The value of the Committee on Agriculture: Mapping Q&As to trade flows

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WTO Research Paper
27 November
Background

• Part of a broader research on the value of WTO
  • Impact on trade and growth
  • Effectiveness of commitments in reducing uncertainty

• Essential at a moment when the effectiveness of the negotiating function and dispute settlement function of WTO are being questioned
Objective

Build a tool that can help answering questions like:

- **What is the value of WTO Committee? How much trade do countries talk about at the WTO?**
- **Do low-income countries participate less than they should in the work of the Committee?**
- **What are the most important issues on which to focus negotiations?**
What do we do?

Assign to each question an economic value equal to the bilateral trade it relates to

How?

• Use the AG-IMS database on Q&As (text format information)

• Match the text of the questions to the description of HS 4digit product classification to identify the HS code (we used text-based search analysis)

• Match the information about questioner-respondent-product-year with the relevant bilateral trade flow
What does this mean in numbers?

• Ag-IMS covers 5’526 questions over the period 1996-2016.
  • We could match only 3’295 questions!!

• We end up working with over 35’000 questions splitting questions by:
  • countries that supported or co-sponsored each question
  • list of products mentioned

• This information is required to match each question with its trade flows
What do our statistics show?
Questions cover increasingly more trade
How much trade is discussed in the CoA?

• Questions concern agricultural trade flows for a nominal value of $778 billion over 1996-2016.

• Countries ask questions on products in which they have economic interest
  • Questioners account for 48% of the respondent trade in the main product concerned.
  • Questions may relate to up to 9% of the questioner’s total trade in agriculture.
The CoA value by Questioner

Share of questions in CoA

Share of Q&A trade covered by questions

Share of the number of questions (left panel) and of the trade covered by questions (right panel), by main questioner
The CoA value by Respondent

Share of questions in CoA

Share of Q&A trade covered by questions

Share of the number of questions (left panel) and of the trade covered by questions (right panel), by main respondent
The CoA value by Product category

Share of questions in CoA

Share of Q&A trade covered by questions

Share of the number of questions (left panel) and of the trade covered by questions (right panel), by product category
What do our statistics show?

• Most **economically important** questions are raised on:
  • measures adopted by EU countries and the United States
  • on three product groups:
    1) seeds, animal fats and oil;
    2) cereals;
    3) beverages

Does this all depend on the mere size of trade of these countries/sectors?
From market access to domestic support

• DS questions cover increasingly more trade
Growing importance of questions on non-notified measures
Conclusions

• Q&As databases maintained by WTO offer a great potential to deepen our understanding of key issues

• The reliability of our analysis is limited by:
  • not all questions are matched to trade flows
  • potential matching errors

• More research needs to be done to understand what are the main driver of Q&A participation

• Researchers need better quality information on product categories relevant to a question:

Could HS code be systematically included in questions?