Government of India
Department of Commerce

Brief Summary on How Negotiations Progressed Since The Doha Ministerial Declaration Till The Latest Modalities on Agriculture

Doha Mandate	Hong Kong Ministerial 2005	July 2007	May 2008	July 2008
Negotiations on agriculture began in early 2000, under Article 20 of the WTO agriculture Agreement. By November 2001 and the Doha Ministerial Conference, 121 governments had submitted a large number of negotiating proposals. These negotiations will continue, but now with the mandate given by the Doha Declaration, which also includes a series of deadlines. The declaration builds on the work already undertaken. Agriculture is now part of the single undertaking in which virtually all the linked negotiations are to end by 1January 2005.	*Market Access* **Tariff Reduction** Members agreed to use a tiered formula which classifies tariffs into various bands for subsequent reduction from band rates with higher tariffs being cut more than lower ones Actual modalities: The number of bands threshold for defining bands and type of tariff reduction in each band remain the subject to negotiations.	*Market Access* **Tariff Reduction (Developed Countries)** Members shall reduce bound duties in accordance with the following tiered formula • where the bound duty or ad valorem equivalent is greater than 0 and less than or equal to 20 % the reduction shall be [48-52] %, • where the bound duty or ad valorem equivalent is greater than 20 % and less than or equal to 50 %, the reduction shall be [55-60] %, • where the bound duty or ad valorem equivalent is greater than 50 % and less than or equal to 75 %, the reduction shall be	*Market Access* **Tariff Reduction (Developed Countries)** Members shall reduce bound duties in accordance with the following tiered formula • where the final bound tariff or ad valorem equivalent is greater than 0 and less than or equal to 20 % the reduction shall be 50 %, • where the final bound tariff or ad valorem equivalent is greater than 20 % and less than or equal to 50 %, the reduction shall be 57 %, • where the final bound tariff or ad valorem equivalent is greater than 50 % and less than or equal to 75 %, the	*Market Access* **Tariff Reduction (Developed Countries)** • Same as May 2008

Member governments commit themselves to comprehensive negotiations aimed at: • Market access: substantial reductions • Exports subsidies: reductions of, with a view to phasing out, all forms of these • Domestic support: substantial reductions for supports that distort trade The declaration makes special and differential treatment for developing countries integral throughout the negotiations, both in countries' new commitments and in any relevant new or revised rules and disciplines Note taken about the non-trade concerns (such as environmental protection, food security, rural development		[62-65] %; and • where the bound duty or ad valorem is greater than 75 %, the reduction shall be [66-73] %. **Tariff Reduction (Developing Countries)** Tariff Reduction: Members shall reduce bound duties in accordance with the following tiered formula • where the bound duty or ad valorem equivalent is greater than 0 and less than or equal to 30 %, the reduction shall be 2/3 of the cut for developed country members as mentioned above, • where the bound duty or ad valorem equivalent is greater than 30 % and less than or equal to 80 %, the reduction shall be 2/3 of the cut for developed country members as mentioned above, • where the bound duty or ad valorem equivalent is greater than 80 % and less than or equal to 130	reduction shall be 64 %; and • where the final bound tariff or ad valorem is greater than 75 %, the reduction shall be [(66) (73)] %. **Tariff Reduction (Developing Countries)** Tariff Reduction: Members shall reduce bound duties in accordance with the following tiered formula • where the final bound tariff or ad valorem equivalent is greater than 0 and less than or equal to 30 %, the reduction shall be 2/3 of the cut for developed country members as mentioned above, • where the final bound tariff or ad valorem equivalent is greater than 30 % and less than or equal to 80 %, the reduction shall be 2/3 of the cut for developed countries as mentioned above, • where the final bound tariff or ad valorem equivalent is greater than	**Tariff Reduction (Developing Countries)** • Same as May 2008

		%, the reduction shall be 2/3 of the cut for developed country members as mentioned above, and • where the bound duty or ad valorem equivalent is greater than 130 %, the reduction shall be 2/3 of the cut for developed country members as mentioned above.	80 % and less than or equal to 130 %, the reduction shall be 2/3 of the cut for developed countries as mentioned above, and • where the final bound tariff or ad valorem equivalent is greater than 130 %, the reduction shall be 2/3 of the cut for developed countries as mentioned above.	
	Sensitive Products (SP) • Following the July text which provides for the designation of an appropriate number of tariff lines to be treated as sensitive without undermining the overall objectives of the tiered approach, proposals on number on the number of sensitive products is a part of ongoing work. • Fundamental divergence over the basic approach to treatment of sensitive products needs to be resolved. Recognition of the fact that there needs to be convergence on consequential extent of liberalisation for such	**Sensitive Products (SP)** **Developed Countries** • Rights to designate up to 4-6% of dutiable tariff lines as SP • If more than 30% tariff lines in top band-countries may increase the number of SP by 6-8% **Developing Countries** • Rights to designate upto 1/3 more of tariff lines as SP	**Sensitive Products (SP)** **Developed Countries** • Same as July 2007 • If more than 30% tariff lines in top band-countries may increase the number of SP by 20% **Developing Countries** • Same as July 2007	**Sensitive Products (SP)** **Developed Countries** • Same as July 2007 **Developing Countries** • Same as July 2007

	products. **Special Products (SPs)** At Hong Kong (2005) it was agreed that an appropriate number of tariff lines could be designated as SP guided by indicators based on 3 criteria of food security, livelihood security and rural development needs However, clear divergence between those members, which consider that, prior to establishment of schedules, a list of non-exhaustive and illustrative criteria based indicators, be establishment & those members looking for a list, which would act as filter or screen for selection of such products. **Special Safeguard Mechanism (SSM)** • There is agreement that there would be a special safeguard mechanism & that it should be tailored to the particular circumstances & needs of developing countries. • No material disagreement with the	 **Special Products (SPs)** July 2007, proposes self designation of SPs on the basis of indicators to be negotiated which are open to verification against international/national data. **Special Safeguard Mechanism (SSM)** It will be available to developing countries to respond to the needs of their farmers, i.e. rural development, food security and livelihood concern. • Proposed that SSM should be available	 **Special Products (SPs)** Proposes self designation guided by indicators • There shall have [a maximum entitlement of 20% and a minimum entitlement of] 8% of tariff lines available for self designation of SPs. • Within this entitlement [40%] [no] tariff lines be eligible for no cut. • For remainder tariff lines – average cut of 15% within minimum of 12% cut and maximum of 20% on each tariff line. **Special Safeguard Mechanism (SSM)** • SSM will have no a priori product limitation as to its availability-can be invoked for all tariff lines in principle. • Price based and volume based SSM available • As regards volume based SSM-will be applied on	 **Special Products (SPs)** Proposes self designation guided by indicators • There shall be 10-18 % tariff lines available for self-designation of SPs. • Upto 6 % of/no lines may have no cut. • Overall average cut in any case be 10-14 %. **Special Safeguard Mechanism (SSM)** • Same as May 2008 • Same as May 2008 (a) where the volume of imports during any year

	view that it should have a quantity trigger, nor there is any disagreement with the view that it should be at least capable of addressing import 'surges'. • Divergence remains over whether, or if so how, situations that are lesser than 'surge' are to be dealt with. • Strong divergence on whether, or if so how, a special safeguard should be 'price based' to deal specifically with price effects.	only for domestically produced products and substitutes of theses products • Should not apply to preferential imports i.e. agricultural products coming into country as a result of FTA/PTA. • Texts states that the price and quantity based remedies should not be applicable at the same time to the same product. • As an upper ceiling, it has proposed safeguard duties should not cross Uruguay round bound levels. • On volume trigger text suggests 10% increase in imports over the average imports of past 3 years. • On the price trigger, no specific quantitative trigger has been mentioned. Chair has suggested that the average prices over the past 12-18 months should be considered for calculating a price dip in the imports, which could set off the	the basis of rolling average of imports in the preceding 3 year period. On this basis applicable triggers & remedies shall be set as follows: **Either** (a) where the volume of imports during any year exceeds 105 % but does not exceed 110 % of base imports, the maximum additional duty that may be imposed on applied tariffs shall not exceed 50 % of the current bound tariff or 40 percentage points, whichever is higher; (b) where the volume of imports during any year exceeds 110 % but does not exceed 130 % of base imports, the maximum additional duty that may be imposed on applied tariffs shall not exceed 75 % of the current bound tariff or 50 percentage points, whichever is higher; (c) where the volume of imports during any	exceeds 110 % but does not exceed 115 % of base imports, the maximum additional duty that may be imposed on applied tariffs shall not exceed 25 % of the current bound tariff or 25 percentage points, whichever is higher; (b) where the volume of imports during any year exceeds 115 % but does not exceed 135 % of base imports, the maximum additional duty that may be imposed on applied tariffs shall not exceed 40 % of the current bound tariff or 40 percentage points, whichever is higher; (c) where the volume of imports during any year exceeds 135 % of base imports, the maximum additional duty that may be imposed on applied tariffs shall not exceed 50 % of the current bound tariff or 50 percentage points, whichever is higher; (d) where, formally, these triggers could be met, but the absolute level of

		trigger	year exceeds 130 % of base imports, the maximum additional duty that may be imposed on applied tariffs shall not exceed 100 % of the current bound tariff or 60 percentage points, whichever is higher. **OR** (a) where the volume of imports during any year exceeds 130 % but does not exceed 135 % of base imports, an additional duty which is the lower of 20 % of the current bound tariff or 20 ad valorem points may be imposed on applied tariffs provided that the current bound tariff is not exceeded; (b) where the volume of imports during any year exceeds 135 % but does not exceed 155 % of base imports, an additional duty which is the lower of 25 % of the current bound tariff or 25 percentage points may be imposed on applied	imports is manifestly negligible in relation to domestic production and consumption, remedies would not be applied.

			tariffs provided that this does not exceed the mid point between the pre-Doha bound tariff and the current bound tariff; (c) where the volume of imports during any year exceeds 155 % of base imports, an additional duty which is the lower of 30 % of the current bound tariff or 30 percentage points may be imposed on applied tariffs, provided that the pre-Doha bound tariff is not exceeded. (d) where, formally, these triggers could be met, but the absolute level of imports is manifestly negligible in relation to domestic production and consumption, remedies would not be applied. For least-developed country Members, where the above volume triggers would be met, but the percentage remedies foreseen would be otherwise nullified or	

			diminished by the conditionality regarding maintenance of the tariff bindings concerned, those Members would be nevertheless entitled to exceed their pre-Doha bound tariffs by a maximum of 25 ad valorem percentage points. This entitlement would also be applicable in the case of price - based measures below. In both situations, this would be provided that all other relevant conditions for application of the measure have been met.	
	<u>Domestic Support</u> (a) Post July 2005 considerable potential convergence, albeit on a manifestly conditional basis. It includes concrete targets for the reduction of overall domestic support (OTDS) and specifics that blue box levels will be capped. However, technique for achieving capping the blue box remains	*<u>Domestic Support</u>* India together with its partner has consistently taken a stand that there must be substantial and effective reduction in overall trade distorting domestic support. (a) Overall Trade Distorting Domestic Support (OTDS): The sum of Amber Box, Blue Box and De-minimis support • The text, inter-alia, proposes a tiered formula	*<u>Domestic Support</u>* The Base OTDS shall be reduced in accordance with the following tiered formula: (a) where the Base OTDS is greater than US$60 billion, or the equivalent in the monetary terms in which the binding is expressed, the reduction shall be [(75) (85)] %; (b) where the Base OTDS is greater than US$10	*<u>Domestic Support</u>* • Same as May 2008

	to be determined. *De Minimis*: On product- specific de minimis & non product–specific de minimis, there is a zone of engagement for cuts between 50% & 80% for developed countries As regards developing countries, there are still divergences to be bridged. Suggestions for all developing countries, that there should be no cut in *de minimis* at all Criteria for green box will be renewed and clarified. (b) Text requires in 1st year of implementing the agreement. Members to reduce 20% of their OTDS (consists of AMS + permitted de minimis levels and permitted blue box levels) (c) Reduction will be made under tiered formula that cuts subsidies progressively.	• For reduction in OTDS and suggest range of cuts in tier. • Range of cuts implies reduction in OTDS by developed countries (EC & US) by 75-85% and 66-73% respectively. • The text further proposes higher cuts by developed countries which have higher OTDS of 40% or more of the total value of their agricultural production. • For developing countries with aggregate measurement support (AMS) commitments the applicable reduction for OTDS should be 2/3rd of the reduction proposed for other developed countries. • However, developing countries with no AMS commitments will be exempt from any comments. India is thus exempt from taking AMS commitments.	billion and less than or equal to US$60 billion, or the equivalents in the monetary terms in which the binding is expressed, the reduction shall be [(66) (73)] %; (c) where the Base OTDS is less than or equal to US$10 billion, or the equivalent in the monetary terms in which the binding is expressed, the rate of reduction shall be [(50) (60)] %	

	(d) There is close (but not full) convergence on the thresholds for those bands. Members also reach significant convergence on range of cuts.			
	<u>Export Competition</u> • Elimination of all forms of export subsidies and disciplines on all export measures is proposed. • However, it does not specify the modalities nor the end date for the elimination of export subsidies. • Following the July 2005 package, although there is convergence on rules to address trade distorting practices, there are still major differences regarding scope of practices to be covered by new disciplines. • Consensus among Members that WTO should not stand in the way of provision of genuine food aid and what is to be eliminated is commercial displacement. However,	*<u>Export Competition-Export subsidy Commitments</u>* The draft modalities seek parallel elimination of all forms of export subsidies and disciplines on all export measures with equivalent effect. • Accordingly countries are also required to eliminate their other export subsidies by the end of 2013, with at least 50% by the end of 2010 and the remaining in equal annual instalments • Developing countries are also required to eliminate their export subsidies in equal annual instalments by a date to be negotiated • Developing countries will continue to benefit from the provisions of the Article 9.4 of AoA (allowing them to	*<u>Export Competition-Export subsidy Commitments</u>* The draft modalities seek parallel elimination of all forms of export subsidies and disciplines on all export measures with equivalent effect. • Accordingly countries are also required to eliminate their other export subsidies by the end of 2013, with at least 50% by the end of 2010 and the remaining in equal annual instalments • Developing countries are also required to eliminate their export subsidies in equal annual instalments by the end of 2016 • Developing countries will continue to benefit from the provisions of the Article 9.4 of AoA (allowing them to provide internal and	*<u>Export Competition-Export subsidy Commitments</u>* Developed country Members shall eliminate their remaining scheduled export subsidy entitlements by the end of 2013. This shall be effected on the basis of: • Budgetary outlay commitments being reduced by 50 % by the end of 2010 in equal annual installments from the date of entry into force, with the remaining budgetary outlay commitments being reduced to zero in equal annual installments so that all forms of export subsidies are eliminated by the end of 2013. • Quantity commitment levels being <u>Either</u> reduced to zero in equal annual instalments

	no draft text could be developed.	provide internal and international transport subsidies and marketing costs for exports for 5 years after the end date for elimination of all forms of export subsidies.	international transport subsidies and marketing costs for exports) until the end of 2021 i.e. 5 years.	from the applicable commitment levels *Or* applied as a standstill from the commencement until the end of the implementation period at the lower of either the then current actual applied quantity levels or the bound levels reduced by 20 %. • Developing countries are also required to eliminate their export subsidies in equal annual instalments by the end of 2016 • Developing countries will continue to benefit from the provisions of the Article 9.4 of AoA (allowing them to provide internal and international transport subsidies and marketing costs for exports) until the end of 2021 i.e. 5 years.
	Export Credit Guarantees or Insurance programme Convergence achieved on a number of elements of export credits, export	*Export Credit, Export Credit Guarantees or Insurance programme* • Draft modalities have specified a set of	*Export Credit, Export Credit Guarantees or Insurance programme* • Draft modalities have specified a set of	*Export Credit, Export Credit Guarantees or Insurance programme* • Same as May 2008

	credit guarantee or insurance programmes with repayment periods of 180 days and below. However, a number of critical issues like exemption to 180 days, self-financing etc remain unresolved	disciplines to be applied from the first day of implementation period of the Doha Round for developed countries (Annexure J) • Similarly for international food aid and agricultural exports state trading enterprises, detailed disciplines have been specifies in (Annexure I & K) respectively.	disciplines to be applied from the first day of implementation period of the Doha Round for developed countries (Annexure J) • Similarly for international food aid and agricultural exports state trading enterprises, detailed disciplines have been specifies in (Annexure I & K) respectively.	