QUESTIONS SUBMITTED BY AUSTRALIA ON
ARTICLE XVI.1 NOTIFICATION FROM KOREA
(L/6630/Add.15 dated 23 April 1991)

AGRICULTURAL PRICE STABILIZATION PROGRAMME

Could the Republic of Korea provide recent statistics of average government purchase prices and average market prices for each of the commodities in the Programme?

Do the amounts listed under (c) represent the total costs of the Programme? If not, could the Republic of Korea please provide details of total costs to the Government?

Could the Republic of Korea please provide details of the subsidy per unit for each of the three commodities, and an estimate of the total subsidy relative to the value of production for each of the commodities?

FOODGRAIN PROCUREMENT PROGRAMME

Could the Republic of Korea please provide recent statistics on average purchase prices and sale prices per unit of rice and barley?

The notification indicates that part of the process of construction of the purchase price is a market price indicator. Could the Republic of Korea provide some indication of how this market price indicator is derived, and what percentage of the purchase price it represents?

Does the Government provide any consumer subsidies to offset high purchase prices for rice and barley?

One stated aim of the Programme is to protect consumers through price stabilization. Does the Government of Korea consider that allowing consumers to purchase rice and barley at low world prices rather than artificially high domestic prices would provide for greater protection and economic welfare?

Could the Republic of Korea please explain why the deficit under the Programme increased from W 239.7 to W 414.5 billion for rice and W 13.6 and W 21.1 billion for barley between 1988 and 1989, despite there being no significant change in production or consumption levels?

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What proportion of the total value of the production of rice and barley does the deficit under the Programme represent?

Has the Korean Government done any studies on producer subsidy equivalents (PSE's) for the rice and barley sectors that result from the Foodgrain Procurement Programme, import controls, and other production subsidies?

Have there been significant changes in the importance of barley as a basic foodstuff in the Republic of Korea? What proportion of barley production is used for livestock feeds?

Could the Republic of Korea please provide details of any other production subsidies (fertilizers, seeds, marketing, credit, etc.), provided for rice, barley, corn and soyabean production?

LIVESTOCK PRICE SUPPORT PROGRAMME

The Livestock Price Support Programme is operated by the NLCF purchasing cattle, swine, and chickens if prices fall substantially. Does the Programme specify what magnitude of price fall constitutes a substantial fall that would justify intervention in the market? Does the Programme have any target price below which intervention would occur? Does the Programme take into account the cause of the price fall when determining whether or not to intervene? (For example, are price falls due to import liberalization, or improved efficiency treated the same way as price falls due to temporary oversupply?)

TRADE FINANCING PROGRAMME

Could the Republic of Korea indicate whether there are trade financing programmes or concessionary credit arrangements that apply to large business groups or their subsidiaries?

DAIRY SUPPORT PROGRAMMES

Australia would be interested in knowing whether the Republic of Korea provides any subsidies for the dairy sector, and the nature of these subsidies. In particular we would appreciate information on price controls on milk and other dairy products and on production subsidies for processed dairy products.