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Consequently, the poorer countries are not able to compete with them in international markets. Attempts through UNCTAD, etc., also meet with little success in improving their terms of trade and export earnings. In addition, the developed countries, particularly the US and EU, have persisted with their farm-support policies. Since the establishment of WTO, instead of reducing farm subsidies, they have further enhanced them. In substance, there are four primary issues relating to trade in agriculture: (1) Reduction (preferably total removal) of Domestic Support to Farm Sector.

(2) Reduction in Export Subsidies. (3) Greater Access to Markets (that is, reducing import restrictions by importing countries). (4) Special and Differential Treatment for Developing Countries.

In addition, there are also the issues relating to the Agreement on Sanitary and Physiosanitary Measures.

Domestic Support:

WTO classifies domestic support in agriculture into 3 "boxes" (or categories) as follows: (a) Amber Box, that is, those subsidies that distort trade and must be reduced. (b) Green Box, that is, those subsidies that cause a "minimal" distortion of trade and can be continued without limits. (c) Blue Box, that is, subsidies given under the exemptions to the general rule that all subsidies linked to production must be reduced. Some countries, would like the blue box to be scrapped. Developed countries have been finding ways to avoid implementation of their commitments to reduce and eventually scrap agricultural subsidies. Currently, for example, US and EU countries are subsidising their farm sectors at the rate of nearly one billion dollars a day.

Critics claim that the developed countries would never approve of policies which could strengthen the agriculture of the poorer countries.

Reduction in Export Subsidies:

While poor countries cannot afford to heavily subsidise their agricultural exports, the richer countries are doing so in different ways such as subsidising export credit and doling out of farm incomes which are “unrelated to production”.

Market Access:

Not much success has been achieved in the area of market access. Though quantitative restrictions have been removed, their place has been taken by tariffs in virtually all agricultural trade between WTO members. Generally, two rates of tariffs are being allowed, viz.

, lower rates for imports up to the scrapped quota volumes and higher rates for imports in excess of the quota quantities. Negotiations have been taking place for liberalising trade and reducing tariffs rates, but without much success.

Differential Treatment:

WTO recognises the need for special and differential treatment for developing countries.

But developing countries themselves often disagree over what they want, though there are some problems that are common to all of them. In general, all countries exporting agricultural produce want easier access to the

markets of importing countries. However, the developing countries want a “fair competition” with non-subsidised agricultural produce of the developed countries.

In contrast, the developed countries want to continue with their huge subsidies and “free competition” between their own produced (which is subsidised) and produce of the developing countries (which they insist should be non-subsidised). They also want that developing countries should reduce tariffs and other restrictions on their imports. As against this, countries like Japan simply refuse to lower import restrictions.

2. Agreement on TRIMs: The agreement on Trade Related Aspects of Investment Measures (TRIMs) recognises that certain investment measures restrict and distort trade. The Agreement says that no contracting party shall apply any TRIM which is inconsistent with Article III (national treatment) and Article XI (prohibition of quantitative restrictions) of GATT. Such inconsistent measures include prescribing particular levels of local procurement by an enterprise, etc.

The Agreement requires mandatory notification of all non-conforming TRIMs and their elimination within two years by developed countries, within five years by developing countries, and within seven years by least developed countries.

3. Agreement on Anti-dumping: Rules for anti-dumping steps which an importing country could take were already there.

This Agreement provided certain elaborations, clarifications and revisions of those rules.

4. Agreement on Pre-shipment Inspection: Under this provision, an importing country can ascertain details of quantity, quality, price and

other aspects of the incoming imports at shipment level. Note that this provision has been extensively used by USA after the terrorist attack of 11 September 2001.

5. Agreement on Subsidies and Countervailing Measures: This Agreement establishes three categories of subsidies: (a) Some subsidies are deemed “prohibited”. They include those which affect export performance, and those which affect competitiveness of imports vis-vis domestic production.

Prohibited subsidies are subject to new dispute settlement procedures.

Recognising the role of subsidies in economic development, the Agreement allows the developing and least developed countries a time-bound use of prohibited subsidies. (b) “Actionable” subsidies, i. e. those subsidies which cause injury to the producers of another member country.

(c) The third category is of ‘non-actionable’ subsidies, such as non-specific subsidies, or subsidies at research level, and the like. As regards countervailing measures on subsidised imports, it provides details of the procedure of determining the justification of such measures and the manner and extent of their use. 6. Agreement on Trade in Services: This is dealt with in the next chapter.

7. Agreement on TRIPs: This Agreement recognises the widespread presence and trading of counterfeit goods, and the need to have rules and discipline in their international trade. It provides that a member country shall accord as much protection to the intellectual property of foreigners as it accords to the intellectual property of its own nationals, or nationals of one foreign country would not be granted less protection than nationals of some other foreign

country. It also addresses property rights relating to individual categories, such as copyrights (including those of computer programmes, music recordings, and films), trademarks and service marks, industrial designs, patents, trade secrets and know-how, etc. The Agreement sets out obligations of member governments to provide procedures and remedies under their domestic law to ensure that intellectual property rights are effectively enforced. 8.

Dispute Settlement: The dispute settlement of GATT is generally considered to be one of the cornerstones of the world trade order. It had already been strengthened and streamlined in December 1988 at the Ministerial meeting. The UR further strengthened it by making it more automatic and by incorporating consultations, . etc. 9. **Trade Policy Review Mechanism:** This agreement confirmed the already existing Trade Policy Review Mechanism.

It encouraged greater transparency in national trade policy-making. Detailed procedures were to be introduced later. 10. **Plurilateral Trade Agreements:** These are part of the larger WTO agreement.

Unlike the Multilateral Trade Agreements, they are not binding on all members. They apply only to those members which have accepted them. Examples of such agreements include those on trade in civil aircraft, on government procurement, on dairy bovine meat, and the like. Some of them were included for multilateral agreements under agenda for later Ministerial Conferences of WTO. Examples of measures so included in agenda are ‘ investment’, “ transparency in government procurement’, ‘ competition policy’, ‘ labour standards’, and so on.