

Indicator 2.b.1

Indicator Name, Target and Goal

Indicator 2.b.1 Agricultural export subsidies

Target 2.b Correct and prevent trade restrictions and distortions in world agricultural markets, including through the parallel elimination of all forms of agricultural export subsidies and all export measures with equivalent effect, in accordance with the mandate of the Doha Development Round

Goal 2 End hunger, achieve food security and improved nutrition and promote sustainable agriculture

Definition and Rationale

○ Definition

Agricultural export subsidies are defined in Article 1 paragraph (e) of the World Trade Organization (WTO) Agreement on Agriculture. Members notify to the WTO export subsidies budgetary outlays and quantities of subsidized exports in Tables ES:1 and supporting Tables ES:2. Budgetary outlays and quantities are expressed in a currency (national or other) and in quantity units as per Member's notification practices. The indicator reflects the budgetary outlays notified by WTO Members expressed in the same currency (US dollar).

○ Concepts

Export subsidies budgetary outlays are government policies/spending to encourage export of goods as opposed to domestic consumption through various forms of economic incentives.

Table ES:1 and supporting table ES:2 constitute the notification formats to be used annually by WTO Members to report on their use of export subsidies as defined in document G/AG/2 dated 30 June 1995.

Table ES:1 is to be used by WTO Members with export subsidies reduction commitments levels shown in their Schedule of Commitments. This table includes the level of export subsidies budgetary outlays and quantities of subsidized exports during the notification year for the various products or groups of products listed in the Member's Schedule of Commitments.

Supporting table ES:2 is to be used by developing country Members making use of export subsidies pursuant to article 9 paragraph 4 of the Agreement on Agriculture. This table includes the level of export subsidies budgetary outlays

and quantities of subsidized exports during the notification year for the corresponding products.

These two tables cover all the agricultural export subsidies used by WTO Members and notified to the WTO.

○ Rationale and Interpretation

The purpose of this indicator is to give detailed information on the level of export subsidies used annually per product or group of products, as notified by WTO Members. This indicator provides the sum of all the export subsidies budgetary outlays used and notified annually Member by Member, by broad categories of Members and globally.

Agricultural export subsidies have the effect of lowering prices of exported agricultural goods. The amount of export subsidies budgetary outlays therefore constitutes an indicator of the degree of distortions generated by such measures. The reduction and removal of such subsidies reduce trade restrictions and distortions in world agricultural markets.

Data Sources and Collection Method

The sources of data are WTO Members' notifications in their Table ES:1 and supporting table ES:2 notifications, pursuant to the notification requirements and formats adopted by the WTO Committee on Agriculture and contained in document G/AG/2. Country authorities that compile statistics on subsidies can provide data on this.

Method of Computation and Other Methodological Considerations

○ Computation Method

The indicator is calculated for all the Members with export subsidies reduction commitments levels shown in their Schedule of Commitments or having made use of export subsidies pursuant to article 9 paragraph 4 of the Agreement on Agriculture.

The indicator is calculated for each Member by summing the export subsidies budgetary outlays for the various products or groups of products contained in their respective Table ES:1 and supporting Table ES:2 notifications. The conversion rate used to express these amounts in US dollar is the IMF yearly average exchange rate.

The figures calculated for each Member are then summed together to calculate the indicator by broad categories of Members and globally.

Japan collects the date of budgetary outlay on export subsidies based on G/AG/2, and submits it to the WTO secretariat in Table ES:1. WTO members with export subsidy reduction commitments are required to notify in Table ES:2. Japan, without the commitment, has no obligation to notify in the table.

○ Comments and limitations

The quality of the indicator depends on WTO Members' timeliness and accuracy of their notifications.

Japan has no export subsidies permitted to outlay in the Schedule. Besides, it was agreed to eliminate export subsidies at the WTO ministerial meeting in 2015 (MC11). It is no longer possible for Japan to outlay export subsidies.

Data Disaggregation

Data could be disaggregated by categories of product or groups of products as notified by the WTO members.

References

World Trade Organization (WTO). Agriculture Information Management System. Geneva. <http://agims.wto.org/>

Custodian Ministries of Data

Ministry of Agriculture, Forestry and Fisheries

Custodian Ministries of Related Policies

Ministry of Agriculture, Forestry and Fisheries

International Organizations

World Trade Organization (WTO)