GENERAL AGREEMENT ON TARIFFS AND TRADE

15 February 1961

OUTLINE OF THE STUDY TO BE UNDERTAKEN BY THE SECRETARIAT ON THE ROLE OF SUBSIDIES IN INTERNATIONAL TRADE

1. Reasons for subsidies

2. Type of subsidies and commodities subject to subsidization:

   (a) Primary products:

   (i) Production subsidies (Direct support)
   (ii) Price and income support (Indirect support)
   (iii) Export subsidies (Direct support)
   (iv) Other export aids (Indirect support)

   (b) Manufactured products:

   (i) Production subsidy (if any)
   (ii) Price and income support (if any)
   (iii) Export subsidies
   (iv) Other export aids

3. Level of subsidies (unit amount of subsidies) for the period 1955/60, if feasible; on a country by country and commodity by commodity basis.

4. Total amount of subsidies granted for individual commodities for the period 1955/60, if feasible; on a country by country and commodity by commodity basis.
5. Statistics

Subsidies on Production

(a) Direct subsidies: for each commodity the following data would be shown for several recent years;

(i) on a country by country basis, domestic production subject to subsidization, as well as exports and imports (volume only);

(ii) for all contracting parties combined;
   - proportion of subsidized output in the total output (volume only);
   - proportion of the amount of subsidies disbursed on a given commodity in the value of output for all contracting parties; ¹

(b) Indirect subsidies: (e.g. fertilizer, freight, irrigation, tax reimbursements, storage costs, etc.) which cannot be allocated to a single product could theoretically be measured by classes of commodities; however, for this purpose, additional information would be required from the contracting parties;

Subsidies on Exports

On a country by country basis would be reported in both volume and value. For all contracting parties, direct subsidies might be measured for each commodity as a ratio of:

- the volume of subsidized exports to total trade of all contracting parties;
- the amount of subsidies on a commodity to the value of trade of all contracting parties in that commodity;

Multiple exchange rates should also be taken into consideration, but it is doubtful whether with the material available it would be possible to undertake these calculations.

¹ These calculations could only be tentative as many elements would have to be estimated.