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ANNUAL EXPORT COMPETITION REVIEW

SUBMISSION FROM THE CAIRNS GROUP TO THE 80TH MEETING OF THE COMMITTEE ON AGRICULTURE (COA) IN JUNE 2016

The following communication, received on 30 May 2016, is being circulated at the request of the Cairns Group.

At the 10th WTO Ministerial Conference (MC10) Ministers adopted the historic Export Competition Decision eliminating all Members' export subsidies and establishing disciplines on export measures with equivalent effect (WT/MIN(15)/45; WT/L/980 of 19 December 2015). The Decision also continued the dedicated annual export competition review process in the Committee on Agriculture (CoA) originally established by the MC9 Ministerial Declaration on Export Competition (WT/MIN(13)/40).

As in the reviews of 2014 and 2015 the Secretariat has circulated a background document "Export Subsidies, export credits, export credit guarantees or insurance programmes, international food aid and agricultural exporting state trading enterprises" pursuant to the Ministerial Decision (G/AG/W/125/Rev.4, hereafter "the report").

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, and in particular to support monitoring of the implementation of the disciplines established in the MC10 Decision. As it has done before¹, the Cairns Group supplements the report with some key conclusions drawn from the analysis including the alignment of Members' policies with the new export competition disciplines.

1 EXPORT SUBSIDIES

1.1. In the MC10 Decision Members committed to eliminate their scheduled export subsidies entitlements thereby locking in reforms that had been undertaken and eliminating those remaining programmes. This was with immediate effect in the case of developed Members and by the end of 2018 in the case of developing Members. Circumscribed implementation periods through to the end of 2020 were also provided for developed Members' processed products, dairy products, and swine meat, and through to the end of 2022 for developing Members (paragraphs 6 and 7 and footnotes 3-5). Developing Members are also committed to eliminating export subsidies permissible under Article 9.4 of the Agreement on Agriculture by the end of 2023, or the end of 2030 in the case of Net Food Importing Developing Countries (NFIDCs) (paragraph 8).

1.2. The implementation periods are subject to standstill commitments; a requirement that any export subsidies have at most minimal trade distorting effects and do not displace or impede the exports of another Member; and in the case of developed Members, export subsidies should also not be applied to new markets, to new products or on products destined for least developed countries (LDCs) (paragraphs 9-11 and footnote 4). Members also agreed to immediately eliminate

¹ Cairns Group submissions to the 2014 and 2015 annual export competition reviews can be found in G/AG/W/129 and G/AG/W/144 respectively.

all entitlements relating to cotton export subsidies in the case of developed Members and by 1 January 2017 in the case of developing Members.

1.3. Eighteen Members² have scheduled export subsidy commitments as a result of the Uruguay round (Table 1). The entitlements of two of these Members have already been phased out to zero as a result of the Uruguay Round (New Zealand in 2000 and Panama in 2003). The remaining 16 Members are yet to eliminate their scheduled entitlements although efforts to this end were reported by a range of Members in the March 2016 meeting of the CoA. Four Members (Australia, Israel, South Africa and Switzerland) reported on their efforts in this direction in their responses to the Secretariat's questionnaire.

Table 1 - Status of the schedules of Members with scheduled export subsidy commitments and their most recent export subsidy notifications³

Member	Year last notified for	Progress Eliminating Scheduled Commitments
Uruguay	2015	No change
Brazil	2014	No change
Canada	2014	No change
European Union	2014	No change
Israel	2014	No change
New Zealand	2014	At zero since 2000
Norway	2014	No change
Australia	2013	No change
Iceland	2013	No change
South Africa	2013	No change
Switzerland-Liechtenstein	2013	No change
Mexico	2012	No change
United States of America	2012	No change
Indonesia	2011	No change
Colombia	2010	No change
Panama	2003	At zero since 2003
Turkey	2000	No change
Venezuela, Bolivarian Republic of	1998	No change

1.4. In terms of outlays, of the 18 Members that had scheduled export subsidy 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.

1.5. Of the remaining Members with scheduled reduction commitments, seven have notified the recent use of export subsidies in their last notifications: Canada, the European Union, Israel, Norway, Switzerland-Liechtenstein and Turkey (Table 2).⁴ 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 entitlement.

1.6. 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. There have been no recently notified outlays of cotton export subsidies.

1.7. In terms of trends, export subsidy use at an aggregate and individual Member level has dramatically decreased, and in some cases has been discontinued, since notifications became mandatory in 1995 as part of the Uruguay Round. Exceptions to this are Canada, Norway and Switzerland whose most recently notified outlays were in the range of USD 32-81 million per annum. Israel, while accounting for much lower annual outlays of USD 2 million, notified an increase in export subsidy outlays of USD 1.2 million (201%) to non-citrus fruits in 2014, while

² Counting all European Union Members with export subsidy commitments as one.

³ As of 26 May 2016.

⁴ In Mexico's notification for 2008-2012 it notified the export subsidies for wheat and maize under Article 9.4.

Switzerland increased its export subsidies budget for processed products in 2015 by USD 21.3 million (35%).

1.8. Several other Members have notified the use of export subsidies (Table 2) in recent years, including India, Republic of Korea, Barbados, Mauritius, Morocco, and Mexico. These are up to USD 102 million in the case of India and cover a range of products, including sugar, fruits, vegetables, wheat, maize, chicken, livestock and flowers.

1.9. 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. This does not fully capture all export subsidies such as those not covered by budgetary expenditure.

Table 2 - Notified export subsidy outlay details by Member

Member	Sum of budgetary outlay (USD thousand) ⁵	Date of latest information	Total notified budgetary outlays as % total commitments	Products the subject of export subsidies since 2004 ⁶
Scheduled outlays				
Canada	81,190	2014/5	19%	Butter, skim milk powder (99.3%), cheese (64.3%), other milk products (87.3%), incorporated products (99.5%)
Switzerland-Liechtenstein	75,608	2013	16%	Milk products, cattle for breeding and racehorses (0.4%), fruits, potatoes, processed agricultural products (60.9%)
Norway	32,267	2014	42%	Swine meat (58.5%), sheep and lamb meat, eggs and egg products, butter, cheese (46.7%), processed agricultural products (77.2%)
Israel	1,815	2014	4%	Fresh flowers, fruit other than citrus (40.4%), fresh vegetables (0.8%), citrus fruits
European Union	47	2014	0.0005%	Wheat and wheat flour, coarse grains, sugar, butter and butter oil, skim milk powder, cheese, other milk products, beef meat, pig meat, poultry meat (0.0002%), sugar ⁷ , eggs, wine, fruit and vegetables, incorporated products
Turkey	? ⁸	2013	?	Cut flowers (fresh), Vegetables, frozen (exc. potatoes), Vegetables dehydrated, Fruits (frozen), Preserve, pastes, Honey, Homogenized fruit preparations, Fruit juices (concentrated), Olive oil, Prepared or preserved fish, Meat of poultry (excl. edible offals), Eggs, Preserved poultry meat products, Chocolate and other food preparations containing chocolate, Biscuits, waffles, Macaroni vermicelli
Unscheduled outlays				
India	102,000	2009-10	N/A	Sugar, tea, animal products, plants and flowers, processed fruits and vegetables, fresh fruits and vegetables
Korea, Republic of	28,454	2008	N/A	Flowers, fruits, ginseng, kimchi, livestock, vegetables, grain and processed food, and traditional liquor
Mexico	720	2012	N/A	Wheat and maize
Mauritius	300	2013	N/A	Vegetables, fruit and flowers
Barbados	1	2006/7	N/A	Chicken breast

⁵ 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#>.

⁶ For Members with scheduled commitments, the budgetary outlay in the most recent notification as a percentage of product level commitments is provided in brackets.

⁷ Only notified quantities, representing 98.2% of the corresponding export subsidies quantity commitment level, as expressed in G/MA/TAR/RS/357.

⁸ Information based on Turkey's notifications to the SCM Committee, which do not include budgetary outlays.

1.10. Room for improvement remains in Members' notification performance. Only 39 Members have submitted ES:1 notifications covering one of the last two years.⁹ Twenty five Members (19%) have a 0% compliance rate with these obligations while just 29 Members (22%) have submitted all their corresponding notifications.¹⁰ Of the 18 Members with scheduled commitments, only seven have notified their outlays in the last two years, with the most dated being Bolivarian Republic of Venezuela (1998), Turkey (2000) and Panama (2003)¹¹ (Table 1). Turkey however reports in its questionnaire response that it continues to provide export subsidies to a number of agricultural products and that pending export subsidy notifications will be completed. Turkey's export subsidy outlays for a range of agricultural products in the period 2013-2015 were also notified in 2012 and 2014 to the WTO Committee on Subsidies and Countervailing Measures and reported in Turkey's 2016 Trade Policy Review (TPR).¹²

2 EXPORT FINANCING SUPPORT

2.1. The MC10 Decision establishes a set of disciplines on export financing support (export credits, export credit guarantees and insurance programmes) for exports of agricultural products. Self-financing requirements apply with immediate effect while an 18 month maximum repayment term applies to developed Members from the last day of 2017 and is phased in for developing Members: initially 36 months; 27 months after two years of implementation; and 18 months after four years of implementation.

2.2. Forty nine Members¹³ replied to the current questionnaire on export financing support provided by Members for the export of agricultural products.

2.3. Twenty two Members, including the European Union while not counting its member States, replied that they provided no export financing support. In addition, three Members, notwithstanding having a programme available, have either not provided export financing support in recent years or it has been negligible.¹⁴ Twenty seven Members provided replies with information on their export financing support programmes. Analysis here is based on these replies to the current questionnaire and previous ones.

2.4. The European Union has expanded its reporting to just over a half of its member States.¹⁵ It also indicated that no export financing support programmes are in operation at the European Union level, though we note that the European Commission is currently examining the feasibility of an export credit scheme.¹⁶ While this enhanced detailed information is welcomed, the European Union is encouraged to complete its report by providing data on the remaining unreported member States.¹⁷ Turkey has provided more detailed information compared to that of last year. Given Turkey's share in the type of programmes under study (around 20%) this has usefully broadened the scope of the report.¹⁸

2.5. Of the four types of export financing support disciplined in the MC10 Decision, 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 54 types of programmes in the sample,

⁹ As of 26 May 2016.

¹⁰ As of 24 February 2016, reported in G/AG/GEN/86/Rev.23.

¹¹ As of 26 May 2016.

¹² Contained in G/SCM/N/220/TUR and G/SCM/N/253/TUR and summarised in WT/TPR/S/331 section 4.16.

¹³ Counting each European Union Member State reply and nil replies.

¹⁴ It is reported that Germany's support has been zero since 2011, while the Netherlands has also been zero in the last few years including 2015. In the case of Switzerland, it is reported that export financing has been negligible due to very low demand.

¹⁵ The European Union provided responses for 15 of its 28 member States: Austria, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, Latvia, The Netherlands, Poland, Sweden, United Kingdom.

¹⁶ The European Commission press release 14 March 2016: http://europa.eu/rapid/press-release_IP-16-806_en.htm.

¹⁷ The European Union did not provide responses for 13 of its 28 member States: Belgium, Cyprus, Greece, Ireland, Italy, Lithuania, Luxembourg, Malta, Portugal, Romania, Slovakia, Slovenia, Spain.

¹⁸ 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.

41 (75%) fall within the category of risk cover and 26 out of 30 (86%) Members reported having such programmes.

2.6. Over 80% of agricultural exports that received export financing in 2015 were supported by some type of risk cover, with most of this provided by Canada (31%) and the United States (28%). Comparing 2014 with 2015 data, the value of agricultural exports from the US supported by risk cover increased from around USD 2 billion to USD 2.5 billion while exports from Canada remained stable around USD 3 billion.

2.7. The second most used kind of programme within the sample is direct financing support (comprising direct credits/financing, refinancing, and interest rate support). Australia, Brazil, Canada, European Union (Croatia, Denmark), and Malaysia (18%) provide at least one type of direct financing support and ten types of programmes were reported in total.

2.8. Just under half of the programmes reported have repayment terms that exceed the 18 months maximum repayment period established in the MC10 Decision. Such programmes were reported by 11 Members (Australia, Canada, Bulgaria, Czech Republic, Denmark, Estonia, Germany, Hungary, Latvia, Poland and Japan). Most Members however did not provide information on whether the programmes are self-financing, one of the conditions established. 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 Export Finance and Insurance Corporation (Efic) to be self-funded. While the United States reported information on its Export-Import Bank (export credit insurance programme) it did not report – as it did in 2014 – that its GSM-102 programme must cover the operating costs and losses of the programme over 'the long term'. Thus, it remains unclear, as in 2015, whether this represents a change in policy or a change in reporting.

2.9. 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. The MC10 Decision includes commitments relating to the operation of agricultural exporting state trading enterprises (STEs). This includes the requirement that their operation be in conformity with the General Agreement on Tariffs and Trade (GATT) as well as Agreement on Agriculture (AoA) and other WTO Agreements, an anti-circumvention provision, and a commitment on a best efforts basis to ensure STE export monopoly powers are exercised in a manner that minimize trade distorting effects and do not displace or impede others' exports. Analysis in this section is based on replies to the current questionnaire and previous ones.

3.2. Seventeen Members notified or reported agricultural exporting STEs covering a wide range of products (Table 3). This is three fewer than reported in the two previous annual reviews. Members having previously notified or reported STEs that did not do so in 2016 are Brazil, Morocco and Viet Nam. Of these Members, Brazil and Viet Nam clarified that STEs previously reported in response to the Secretariat questionnaire are considered not 'exporting' and therefore were not reported as such in 2016.

3.3. Members notified or reported a total of 60 agriculture exporting STEs, which is seven fewer than during the last review period. The difference is again accounted for by Brazil, Morocco and Viet Nam. China (25) and India (14) reported by far the most agriculture exporting STEs, accounting for 65% of the total reported number by all Members. The distribution by product grouping shows a similar concentration with two product categories (fruits and vegetables and tobacco) accounting for 57% 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 10 of the 17 Members reporting agricultural exporting STEs (Australia; Colombia; Costa Rica; Ecuador; Indonesia; Israel; Moldova, Republic of; Tunisia, 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 nine 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 16 STEs (27% 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. In their responses to the 2016 Secretariat questionnaire, five additional Members confirmed that they do not have agricultural exporting STEs, bringing the three-year total to 36 Members.

3.6. 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. Nevertheless, more comprehensive data and analysis is required to better assess the impacts of agriculture exporting STEs on global markets.

Table 3 - Reported Agriculture Exporting STEs by Member

Member	Number of agricultural exporting STEs	Product Coverage
Australia	1	rice
Canada ¹⁹	1	wheat, barley, canola
China	25	rice, maize, cotton, tobacco, tea,
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
New Zealand	1	kiwifruit
Trinidad and Tobago	1	cocoa, coffee
Tunisia	2	snuff, leaf tobacco, cigarettes, 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

4 INTERNATIONAL FOOD AID

4.1. The MC10 Decision established disciplines on international food aid with the objective of preventing or minimizing commercial displacement resulting from such aid. Members are encouraged to provide exclusively cash-based food aid. Monetisation is permitted subject to conditions, including minimizing or eliminating disruptions to local or regional markets and impacts on production.

4.2. Thirty three Members responded to the elements of the questionnaire relating to International Food Aid. Of these, 13 Members are donors of international food aid²⁰, with Turkey being new questionnaire respondent. The analysis that follows here is based on these responses while an overview of these and previous questionnaire responses is provided in Table 4.

4.3. Based on the information available, 12 of the 13 food aid donors' programmes are consistent or partially consistent with the MC10 food aid disciplines. Viet Nam did not provide enough information to make an assessment. Ten food aid donors reported programmes that appear to be consistent with the disciplines (Australia, Brazil, Canada, European Union, New Zealand, South Africa, Switzerland, Chinese Taipei, Turkey and the United States). Two Members have programmes that are partially consistent with the disciplines, in that they have significant food aid

¹⁹ Although Canada has notified the Canadian Wheat Board in its questionnaire reply, it also notes that as of 30 July 2015 it became a fully independent commercial entity (G3 Limited).

²⁰ The European Union is counted as one Member for the purposes of discussing donors.

operations that are consistent whilst also having other food aid programmes that may not be consistent (Japan²¹ and the Russian Federation²²).

4.4. Nine Members provide untied cash-based food assistance (Australia, Canada, European Union, Japan, New Zealand, Russian Federation, South Africa, Switzerland, and the United States) of which five provide cash exclusively (Australia, Canada, European Union, 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.

4.5. Seven Members provide in-kind food assistance (i.e. they provide actual commodities as aid) (Brazil, European Union²³, Japan, Switzerland, Chinese Taipei, Turkey, and the United States).²⁴ Of these seven, four also provide untied cash-based assistance (European Union, Japan, Switzerland and the United States). Based on the information provided, it would appear that six of the seven Members provide in-kind food assistance in response to emergency situations (paragraph 25 of the MC10 Decision) (Brazil, Japan, European Union, Switzerland, Chinese Taipei and the United States). Three Members did not provide enough information to gauge the extent to which their in-kind food aid is in response to emergency situations (the Russian Federation, Turkey and Viet Nam).

4.6. Eleven donors confirmed that all of their aid is untied and in fully grant form (Australia, Brazil, Canada, European Union, Japan, New Zealand, South Africa, Switzerland, Chinese Taipei, Turkey, and the United States). Two donors did not answer this question (the Russian Federation and Viet Nam).

4.7. Two Members permit monetization (Japan and the United States). Of these, the United States places conditions on monetization and has arrangements to try and avoid commercial displacement. Two Members did not specify whether or not they permit monetization (the Russian Federation and Viet Nam).

4.8. One Member did not specify whether or not they permit food aid to be re-exported (Viet Nam).

4.9. The vast majority of the reported food aid appears to be donated on terms that are substantially or fully consistent with the MC10 Decision. The majority of respondents provided detailed answers in response to the questionnaire. Transparency would be improved if Members were to answer all the questions rather than just providing their ES:1 and ES:3 notifications.

²¹ The majority of Japan's programs are consistent with the disciplines. Much food aid is donated through the WFP. More information on the "counterpart funds" system should enable a complete assessment.

²² It is possible that the Russian Federation's programs are entirely consistent with the disciplines. The Russian Federation gives much aid to the WFP. More information, particularly whether monetisation was permitted or re-export permitted should enable a complete assessment.

²³ The European Union provides in-kind food assistance, although only in response to emergency situations.

²⁴ The Russian Federation and Viet Nam, have not provided specific answers to this question.

Table 4 - Overview of Members' food aid programmes²⁵

Member	Is aid provided on a cash basis and if so how much? ²⁶	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 360.5 million in 2013/14	No	N/A	Yes	Yes	N/A	2013/14
Brazil	No	Yes- 2014: 12,100 metric tonnes of polished rice worth USD 5,744,584 ²⁷	Yes	Yes	Yes	No	2014
Canada	Yes - CAD 374 million in 2013	No	N/A	Yes	Yes	N/A	2013
Cuba	No	Yes- 2010: 2,500 tonnes of raw sugar	Not specified ²⁸	Not specified	Not specified	Not specified	2011
China	No	Yes- 2014: USD 6 million	Yes	Yes	No	Yes	2014
European Union	Yes- amount not specified	No	N/A	Yes	Yes	N/A	2013
Indonesia	No	Yes- 2,000 tonnes of rice	Yes	Yes	Not specified	No	Not specified
Japan	Yes- amount of cash based food assistance not disaggregated total food aid in 2015: 9.5 billion Yen	Yes- amount of in-kind assistance is not disaggregated total food aid in 2015: 9.5 billion Yen	Yes	Yes	No	No	2015
New Zealand	Yes- 2014/2015: NZD 6 million	No	N/A	Yes	Yes	No	2014/2015
Russian Federation	Yes- 2015: USD 30 million	Not specified	Yes	Yes	Not specified	N/A	2015
South Africa	Yes- 2014: ZAR 5.5 million	No	N/A	Yes	Yes	N/A	2014
Switzerland	Yes -2014: CHF 82 million	Yes- 2014: 2,839 tonnes of dairy products	Yes	Yes	Yes	No	2014
Chinese Taipei	No	Yes- 17,390 tonnes of rice	Yes	Yes	Yes	No	2015
Thailand	No	Yes- 500 metric tonnes of rice	Yes	Yes	Not specified	Yes	2014
Turkey	No	Yes- 2015: USD 4,865,000 (approximate) worth of food aid	Not specified	Yes	Yes	No	2015
United States of America	Yes- 2015: USD 1.09 billion	Yes- 2015: 1.09 million metric tonnes worth USD 447.25 million	Yes	Yes	Monetization is permitted in certain circumstances	No	2015
Viet Nam	Not specified	Not specified	Not specified	Not specified	Not specified	Not specified	2015

²⁵ This summary is limited to programmes since 2010 so does not include those of Argentina and Norway which predate this.

²⁶ The information summarised here is on the basis of submissions made to the current and previous export competition questionnaire and the information compiled in the last review period.

²⁷ 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.4/Add.3.

²⁸ The phrase 'not specified' means there is not a specific answer to the question for that Member in G/AG/W/125/Rev.4/Add.3.

5 TRANSPARENCY

5.1. As noted, the annual export competition review process in the CoA originally established by the MC9 Ministerial Declaration on Export Competition was continued by the MC10 Decision in order to monitor Members' implementation of the Decision. This review is on the basis of Members' notifications and a Secretariat questionnaire set out in the Annex to the Decision. The MC10 Decision made responding to the questionnaire, like notifications, a binding obligation on developed Members and developing Members where they are in a position to do so.

5.2. There continues to be variability in the number and quality of notifications and replies to the Secretariat questionnaire from across the WTO Membership. A summary of the ES:1 notification rates for 2015 and response rates to the 2016 questionnaire is provided in Table 5, with further details in Annex 1. Sixteen Members have provided ES:1 notifications for 2015, all of which are nil responses, although Canada's ES:1 notification for the 2014 implementation year details its outlays for the marketing year 1 August 2014 – 31 July 2015. Sixty four Members responded to the questionnaire in part or its entirety. Of these Members, 48 replied to the entire questionnaire, 49 responded to the section on export financing, 64 to the section on STEs, and 61 on food aid. Ninety eight Members did not provide any responses.

Table 5 - Summary of Members' questionnaire responses and notification performance

	2015 Export Subsidy (ES:1) Notifications	Export Financing	STEs	Food Aid
Substantive responses	0	28	8	41
Nil responses	16	21	56	20
TOTAL RESPONSES	16	49	64	61
TOTAL PROVIDING NO RESPONSES	146	113	98	101

5.3. Consequently, while the Secretariat's report is improved as compared to previous years on the basis of replies to multiple questionnaires, there is still room for improvement in both the quality and quantity of Member replies. The quality of replies on export financing is a good example of where the Secretariat report has benefited from Members providing more information about their programmes when compared with 2015. It is notable that smaller developing countries have replied, demonstrating that the questionnaire is not overly burdensome. Despite this, a number of developed Members and larger developing Members provided incomplete or no responses at all.

5.4. While there have been some improvements in the extent and quality of Members' reporting, Members need 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.

6 CONCLUSIONS

6.1. 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. This supports an informed assessment of many Members' programmes against commitments, including the MC10 Export Competition Decision.

6.2. The MC10 Decision requires Members with scheduled export subsidies entitlements to amend their schedules to eliminate these entitlements. While a number of Members have reported moves in this direction none have made the necessary schedule amendments since MC10. Given the immediacy of the implementation dates, there is a pressing need for developed Members to amend their schedules and for all Members to amend their schedules in relation to cotton. Further, there is nothing to prevent developing Members amending their schedules to reflect the relevant implementation periods in advance of the ultimate deadlines. We therefore urge all Members to expedite the process of amending their schedules and to keep the CoA informed of progress.

6.3. The report reaffirms that many of the reported policies appear consistent or moving in the direction of being consistent with the MC10 Decision. In particular, export subsidy expenditure has fallen significantly. This generally positive trend, however, is not without exceptions.

6.4. One point of concern is that since MC9 a number of Members have increased their export subsidy outlays, introduced new export subsidy programmes, or are considering such moves. These developments appear inconsistent with the Bali Declaration, reaffirmed in the MC10 Decision, to exercise utmost restraint, with regard to all forms of export subsidies.

6.5. A full assessment of current policies against the MC10 Decision is not possible at this point because the report is based on pre-2016 data. The questionnaire response rate and quality, and future need for CoA to consider consistency with MC10 Decision, leads to the overarching conclusion that Members need to maintain and further improve their reporting to future reviews.

ANNEX 1

MEMBERS RESPONDING TO THE SECRETARIAT 2016 QUESTIONNAIRE
AND PROVIDING 2015 ES:1 NOTIFICATIONS

✓ = Response provided

EU = Response provided as part of wider EU response

EU NIL= Nil response provided as part of wider EU response

Nil = Nil response provided confirming absence of relevant programmes

X = No response provided

Member	2015 Export Subsidy (ES:1) Notifications	Export Financing	STEs	Food Aid
Albania	X	NIL	NIL	NIL
Angola	X	X	X	X
Antigua and Barbuda	X	X	X	X
Argentina	X	X	X	X
Armenia	X	X	X	X
Australia	X	✓	✓	✓
Austria	X	✓	EU NIL	EU
Bahrain, Kingdom of	X	X	X	X
Bangladesh	X	X	X	X
Barbados	X	X	X	X
Belgium	X	X	EU NIL	EU
Belize	X	X	X	X
Benin	X	X	X	X
Bolivia, Plurinational State of	X	X	X	X
Botswana	X	X	X	X
Brazil	X	✓	NIL	✓
Brunei Darussalam	X	X	X	X
Bulgaria	X	✓	EU NIL	EU
Burkina Faso	X	X	X	X
Burundi	X	X	X	X
Cabo Verde	X	X	X	X
Cambodia	X	X	X	X
Cameroon	X	X	X	X
Canada	X	✓	✓	✓
Central African Republic	X	X	X	X
Chad	X	X	X	X
Chile	X	NIL	NIL	NIL
China	X	X	X	X
Colombia	X	X	X	X
Congo	NIL	X	X	X
Costa Rica	NIL	NIL	✓	NIL
Côte d'Ivoire	X	X	X	X
Croatia	X	✓	EU NIL	EU
Cuba	X	X	X	X

Member	2015 Export Subsidy (ES:1) Notifications	Export Financing	STEs	Food Aid
Cyprus	X	X	EU NIL	EU
Czech Republic	X	✓	EU NIL	EU
Democratic Republic of the Congo	X	X	X	X
Denmark	X	✓	EU NIL	EU
Djibouti	X	X	X	X
Dominica	X	X	X	X
Dominican Republic	X	X	X	X
Ecuador	X	NIL	✓	NIL
Egypt	X	X	X	X
El Salvador	X	X	X	X
Estonia	X	✓	EU NIL	EU
European Union	X	✓	NIL	✓
Fiji	NIL	X	X	X
Finland	X	✓	EU NIL	EU
France	X	✓	EU NIL	EU
Gabon	X	X	X	X
The Gambia	X	X	X	X
Georgia	NIL	NIL	NIL	NIL
Germany	X	✓	EU NIL	EU
Ghana	X	X	X	X
Greece	X	X	EU NIL	EU
Grenada	X	X	X	X
Guatemala	NIL	X	X	X
Guinea	X	X	X	X
Guinea-Bissau	X	X	X	X
Guyana	X	X	X	X
Haiti	X	X	X	X
Honduras	X	NIL	NIL	NIL
Hong Kong, China	NIL	NIL	NIL	NIL
Hungary	X	✓	EU NIL	EU
Iceland	X	X	X	X
India	X	X	X	X
Indonesia	X	X	X	X
Ireland	X	X	EU NIL	EU
Israel	X	NIL	✓	NIL
Italy	X	X	EU NIL	EU
Jamaica	NIL	✓	NIL	NIL
Japan	X	✓	NIL	✓
Jordan	X	NIL	NIL	NIL
Kazakhstan	X	X	X	X
Kenya	X	X	X	X
Korea, Republic of	X	X	X	X
Kuwait, the State of	X	X	X	X
Kyrgyz Republic	X	X	X	X
Lao People's Democratic Republic	X	X	X	X
Latvia	X	✓	EU NIL	EU

Member	2015 Export Subsidy (ES:1) Notifications	Export Financing	STEs	Food Aid
Lesotho	X	X	X	X
Liechtenstein	X	NIL	NIL	NIL
Lithuania	X	X	EU NIL	EU
Luxembourg	X	X	EU NIL	EU
Macao, China	X	NIL	NIL	NIL
Madagascar	X	NIL	NIL	NIL
Malawi	NIL	X	X	X
Malaysia	NIL	✓	NIL	NIL
Maldives	X	X	X	X
Mali	NIL	X	X	X
Malta	X	X	EU NIL	EU
Mauritania	X	X	X	X
Mauritius	X	X	X	X
Mexico	X	X	X	X
Moldova, Republic of	X	X	X	X
Mongolia	X	X	X	X
Montenegro	X	NIL	NIL	NIL
Morocco	X	X	✓	X
Mozambique	X	X	X	X
Myanmar	X	X	X	X
Namibia	X	X	X	X
Nepal	X	X	X	X
Netherlands	X	✓	EU NIL	EU
New Zealand	X	✓	✓	✓
Nicaragua	X	X	X	X
Niger	X	X	X	X
Nigeria	X	X	X	X
Norway	X	NIL	NIL	NIL
Oman	X	X	X	X
Pakistan	X	X	X	X
Panama	X	NIL	NIL	NIL
Papua New Guinea	X	X	X	X
Paraguay	X	X	X	X
Peru	X	X	X	X
Philippines	X	X	X	X
Poland	X	✓	EU NIL	EU
Portugal	X	X	EU NIL	EU
Qatar	X	X	X	X
Romania	X	X	EU NIL	EU
Russian Federation	NIL	✓	NIL	✓
Rwanda	X	X	X	X
Saint Kitts and Nevis	X	X	X	X
Saint Lucia	X	X	X	X
Saint Vincent & the Grenadines	X	X	X	X
Samoa	X	X	X	X
Saudi Arabia, Kingdom of	X	NIL	NIL	X

Member	2015 Export Subsidy (ES:1) Notifications	Export Financing	STEs	Food Aid
Senegal	X	X	X	X
Seychelles	NIL	NIL	NIL	NIL
Sierra Leone	X	X	X	X
Singapore	NIL	NIL	NIL	NIL
Slovak Republic	X	X	EU NIL	EU
Slovenia	X	X	EU NIL	EU
Solomon Islands	X	X	X	X
South Africa	X	NIL	NIL	✓
Spain	X	X	EU NIL	EU
Sri Lanka	X	X	X	X
Suriname	X	X	X	X
Swaziland	X	X	X	X
Sweden	X	✓	EU NIL	EU
Switzerland	X	✓	NIL	✓
Chinese Taipei	NIL	NIL	NIL	✓
Tajikistan	X	X	X	X
Tanzania	X	X	X	X
Thailand	X	X	X	X
The former Yugoslav Republic of Macedonia	X	X	X	X
Togo	X	X	X	X
Tonga	X	X	X	X
Trinidad and Tobago	X	X	X	X
Tunisia	X	X	✓	X
Turkey	X	✓	NIL	✓
Uganda	X	X	X	X
Ukraine	NIL	X	X	X
United Arab Emirates	X	X	X	X
United Kingdom	X	✓	EU NIL	EU
United States of America	X	✓	NIL	✓
Uruguay	NIL	NIL	NIL	NIL
Vanuatu	X	X	X	X
Venezuela, Bolivarian Republic of	X	X	X	X
Viet Nam	X	✓	NIL	✓
Yemen	X	X	X	X
Zambia	X	X	X	X
Zimbabwe	X	X	X	X
TOTAL	16	49	64	61