year of Reporting in Response
Australia	Yes- AUD 355 million in 2013/14	No	N/A	Yes	Yes	N/A	2013/14
Brazil	No	Yes- 2014: 12,100 tonnes of polished rice worth USD 5,744,584[23]	Yes	Yes	Yes	No	2014
Canada	Yes- 360,265 tonnes of commodities purchased in 2011	No	N/A	Yes	Yes	N/A	2011
Cuba	No	Yes- 2010: 2500 tonnes of raw sugar	Not specified[24]	Not specified	Not specified	Not specified	2010
China	No	Yes- USD 6 million in 2014	Yes	Yes	No	Yes	2014
European Union	Yes- amount not specified	No	N/A	Yes	Yes	N/A	2012
Japan	Yes- amount of cash based food assistance not disaggregated total food aid in 2014: 10 billion Yen	Yes- amount of in-kind assistance is not disaggregated total food aid in 2014:10 billion Yen	Yes	Yes	No	No	2014
New Zealand	Yes- 2013/14: NZD 9.45 million	No	N/A	Yes	Yes	No	2013/14
Russian Federation	Yes- 2014: USD 34 million	Yes- 2014: 82337 tonnes of agricultural commodities	Yes	Not specified	Not specified	Not specified	2014
South Africa	Yes- 2014: ZAR 5.5 million	No	N/A	Yes	Yes	N/A	2014
Switzerland	Yes -2011/12: 25685 tonnes of grain cash equivalent	Yes- 2011/12: 3240 tonnes of dairy products	Yes	Yes	Yes	No	2011/12
Chinese Taipei	No	Yes- 16,400 tonnes of rice	Yes	Yes	Yes	No	2014
Thailand	No	Yes- 500 metric tonnes	Yes	Yes	Not specified	Yes	2014
United States	Yes- 2014: USD 866 million	Yes- 2014: 1.31 million metric tonnes worth USD 794 million	Yes	Yes	Monetization is permitted in certain circumstances	No	2014
Viet Nam	No	Yes- 14,000 tonnes of rice	Not specified	Not specified	Not specified	Not specified	2011

[21] This summary is limited to programmes since 2010 so does not include those of Argentina and Norway which predate this.
[22] The information summarised here is only on the basis of submissions made to the export competition questionnaire and the information compiled in G/AG/W/125/Rev.2/Add.3
[23] The value or volume of aid listed herein is taken from the last available year listed for the Member in document G/AG/W/125/Rev.2/Add.3.
[24] The phrase "not specified" means there is not a specific answer to the question for that Member in G/AG/W/125/Rev.2/Add.3.

5 CONCLUSIONS

5.1. As compared to 2014 there has been an improvement in the level, and quality of Members' responses to the Secretariat questionnaire, and consequently the Secretariat's report is also an improvement. The quality of responses on export credits is a good example of Members providing much more information about their programmes when compared with last year. It is notable that some of the smaller developing countries have responded, demonstrating that the questionnaire is not overly burdensome.

5.2. We encourage Members to make further efforts to improve transparency, such as submitting overdue notifications of export subsidies (whether or not in relation to scheduled commitments) and submitting outstanding questionnaire responses. This includes providing nil responses where appropriate and, if necessary, providing information in the first instance that it is available.

5.3. While a number of gaps in Members' notifications and responses to the Secretariat questionnaire remain, the Secretariat's report provides Members with an informed view of the export competition landscape, in particular amongst most of the major exporters. The report reaffirms the fact that since the launch of the Doha Round there have been positive developments in the export competition pillar. In particular, export subsidy expenditure has fallen significantly and some Members' FTAs constrain their use of export subsidies in some, albeit limited, circumstances. There are also examples of individual Members' reforms in the other pillars. This generally positive trend, however, is not without exception as not all Members have reformed.

5.4. Since MC9 some new export subsidy programmes have been introduced, or are under consideration, by a relatively small number of Members. These developments, whilst inconsistent with the Bali Declaration undertaking to exercise the utmost restraint with regard to any recourse to all forms of export subsidies, are in both dollar terms and in terms of the Membership an aberration in an otherwise clear downwards trend in the use of export subsidies.

5.5. The conclusions drawn from the 2014 dedicated discussions on export competition continue to hold true, namely that this positive but mixed story demonstrates two key points. Firstly, judging by the reported policy settings, the Rev.4 modalities on export competition are doable. Secondly, the Rev.4 modalities on export competition are necessary because domestic reform and FTA commitments are neither a guarantee nor a substitute for the elimination of all forms of export subsidies and disciplines on all export measures with equivalent effect through WTO reform. It is important that domestic reforms continue but it is essential that the Doha negotiation objectives on export competition be met without delay, as reflected in the Bali Declaration on Export Competition (paragraph 9, WT/L/915) where Ministers agreed that the elimination of all forms of export subsidies remains a priority issue. The overall policy and price environment as we approach the post Bali work programme deadline and Tenth WTO Ministerial Conference presents a valuable opportunity to deliver on this objective.

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