

Domestic support disciplines

Product-specific caps to avoid concentration

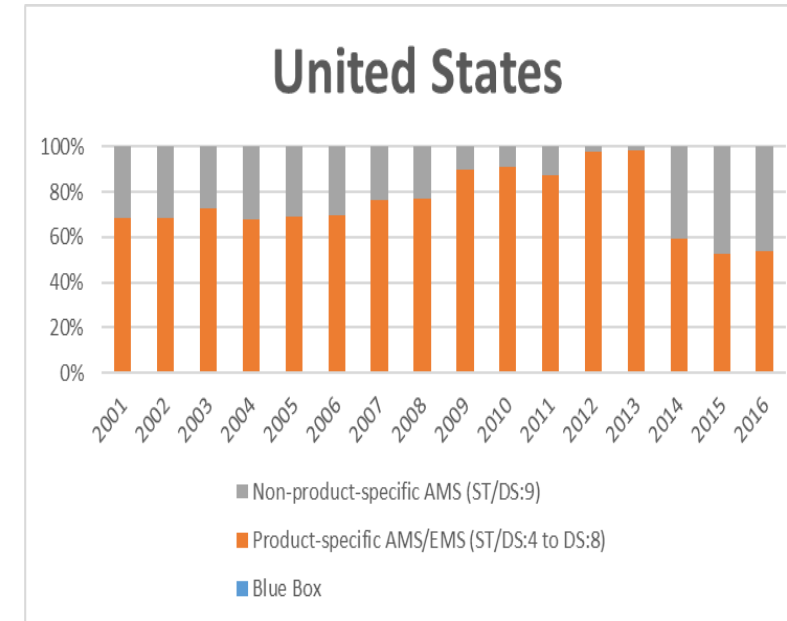
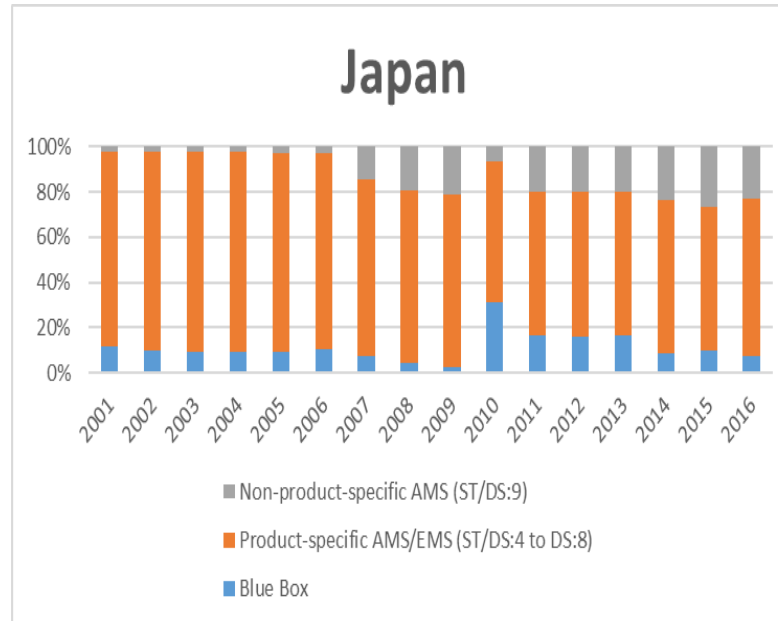
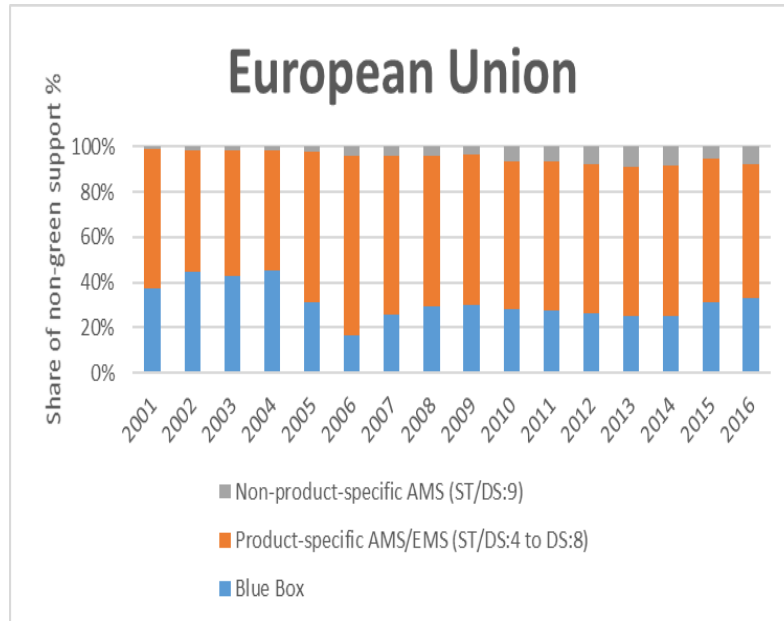
Valeria Piñeiro, Joseph Glauber and David Laborde

Why Domestic Support?

- Creates market distortions
- Give the wrong signals to producers
- Sustainable production
- Efficient use of scarce natural resources

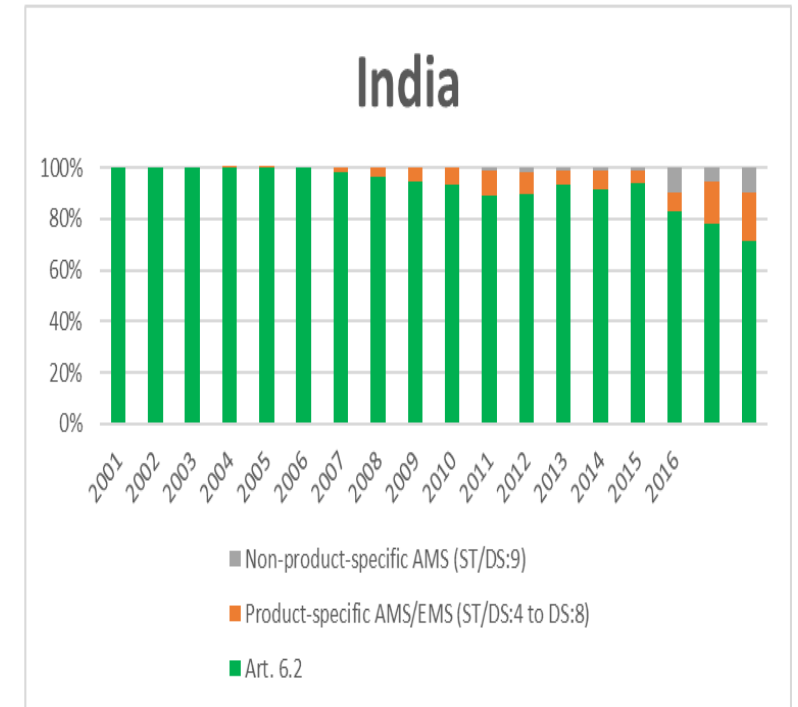
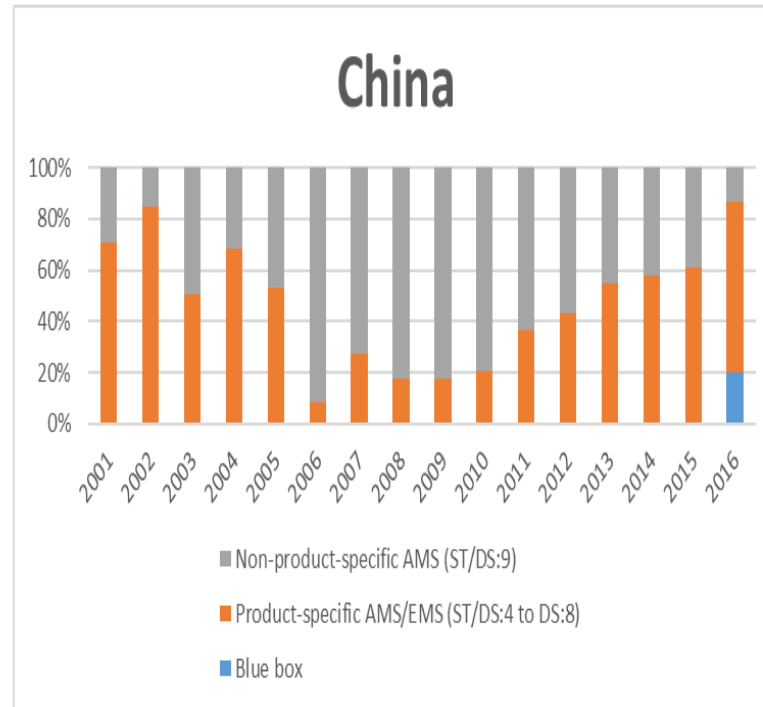
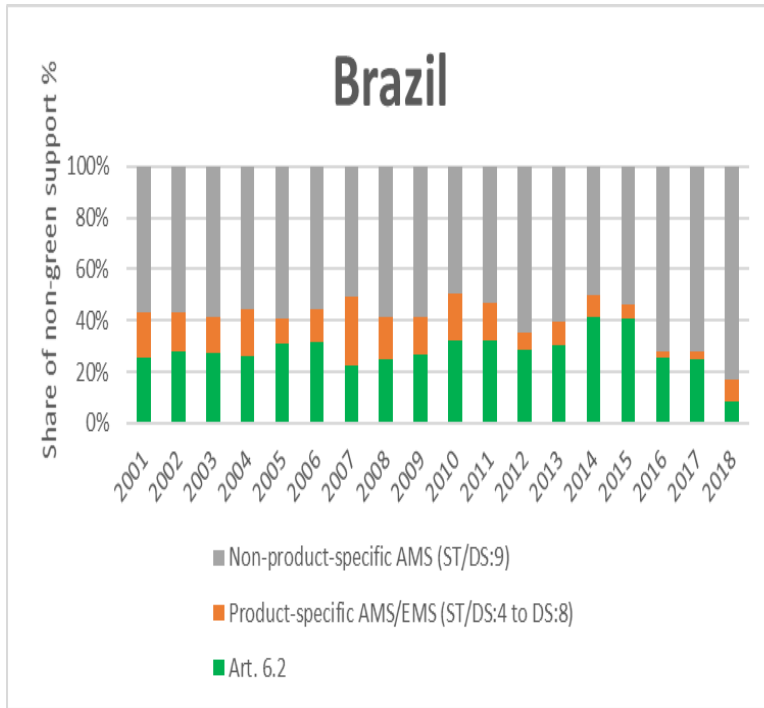


Product specific domestic support vs. Non specific domestic support -Developed countries-



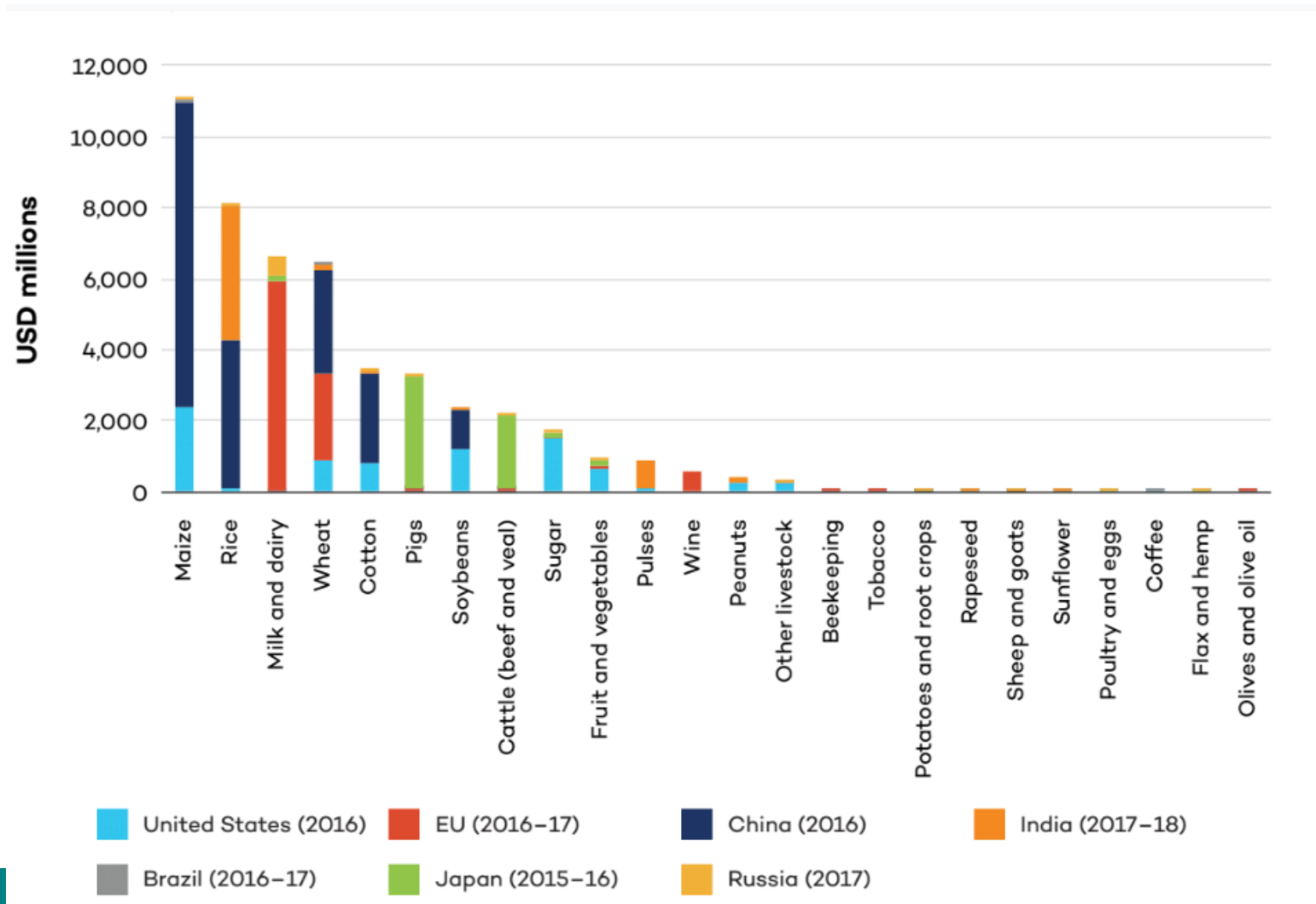
Source: Author's calculations based on WTO notifications, 2020

Product specific domestic support vs. Non specific domestic support -Developing countries-



Source: Author's calculations based on WTO notifications, 2020

Product-specific support in selected major economies by product (amber box)



Source: IISD-IFPRI, 2020

Three new submissions on domestic support to the agricultural sector



WORLD TRADE
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JOB/AG/242/Rev.1

27 July 2023



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16 June 2023



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9 June 2023

Harmonizing and Reducing Trade Distorting Domestic Support

An Analysis of the Impacts of New Domestic Support Disciplines at the WTO

Joseph Glauber, David Laborde, Valeria Piñeiro



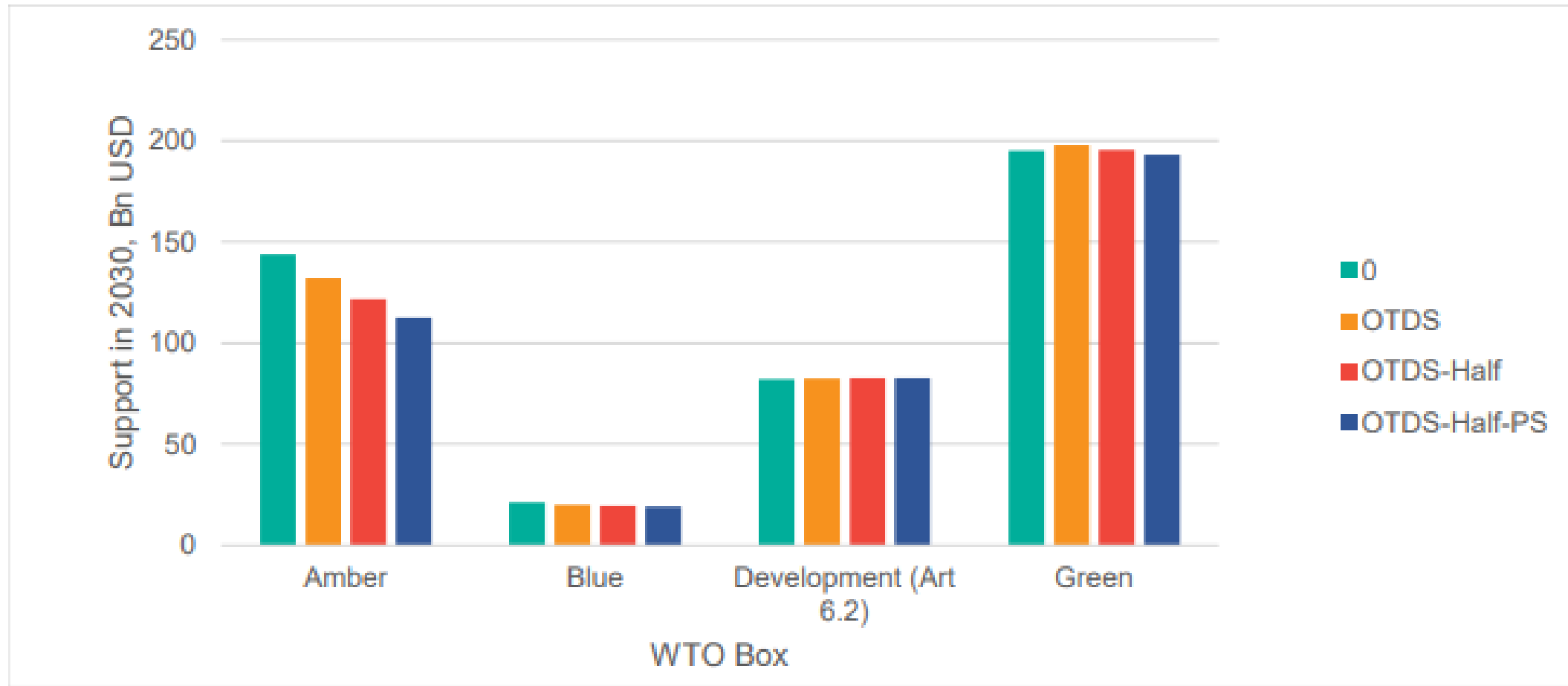
Simplified modalities

Three questions addressed:

- Yes
 - Should we move to a simplified framework using the concept of Overall Trade Distorting Support (OTDS) and reduce excessive policy space?
- Yes
 - Could we balance concessions from developed and developing countries?
- Yes
 - Should we introduce product specific disciplines?

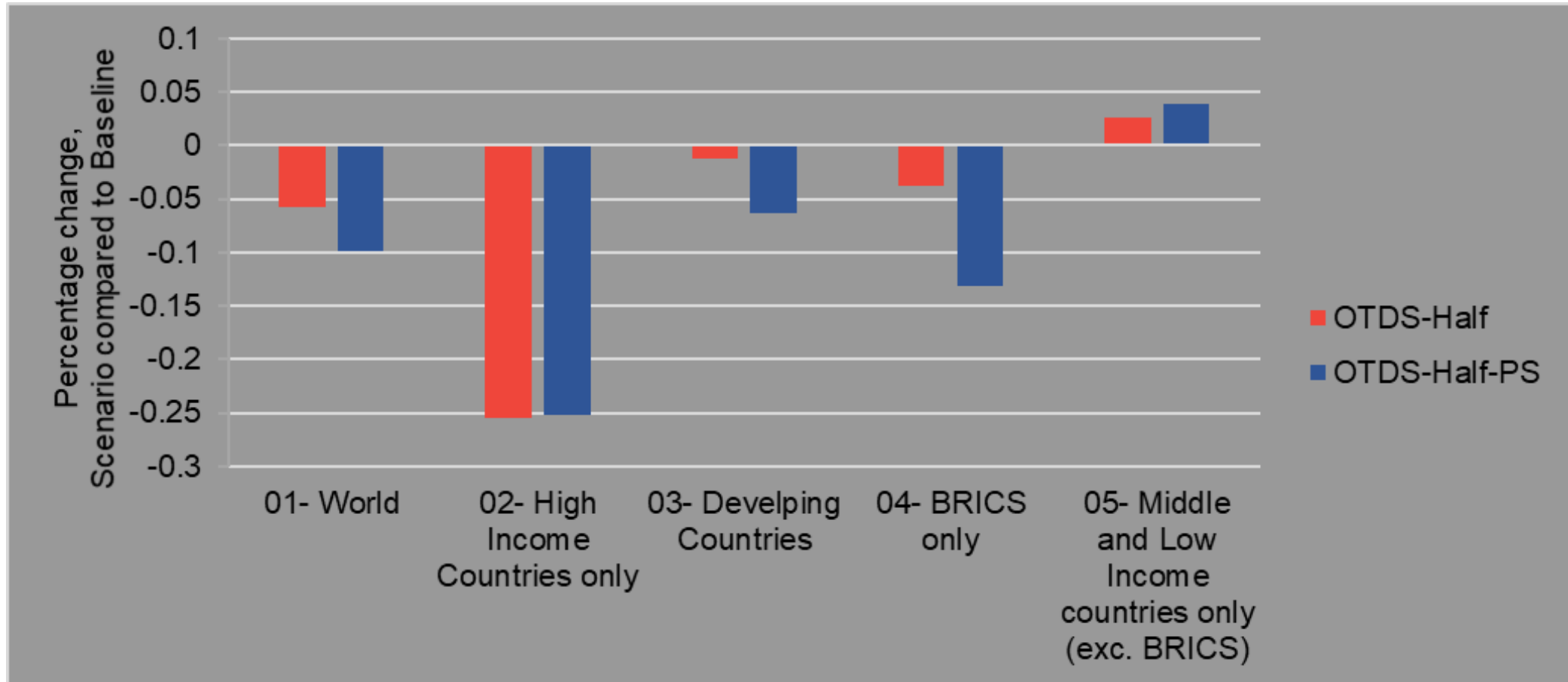
Scenario	Description
0	Current baseline under the AoA Disciplines on amber box; exemptions for measures under Articles 6.2 and 6.5
OTDS	OTDS = AMS + de minimis support (sum of product-specific and non-product specific) + Art 6.5 < 10% VoP [Developed countries]; OTDS < 17% VoP [China]; OTDS < 20% VoP [Developing countries]
OTDS-Half	OTDS = AMS + de minimis support (sum of product-specific and non-product specific) + Art 6.5 < 5% VoP [Developed countries]; OTDS < 8.5% VoP [China]; OTDS < 10% VoP [Developing countries]
OTDS-6.2	DS = AMS + de minimis support (sum of product-specific and non-product specific) + Art 6.5 + Art 6.2 < 10% VoP [Developed countries]; OTDS < 17% VoP [China]; OTDS < 20% VoP [developing]
OTDS-Half-6.2	DS = AMS + de minimis support (sum of product-specific and non-product specific) + Art 6.5 + Art 6.2 < 5% VoP [developed]; OTDS < 8.5% VoP [China]; OTDS < 10% VoP [developing]
OTDS-Half-PS	Scenario OTDS-Half with product-specific caps < 10% VoP for that commodity [developed]; < 17% VoP [China]; < 20% VoP [developing]

2030 global level of support by box



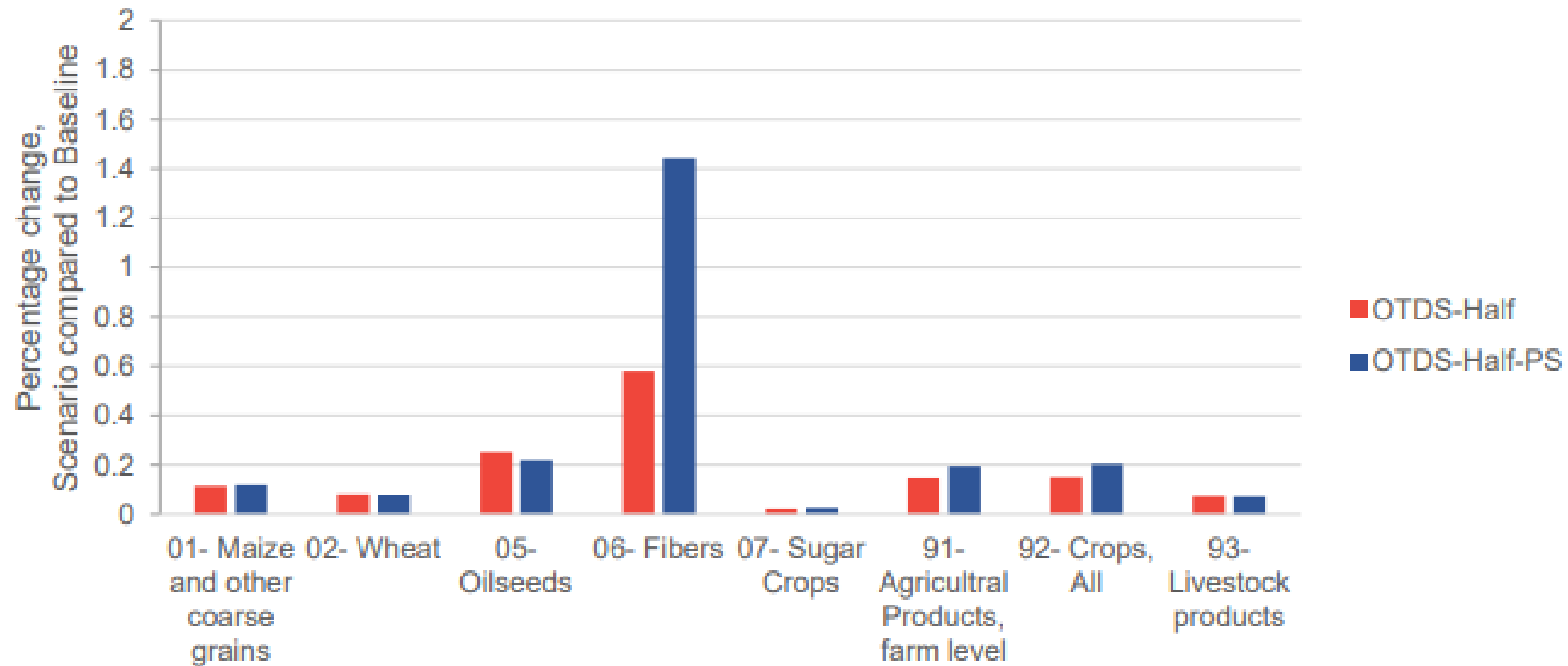
Source: MIRAGRODEP simulations

The role of anti-concentration provision : Impacts on agricultural production



Source: MIRAGRODEP simulations

The role of anti-concentration provision: Impacts on world prices



Source: MIRAGRODEP simulations

Final considerations



- Product-specific caps would prevent concentrating support in a handful of commodities
- The challenge in drafting a proposal that it will be feasible is to define a discipline at the level of each product that properly define the concept of product

Establishment of a network of agricultural negotiators in Latin America



- Strengthening the positioning and actions of Latin American countries in agriculture negotiations in multilateral forums.
- Identifying the most relevant negotiation topics for the region and focusing on developing concrete proposals for the MC13.
- Promoting capacity-building processes in agricultural matters within the Ministries of Agriculture, Economy, and Trade of Latin American countries.

