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ANNUAL EXPORT COMPETITION REVIEW

SUBMISSION FROM THE CAIRNS GROUP AND THE RUSSIAN FEDERATION TO THE 84TH MEETING OF THE COMMITTEE ON AGRICULTURE (COA) IN JUNE 2017

The following communication, received on 1 June 2017, is being circulated at the request of the Cairns Group and the Russian Federation.

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 annual reviews since 2014, 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.6, hereafter "the report").

The Cairns Group and Russian Federation again welcome and support 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 the Cairns Group has done before, the report is supplemented 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 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. Scheduled export subsidy commitments were established for eighteen Members¹ 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). Australia is the only Member to have submitted an amended schedule to the WTO since MC10 eliminating all of its export subsidy entitlements, which became effective as of 22 May 2017. The remaining 15 Members are yet to eliminate their scheduled entitlements although efforts to this end are progressing. Four Members (Canada, Israel, South Africa and Switzerland) reported on their efforts in this direction in their responses to the Secretariat's questionnaire. Canada eliminated its export subsidies on wheat and wheat flour, coarse grains, oilseeds, vegetable oils, oilcakes and vegetables with effect from 1 January 2016. Elimination of Switzerland's export subsidies is planned for 1 January 2019.

Table 1 - Status of the schedules of Members with scheduled export subsidy commitments and their most recent export subsidy notifications²

Member	Year last notified for	Progress Eliminating Scheduled Commitments
Uruguay	2015	No change
Brazil	2015	No change
Canada	2015	No change
European Union	2016	No change
Israel	2015	No change
New Zealand	2016	At zero since 2000
Norway	2015	No change
Australia	2015	At zero since 22 May 2017
Iceland	2016	No change
South Africa	2014	No change
Switzerland-Liechtenstein	2015	No change
Mexico	2015	No change
United States of America	2014	No change
Indonesia	2015	No change
Colombia	2011	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, ten have notified zero use of export subsidies since MC10: Australia, Brazil, Colombia, Iceland, Indonesia, Mexico³, New Zealand, South Africa, Uruguay and the United States of America.

1.5. Of the remaining Members with scheduled reduction commitments, seven have notified the use of export subsidies in their most recent notifications: Canada, the European Union, Israel, Norway, Switzerland-Liechtenstein and Turkey (Table 2). The Bolivarian Republic of Venezuela remains an outlier in that it has not submitted an export subsidies notification since 1998, and Panama's last notification was a nil return in 2003 when its export subsidy commitments went to zero. Most of those Members recently notifying the use of export subsidies are doing so on a small proportion of their scheduled product lines and utilising less than a third of their total 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 16-89.7 million per annum. It is worth noting that Norway decreased its total export subsidies outlays by

¹ Counting all European Union Members with export subsidy commitments as one.

² As of 22 May 2017.

³ In Mexico's notification for 2008-2012 it notified the export subsidies for wheat and maize under Article 9.4.

USD 7.6 million (47%) in 2015. Conversely, Switzerland increased its export subsidies outlays for processed products in 2015 by USD 21.3 million (35%) which appears inconsistent with the MC9 Declaration, reaffirmed in the MC10 Decision, to exercise utmost restraint, with regard to all forms of export subsidies.

1.8. Several other Members have notified the use of export subsidies (Table 2) in recent years, including India, Republic of Korea, Barbados, Mauritius, Mexico, and Morocco. 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 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) ⁴	Date of latest information	Total notified budgetary outlays as % total commitments	Products the subject of export subsidies since 2004 ⁵
Scheduled outlays				
Canada	67,695	2014/5	19%	Butter, skim milk powder (100%), cheese (54.5%), other milk products (97.7%), incorporated products (94.5%)
Switzerland-Liechtenstein	89,771	2015	22%	Milk products, cattle for breeding and racehorses (0.3%), fruits, potatoes, processed agricultural products (83.2%)
Norway	16,347	2015	27%	Swine meat (5%), butter (11.3%), cheese (39%), processed agricultural products (70.9%)
Israel	1,133	2015	3%	Fresh flowers (0.2%), fruit other than citrus (12.7%), fresh vegetables (21.7%)
Turkey	? ⁶	2015	?	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
European Union	0	2016	0%	Wheat and wheat flour, coarse grains, sugar, butter and butter oil, skim milk powder, cheese, other milk products, beef meat, pig meat, poultry meat, sugar ⁷ , eggs, wine, fruit and vegetables, incorporated products
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	28,584	2013	N/A	Flowers, fruits, ginseng, kimchi, livestock, vegetables, processed food, and traditional liquor
Mexico	720	2012	N/A	Wheat and maize
Mauritius	300	2013	N/A	Vegetables, fruit and flowers
Morocco	13,655	2011	N/A	Flowers, Vegetables, Fruit, Olive oil
Barbados	1	2006/7	N/A	Chicken breast

⁴ 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>.

⁵ For Members with scheduled commitments, the budgetary outlay in the most recent notification as a percentage of product level commitments is provided in brackets.

⁶ Information based on Turkey's notifications to the SCM Committee, which do not include budgetary outlays.

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

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.⁸ Eighty six Members (63%) have a 0% compliance rate with these obligations while just 20 Members (15%) have submitted all their corresponding notifications.⁹ Of the 18 Members with scheduled commitments, only three have notified their outlays in each of the last two years, with the most dated being Bolivarian Republic of Venezuela (1998), Turkey (2000) and Panama (2003) (Table 1). Turkey however notifies export subsidies to the SCM Committee and 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.

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 months 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 Members¹⁰ replied to the current questionnaire on export financing support provided by Members for the export of agricultural products.

2.3. Thirty seven Members¹¹, 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.¹² Thirty two 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.¹³ It also indicated that no export financing support programmes are in operation at the European Union level, though we note that in March 2016 the European Commission reported that it was examining the feasibility of an export credit scheme.¹⁴ 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.¹⁵

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 61 types of programmes in the sample, 44 (72%) fall within the category of risk cover and 26 out of 32 (81%) Members reported having such programmes.

2.6. Over 80% of agricultural exports that received export financing in 2016 were supported by some type of risk cover, with most of this provided by Canada (35%), Turkey (26%) and the

⁸ As of 16 March 2017.

⁹ As of 22 May 2017. These figures include compliance for the 2016 year. The Secretariat's report on compliance with notification obligations (reported in G/AG/GEN/86/Rev.27 and presented at the March 2017 CoA) takes into account the period 1995-2015.

¹⁰ Counting 29 replies to the current questionnaire (that includes each European Union member State reply) plus 19 nil replies.

¹¹ Counting 32 nil replies to previous questionnaires, plus 4 new nil replies to the current questionnaire (Colombia, Fiji, Peru and the Philippines), plus the EU nil reply.

¹² It is reported that Germany's support has been zero since 2011, while Iceland's support has been zero for the last 8 years. In the case of Switzerland, it is reported that export financing has been negligible due to very low demand.

¹³ The European Union provided responses for 16 of its 28 member States: Austria, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, Latvia, The Netherlands, Poland, Slovak Republic, Sweden, and the United Kingdom.

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

¹⁵ The European Union did not provide responses for 12 of its 28 member States: Belgium, Cyprus, Greece, Ireland, Italy, Lithuania, Luxembourg, Malta, Portugal, Romania, Slovenia, and Spain.

United States (26%). Comparing 2016 with 2017 data, the value of agricultural exports from the US supported by risk cover increased from around USD 2.5 billion to USD 2.57 billion while exports from Canada increased from around USD 3 billion to USD 3.45 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, Jamaica, Malaysia and Trinidad and Tobago provide at least one type of direct financing support and 11 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, Hungary, Latvia, Poland, Japan, and Trinidad and Tobago). Most Members however did not provide information on whether the programmes are self-financing, one of the conditions established with immediate effect. 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 2016, 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 minimise 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. Sixteen Members notified or reported agricultural exporting STEs covering a wide range of products (Table 3). This is one fewer than reported in the previous annual reviews. The Member having previously notified or reported an STE that did not do so in 2017 is Trinidad and Tobago, which no longer considers the Cocoa Development Company of Trinidad and Tobago (CDCTT) to be an agriculture exporting STE.

3.3. Members notified or reported a total of 59 agriculture exporting STEs, one fewer than during the previous review. The difference is accounted for by Trinidad and Tobago. China (25) and India (14) reported by far the most agriculture exporting STEs, accounting for 66% 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 58% of the reported agriculture exporting STEs.

3.4. Ten of the 16 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 same number as during the previous reporting period. Notwithstanding 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 2017 Secretariat questionnaire, six additional Members confirmed that they do not have agricultural exporting STEs, bringing the four-year total to 42 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 ¹⁶	1	wheat, barley, canola
China	25	rice, maize, cotton, tobacco
Colombia	4	various alcoholic beverages
Costa Rica	1	cane sugar
Dominica	1	bananas
Ecuador ¹⁷	1	maize, rice, cereals
Fiji	1	raw sugar, molasses
Grenada	1	cocoa beans
India	14	onions, gum karaya, sugar
Indonesia ¹⁸	1	rice
Israel ¹⁹	3	groundnuts, eggs and poultry, fruits and vegetables
Moldova, Republic of	1	wine
New Zealand	1	kiwifruit
Tunisia	2	cigarettes, cigars, tobacco and tumbak, snuff (Neffa), soy bean oil, palm oil, 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 minimising commercial displacement of international trade resulting from such aid. Members are encouraged to provide exclusively cash-based food aid. Monetisation is permitted subject to conditions, including minimising or eliminating disruptions to local or regional markets and effects upon production. The vast majority of reported food aid appears to have been donated on terms substantially, or fully consistent with, the MC10 Decision.

4.2. Thirty four Members responded to the elements of the questionnaire relating to International Food Aid. Of these, 12 Members identified themselves as donors of food aid²⁰. Members' responses form the basis of the discussion below, while an overview of these and previous questionnaire responses are provided in Table 4 below.

4.3. Drawing on information available, the food aid donors' programmes of all 12 Members which responded (Australia, Canada, Chinese Taipei, the European Union, Iceland, Japan, New Zealand, Norway, Russian Federation, Switzerland, Turkey and the United States) appear consistent with MC10 food aid disciplines.

4.4. Eleven Members provided untied cash-based food assistance (Australia, Canada, European Union, Iceland, Japan, New Zealand, Norway, Russian Federation, Switzerland, Turkey

¹⁶ 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).

¹⁷ Ecuador's STE is the National Warehousing Unit (UNA EP). It did not have exporting activities. At present it focuses on support for the domestic marketing of agricultural staples for food sovereignty purposes, the management of temporary warehousing, and transport and marketing of the harvest.

¹⁸ As indicated in Indonesia's notification (G/STR/N/16/IDN), Perum BULOG as a state trading enterprise has an exporting function. However, since 1999 BULOG has not exported any commodities.

¹⁹ Israel reply to the questionnaire included one STE, for groundnuts. The Egg and Poultry Board, and the Plants Production and Marketing Board are not actively engaged in export, rather they have the legal authority to grant licenses to private exporting entities.

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

and the United States) of which six provide cash exclusively (Australia, Canada, Iceland, New Zealand, Norway and Russian Federation). In value terms, the majority of food aid provided by donors is untied cash-based food assistance.

4.5. Six Members provided in-kind food assistance (i.e. they provide actual commodities as aid (Chinese Taipei, the European Union, Japan, Switzerland, Turkey and the United States)). Japan and the United States permit monetisation.

4.6. All 12 donors responding to the questionnaire confirmed all of their aid is untied and in fully grant form (Australia, Canada, Chinese Taipei, the European Union, Iceland, Japan, New Zealand, Norway, the Russian Federation, Switzerland, Turkey and the United States).

Table 4 - Overview of Members' food aid programmes

Member	Is aid provided on a cash basis and if so how much? ²¹	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 386.6 million in 2014/15	No	N/A	Yes	Yes	N/A	2014/15
Brazil	No	Yes- 2014: 12,100 metric tonnes of polished rice worth USD 5.74 million ²²	Yes	Yes	Yes	No	2014
Canada	Yes - CAD 331.5 million (estimated)	No	N/A	Yes	Yes	N/A	2015
Cuba	No	Yes- 2011: 2,500 tonnes of raw sugar	Not specified	Not specified	Not specified	Not specified	2011
China	No	Yes- 2014: USD 2 million	Yes	Yes	No	Yes	2014
European Union	Yes- amount not specified	Yes	Yes	Yes	Yes	No	2013
Iceland	Yes – USD 0.44 million annually to WFP; USD 0.24 million to Syria (2017), USD 0.2 million to Uganda/South Sudan (2017); and USD 0.15 million to Nigeria (2017)	No	N/A	Yes	N/A	N/A	2017
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- 2015/2016: NZD 0.241 million	No	N/A	Yes	Yes	No	2015/2016
Norway	Yes – NOK 644 million to WFP in 2015, and NOK 253 million in 2015 food-related emergency relief aid to LDC	No	N/A	Yes	N/A	N/A	2015
Russian Federation	Yes- 2016: USD 30 million	No	N/A	Yes	N/A	N/A	2016

²¹ The information summarised in this table has been drawn from submissions made to the export competition questionnaire and the information compiled in G/AG/W/125/Rev.6/Add.3. The phrase 'not specified' implies the response could not be readily ascertained within G/AG/W/125/Rev.6/Add.3.

²² 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.6/Add.3.

Member	Is aid provided on a cash basis and if so how much? ²¹	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
Switzerland	Yes -2012-16: CHF 20 million	Yes- 3,010 tonnes in kind (2015) and 3,976 tonnes (2016)	Yes	Yes	Not specified	Yes	2014
Chinese Taipei	No	Yes- 17,300 tonnes of rice	Yes	Yes	Yes	No	2016
Thailand	No	Yes- 500 metric tonnes of rice	Yes	Yes	Not specified	Yes	2014
Turkey	Yes – USD 37,680	Yes- 2016: USD 34.1 million of food in-kind 20.196 MT of wheat flour.	Not specified	Yes	Yes	No	2016
United States of America	The US provided USD 941 million in 2016 through cash transfers, vouchers or locally and regionally procured food through the Emergency Food Security Program.	Yes both cash and in-kind. In 2016 2.05 million tonnes worth USD 925 million	Yes	Yes	Monetisation is permitted	No	2016
Viet Nam	Not specified	Not specified	Not specified	Not specified	Not specified	Not specified	2015

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. This obligation is with immediate effect for developed Members while the obligation applies to developing country Members five years following the adoption of the Decision (i.e. December 2020) unless they are in a position to respond sooner.

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 2016 and response rates to the 2017 questionnaire is provided in Table 5, with further details in Annex 1. Twenty Members have provided ES:1 notifications for 2016, all but one of which are nil responses. Sixty eight Members responded to the questionnaire in part or its entirety. Of these Members, 49 responded to the section on export financing, 68 to the section on STEs, and 34 on food aid. Ninety four Members did not provide any responses. Moreover, there has been a notable decline in response rates as compared to 2016 for Food Aid (34 versus 61 responses - 44%). The response rates for Export Financing remained the same in 2017 as in 2016 and are only a marginal improvement since 2015 (49 in 2017 and 2016, versus 47 in 2015).

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

	2016 Export Subsidy (ES:1) Notifications	Export Financing ²³	STEs ²⁴	Food Aid ²⁵
Substantive responses	1	28	15	12
Nil responses	19	21	53	22
Total responses	20	49	68	34
Total providing no responses	143	114	95	129

5.3. Consequently, while the Secretariat's report is improved as compared to previous years on the basis of replies to multiple questionnaires since 2015, there remains significant 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 and 2016. 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. Reporting by Members and the Secretariat reveal a similar situation to that in previous years. A number of gaps in Members' notifications and responses to the Secretariat questionnaire remain, but 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, Australia is the only Member, out of 16 such Members, to have made the necessary schedule amendments. Given the immediacy of the implementation dates and the fact

²³ Counting one EU nil response plus substantive responses from 16 member States (Austria, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Hungary, Latvia, Netherlands, Poland, Slovak Republic, Sweden, and the United Kingdom).

²⁴ Counting one EU nil response plus nil responses for all 28 member States.

²⁵ Counting one substantive response for the EU but not the member States as no detail is provided in questionnaire response.

that Ministers will be reconvening in six months at MC11, 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 MC9 Declaration, reaffirmed in the MC10 Decision, to exercise utmost restraint, with regard to all forms of export subsidies.

6.5. While the above conclusions can be drawn from the Secretariat's reporting, there is a persisting transparency shortfall, which in some cases is worsening as questionnaire response rates have dropped in some areas since the 2016 review. The dedicated annual export competition review in 2017 is based on Members' reporting of their programmes in 2016. It therefore represents the beginning of the CoA's assessment of Members' implementation of the MC10 Export Competition Decision adopted in December 2015. This reaffirms the overarching conclusion that Members need to maintain and further improve the response rates and quality of their reporting to future reviews. Members continue to fall short of the reporting requirements, even where some have reported in past years, and an extra effort is needed in this area across developed and developing Members.

ANNEX 1**MEMBERS RESPONDING TO THE SECRETARIAT 2017 QUESTIONNAIRE
AND PROVIDING 2016 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	2016 Export Subsidy (ES:1) Notifications	Export Financing	STEs	Food Aid
Afghanistan	X	X	X	X
Albania	X	X	X	X
Angola	X	X	X	X
Antigua and Barbuda	X	X	X	X
Argentina	X	X	NIL	NIL
Armenia	X	X	X	X
Australia	X	✓	✓	✓
Austria	X	EU	EU NIL	X
Bahrain, Kingdom of	X	X	X	X
Bangladesh	X	X	X	X
Barbados	X	X	X	X
Belgium	X	X	EU NIL	X
Belize	X	X	X	X
Benin	X	X	X	X
Bolivia, Plurinational State of	X	X	X	X
Botswana	NIL	X	X	X
Brazil	X	X	X	X
Brunei Darussalam	X	X	X	X
Bulgaria	X	EU	EU NIL	X
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	NIL	X	X	X
Chile	X	NIL	NIL	NIL
China	X	X	✓	X
Colombia	X	NIL	✓	NIL
Congo	X	X	X	X
Costa Rica	NIL	NIL	✓	NIL
Côte d'Ivoire	X	X	X	X
Croatia	X	EU	EU NIL	X
Cuba	X	X	X	X
Cyprus	X	X	EU NIL	X
Czech Republic	X	EU	EU NIL	X
Democratic Republic of the Congo	X	X	X	X
Denmark	X	EU	EU NIL	X
Djibouti	X	X	X	X
Dominica	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	EU NIL	X
European Union	✓	NIL	NIL	✓
Fiji	X	NIL	NIL	NIL
Finland	X	EU	EU NIL	X
France	X	EU	EU NIL	X
Gabon	NIL	X	X	X
The Gambia	X	X	X	X

Member	2016 Export Subsidy (ES:1) Notifications	Export Financing	STEs	Food Aid
Georgia	X	X	X	X
Germany	X	EU	EU NIL	X
Ghana	X	X	X	X
Greece	X	X	EU NIL	X
Grenada	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	EU NIL	X
Iceland	X	✓	NIL	✓
India	X	X	✓	X
Indonesia	X	X	✓	X
Ireland	X	X	EU NIL	X
Israel	X	NIL	✓	NIL
Italy	X	X	EU NIL	X
Jamaica	NIL	X	X	X
Japan	NIL	✓	NIL	✓
Jordan	X	X	X	X
Kazakhstan	NIL	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	EU NIL	X
Lesotho	X	X	X	X
Liechtenstein	X	NIL	NIL	NIL
Lithuania	X	X	EU NIL	X
Luxembourg	X	X	EU NIL	X
Macao, China	X	NIL	NIL	NIL
Madagascar	X	X	X	X
Malawi	NIL	X	X	X
Malaysia	X	✓	NIL	NIL
Maldives	X	X	X	X
Mali	NIL	X	X	X
Malta	X	X	EU NIL	X
Mauritania	X	X	X	X
Mauritius	X	NIL	X	NIL
Mexico	X	X	X	X
Moldova, Republic of	X	X	✓	X
Mongolia	X	X	X	X
Montenegro	NIL	X	X	X
Morocco	X	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	EU NIL	X
New Zealand	NIL	✓	✓	✓
Nicaragua	NIL	X	X	X
Niger	X	X	X	X
Nigeria	X	X	X	X
Norway	X	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	NIL	NIL	NIL
Philippines	X	NIL	NIL	NIL
Poland	X	EU	EU NIL	X
Portugal	X	X	EU NIL	X
Qatar	X	X	X	X
Romania	X	X	EU NIL	X
Russian Federation	NIL	✓	NIL	✓

Member	2016 Export Subsidy (ES:1) Notifications	Export Financing	STEs	Food Aid
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	X	X	X
Senegal	X	X	X	X
Seychelles	NIL	NIL	NIL	NIL
Sierra Leone	X	X	X	X
Singapore	X	NIL	NIL	NIL
Slovak Republic	X	EU	EU NIL	X
Slovenia	X	X	EU NIL	X
Solomon Islands	X	X	X	X
South Africa	X	X	X	X
Spain	X	X	EU NIL	X
Sri Lanka	X	X	X	X
Suriname	X	X	X	X
Swaziland	X	X	X	X
Sweden	X	EU	EU NIL	X
Switzerland	X	✓	NIL	✓
Chinese Taipei	NIL	NIL	NIL	✓
Tajikistan	X	X	X	X
Tanzania	X	X	X	X
Thailand	X	✓	NIL	NIL
The former Yugoslav Republic of Macedonia	X	X	X	X
Togo	NIL	X	X	X
Tonga	X	X	X	X
Trinidad and Tobago	X	✓	NIL	NIL
Tunisia	X	X	✓	X
Turkey	X	✓	NIL	✓
Uganda	X	X	X	X
Ukraine	NIL	NIL	✓	NIL
United Arab Emirates	X	X	X	X
United Kingdom	X	EU	EU NIL	X
United States of America	X	✓	NIL	✓
Uruguay	X	NIL	NIL	NIL
Vanuatu	X	X	X	X
Venezuela, Bolivarian Republic of	X	X	X	X
Viet Nam	X	X	X	X
Yemen	X	X	X	X
Zambia	X	X	X	X
Zimbabwe	X	X	X	X
TOTAL	20	49	68	34