

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

RESTRICTED

MTN.GNG/NG5/W/190
31 July 1990

Special Distribution

Group of Negotiations on Goods (GATT)

Negotiating Group on Agriculture

COUNTRY LISTS ON INTERNAL SUPPORT, BORDER PROTECTION
AND EXPORT COMPETITION: FORMATS

Note by the Secretariat

Introduction

This note and the formats attached have been prepared by the secretariat in line with paragraph 5 of MTN.GNG/NG5/23 to assist participants in the preparation of the country lists which they have agreed to submit no later than 1 October (NG5/23, paragraph 2 refers) in the areas of internal support, border protection and export competition. Reference should also be made to relevant sections of the Chairman's draft framework text, NG5/W/170. As noted by the Chairman in his concluding remarks at the Twenty-Third Meeting of the Negotiating Group (NG5/24), these country lists do not constitute offers, and they are without prejudice to the negotiating position of participants. In the same remarks, he noted a recognition that flexibility should apply to developing countries as to the detail and comprehensiveness of their lists. On this basis it is expected that participants will provide a clear and complete set of data in the country lists. Maximum transparency is essential, and full use should be made of the provision for comments and notes in the formats in order to explain the methodology and assumptions employed and any particularities of approach. Data sources should be specified throughout. Where relevant, please specify the period covered by a financial or marketing year. The product coverage of these lists should reflect the Negotiating Group's understanding (NG5/23, paragraph 2) that all agricultural products are within the scope of the negotiations.

Notes concerning the formats

I. Internal Support

General

The base year 1988 should be used for both AMS and non-AMS products. Participants may also add data for other years if they so wish. For 1986-1988 external reference prices, to be used in the calculation of the market price support element in the AMS, OECD data are available in most cases. National and sub-national programmes and expenditures should be included in the appropriate columns. Participants may also find it useful

GATT SECRETARIAT

UR-90-0475

to refer to the documentation produced in connection with the Technical Group on the AMS, such as Spec(87)37, NG5/W/34, and the NG5/TG/W/... series, particularly TG/W/6, "Submission of Data on Aggregate Measurement of Support".

List I:A

Column 1

Each product for which the AMS can be calculated should be listed separately. The minimum level of product specificity should be that used by the OECD for PSE calculations.

Column 2

This figure is the sum of the policies listed in columns 3 and 4, but using only 1988 external reference prices. It may thus be equivalent to the OECD's total monetary PSE figure for 1988 for the product in question.

Column 3

The elements in the calculation of the AMS base level should be listed under "notes on methodology" (at annex). For each of the categories below, show for each product the policy measures used and the monetary value of the support applied through each measure.

- (a) market price support (net); specify producer price and external reference price (based on 1986-1988 data; specify c.i.f. or f.o.b.);
- (b) direct payments (net) other than those excluded as per column 4;
- (c) reduction of input costs (net);
- (d) other support not excluded from reduction.

Volume of production for each product, and the method used to apportion or otherwise take account of non-commodity-specific support, should also be shown.

Column 4

This corresponds to the "green box" - i.e. policies not to be subject to the commitment to substantial and progressive reduction. Policies placed in this category should be clearly described and the basis for their exclusion from the reduction commitment explained in the "comments" column (column 5), in relation, *inter alia*, to the criteria proposed in paragraphs 8 and 11 of the draft framework text (NG5/W/170). For this column, also, the means of taking non-commodity-specific policy measures into account should be made clear.

Column 5

Include here the explanations referred to above, plus any other appropriate comments concerning the entries for columns 1-4.

List I:BColumn 1

Products to which internal support measures apply should be covered individually. The level of product specificity adopted will largely be governed by the level at which the support is applied, but as a minimum the degree of specificity should be similar to that used in column 1, List I:A.

Column 2

Describe support policies - e.g. guaranteed prices, direct payments, input subsidies. Where possible, show the net total monetary value of support (1988) applied through each policy.

Column 3

See notes to column 4, List I:A.

Column 4

This column is effectively column 2 minus column 3. Like column 3 in List I:A, it is the "amber box" of policies falling within the reduction commitment. List policies and where possible their net monetary value as for column 2 above.

Column 5

See notes to column 5, List I:A.

II. Border ProtectionList IIColumn 1 - Product Description

Indicate product description, or relevant summary thereof, at the tariff-line level and the corresponding HS digit.

Column 2 - Tariff Rate

For all products listed in column 1, indicate applied tariff rate whether ad valorem, specific or mixed. Indicate "B" if the tariff rate is bound. In case of unbound tariff rates, indicate the rate normally applicable in September 1986.

Column 3 - Border Measures other than Normal Customs Duties

For products listed in column 1 which are subject to border measures other than normal customs duties, describe all such measures precisely.

Column 4 - Tariff Equivalent (TE)

For products to which column 3 applies, indicate the average 1986-88 Tariff Equivalent (TE) whether on an ad valorem or a specific basis. For the calculation involved in the conversion of border measures other than normal customs duties into tariff equivalents use the guidelines (attached) as contained in Annex I of MTN.GNG/NG5/W/170. Notes on the calculation of the yearly tariff equivalents from which the average TE in column 4 is being derived should be provided for in column 2 of the Annex to List II (cf. below).

Column 5 - Imports by Volume

For products to which column 4 applies, indicate the average 1986-88 imports by volume in thousands of metric tons.

Column 6 - Average Imports as a Percentage of Domestic Consumption

For products to which column 4 applies, indicate also the average imports shown in column 5 as a percentage of corresponding domestic consumption. If data for domestic consumption can not be disaggregated at the required tariff-line level, the nearest available level of such data should be used.

Column 7 - Comments

Indicate any comments which may be relevant to illustrate the approach used in providing information under columns 4 to 6.

Annex to List II

Column 1 - Product Description

Indicate description, or a relevant summary thereof, of any product for which Annex columns 2 and/or 3 apply and the relevant HS digit.

Column 2 - Notes on Calculation of Tariff Equivalent

For products on which format column 4 applies, indicate the following: data, data sources and definitions used in the conversion of border measures other than normal customs duties into tariff equivalents for each of the years 1986, 1987 and 1988. Indicate also the actual external and internal prices (level and definition) used in determining the price gap on which such tariff equivalents are based.

Column 3 - General Comments

Indicate any general comments deemed relevant in connection with the information provided in List II and its annex.

III. Export Competition

General

In line with paragraph 20 of the Chairman's draft text which specifies that the information on export assistance is to be provided for the three most recent financial or marketing years, participants should endeavour to provide information for the years 1987, 1988 and 1989.

The financial or marketing years employed should be defined (e.g. calendar year, year ending 31 March or 30 June, as the case may be).

The information on budgetary outlays and revenue forgone are to be expressed in national currencies. However, in order to facilitate interpretation of the data, participants are requested to provide average annual exchange rates for conversion to United States dollars.

List III:A

List III:A relates to total export assistance for all agricultural products in respect of which export assistance, direct or indirect, is provided. The products covered will be evident from the product specific lists to be submitted in line with List III:B of the Format.

Sub-category (a) relates to direct export subsidies under which payments are made to exporters to enable agricultural products (other than processed agricultural products or agricultural products incorporated in exported processed products: see sub-category (h) below) to be exported at a price lower than the comparable price charged for the like product to buyers in the domestic market.

Sub-category (b) would include direct payments to producers of an exported agricultural product, such as deficiency payments, which result in the price or return to the producer of that product being higher than the world market price or return.

Sub-category (c): Costs related to the sale for export of publicly owned or financed stocks would include the difference between buying-in and selling-out prices, plus storage costs.

Sub-category (d): Such assistance would include, inter alia, subsidies which operate to reduce transport costs from production areas to port of shipment for export and/or to reduce transport costs to export destination.

Sub-category (e): The information to be provided would relate to the estimated subsidy element of export credits provided at rates or on terms that are more favourable than are available for normal commercial transactions in the product concerned. Alternatively, the subsidy element could be estimated by reference to the rates at which governments would have to pay for the funds employed. Column 5 should be used to indicate basis on which the estimate has been arrived at.

Sub-category (f) would cover, for example, the subsidy element inherent in the provision of funds on concessional terms and conditions or in the provision of government guarantees to facilitate such funding. Any write-off of government financed or guaranteed loans should also be included under this sub-category.

Sub-category (g) would include revenue foregone in respect of export performance-related taxation concessions or incentives.

Sub-category (h): Any direct financial assistance to exporters of processed agricultural products should be included under (h) rather than under (a).

List III:B

Separate sheets are to be completed for each product in respect of which export assistance is provided.

Under (B) - "Export Assistance Provided", participants are requested to provide a figure for total assistance in respect of the product concerned as well as, where feasible, a breakdown in line with the sub-categories appearing in Country List III:A.

LIST 1:A

AGRICULTURE NEGOTIATIONS: COUNTRY LISTS

INTERNAL SUPPORT: (NAME OF COUNTRY)

PART A: PRODUCTS FOR WHICH AMS DATA CAN BE CALCULATED

PRODUCT DESCRIPTION	TOTAL AMS (1988) (TOTAL MONETARY VALUE) NATIONAL CURRENCY	AMS BASE LEVEL (TOTAL MONETARY VALUE OF POLICIES SUBJECT TO REDUCTION) NATIONAL CURRENCY	DESCRIPTION OF POLICIES INCLUDED IN TOTAL AMS (COL.2) BUT EXCLUDED FROM AMS BASE LEVEL (COL.3)	COMMENTS
1	2	3	4	5

LIST I:B

AGRICULTURE NEGOTIATIONS: COUNTRY LISTS

INTERNAL SUPPORT: (NAME OF COUNTRY)

PART B: PRODUCTS FOR WHICH AMS NOT PRACTICABLE

PRODUCT DESCRIPTION	SUPPORT MEASURES APPLIED (TOTAL)	DESCRIPTION OF POLICIES INCLUDED IN COLUMN 2 BUT EXCLUDED FROM REDUCTION	BASIS FOR EQUIVALENT TREATMENT	COMMENTS
1	2	3	4	5

ANNEX

PRODUCT DESCRIPTION	NOTES ON METHODOLOGY EMPLOYED	GENERAL COMMENTS
1	2	3

LIST II

AGRICULTURE NEGOTIATIONS: COUNTRY LISTS

BORDER PROTECTION: (NAME OF COUNTRY)

PRODUCT DESCRIPTION	TARIFF RATE	BORDER MEASURES OTHER THAN NORMAL CUSTOMS DUTIES	TARIFF EQUIVALENT (TE) AVERAGE 1986-88	IMPORTS BY VOLUME AVERAGE 1986-88 ('000 M.T.)	AVERAGE IMPORTS AS A PERCENTAGE OF DOMESTIC CONSUMPTION (%)	COMMENTS
1	2	3	4	5	6	7

ANNEX TO LIST II

BORDER PROTECTION: (NAME OF COUNTRY)

ANNEX

PRODUCT DESCRIPTION	NOTES ON CALCULATION OF TARIFF EQUIVALENT	GENERAL COMMENTS
1	2	3

LIST III:A
AGRICULTURE NEGOTIATIONS: COUNTRY LISTS
EXPORT COMPETITION: (NAME OF COUNTRY)

PART A: TOTAL EXPORT ASSISTANCE (BUDGETARY OUTLAYS AND REVENUE FORGONE IN NATIONAL CURRENCY): ALL AGRICULTURAL PRODUCTS

FINANCIAL OR MARKETING YEAR (TO BE SPECIFIED)	1987	1988	1989	AVERAGE	COMMENTS
	1	2	3	4	5
(a) direct financial assistance to exporters to compensate for the difference between the internal market price in the exporting country and world market prices;					
(b) payments to producers of a product which result in the price or return to the producers of that product when exported being higher than world market prices or returns;					
(c) costs related to the sale for export of publicly owned or financed stocks;					
(d) assistance to reduce the cost of transporting or marketing exports;					
(e) export credits provided by governments or their agencies on less than fully commercial terms;					
(f) the provision of financial assistance in any form by governments and their agencies to export income or price stabilization schemes operated by producers, marketing boards or other entities which play de facto a dominant role in the marketing and export of an agricultural product;					
(g) export performance-related taxation concessions or incentives;					
(h) subsidies on agricultural commodities incorporated in processed product exports.					
TOTAL					

AGRICULTURE NEGOTIATIONS: COUNTRY LISTSEXPORT COMPETITION: (NAME OF COUNTRY)PART B: QUANTITIES EXPORTED, TOTAL AND PER UNIT ASSISTANCEPRODUCT: (TO BE SPECIFIED)*

FINANCIAL OR MARKETING YEAR (TO BE SPECIFIED)	1987	1988	1989	AVERAGE	COMMENTS
	1	2	3	4	5
(A) TOTAL QUANTITY EXPORTED (Thousand tonnes)					

(B) EXPORT ASSISTANCE PROVIDED:

(National currency)

- (a)
(b)
(c)
(d)
(e)
(f)
(g)
(h)

TOTAL EXPORT ASSISTANCE

(C) PER UNIT EXPORT ASSISTANCE

(B)/(A)

ANNEX I

Guidelines for tariffication

The calculation involved in the conversion of border measures other than normal customs duties into tariff equivalents must be carried out in a transparent manner using data, data sources and definitions that are made available to all contracting parties. Following the estimation of initial tariff equivalents, their rates will be subject to scrutiny and negotiation by interested contracting parties.

The calculation of the initial tariff equivalents will use the following guidelines:

- (a) data used will be for the most recent period available;
- (b) calculations will be carried out for all principal products traded. This implies that:
 - (i) for major commodities, calculation would generally be made at the four-digit level of the HS;
 - (ii) for other products, including for individual fruits and vegetables, calculation would be made up to the six-digit level of the HS;
- (c) in all cases initial tariff equivalents for products derived from principal products would be calculated by multiplying the initial tariff equivalents for the principal product(s) by the proportion of principal product(s) in the derived product;
- (d) the initial tariff equivalent calculation for the principal product should be adjusted as necessary to take account of differences in quality or variety using an appropriate coefficient;
- (e) external prices would be, in general, actual c.i.f. unit values for the importing country;
- (f) where c.i.f. unit values are neither available nor appropriate, external prices would be either: (i) appropriate c.i.f. values of a near country; or (ii) estimated from f.o.b. values of an appropriate major exporter adjusted by adding an estimate of c.i.f. costs;
- (g) in all cases external prices would be converted to domestic currencies using the annual average market exchange rate for the same periods as the price data;
- (h) the internal price would be the average price ruling in the domestic market;
- (i) initial tariff equivalents would be expressed as ad valorem or specific rates.