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Page: 1/2

**Committee on Agriculture
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**ELIMINATION OF AMS BEYOND *DE MINIMIS* TO REDUCE DISTORTIONS
IN GLOBAL AGRICULTURAL TRADE – SOME INCREMENTAL STEPS**

SUBMISSION BY CHINA AND INDIA

The following joint submission, dated 21 June 2018, is being circulated at the request of the delegations of China and India.

1. As mentioned in the submission by China and India (JOB/AG/102), most of the developing Members cannot provide product-specific Amber Box support exceeding *de minimis* limit. On the other hand, developed Members and some developing Members are not constrained by the *de minimis* limit. This has provided significant flexibilities to these Members to provide support to their agriculture, thereby distorting production and trade through the following: providing significantly high amount of subsidies compared to the value of production of the products concerned; concentrating the subsidies in a few products; and shifting the products in which the subsidies are concentrated. JOB/AG/102 has provided considerable data establishing how these flexibilities are being availed.

2. Any meaningful attempt at reforms in agriculture subsidies must address the asymmetry between the developed Members on the one hand and most of the developing Members on the other hand in their respective entitlements to AMS beyond *de minimis* and the flexibility to provide high product-specific support. While eliminating the AMS beyond *de minimis* entitlements of WTO Members must remain a long-term objective and a pre-requisite for consideration of other reforms in domestic support negotiations, in the interim, a ceiling and reduction of AMS beyond *de minimis* as product-specific support would be the most important and incremental first step in the reform process for establishing a fair and market-oriented agricultural trading system.

3. With the objectives of reducing the distortions in agriculture trade and asymmetries in the Agreement on Agriculture, we propose the following incremental steps of reducing the product-specific AMS beyond *de minimis* with the aim of its elimination:

- a. Step 1: A base level of product-specific AMS beyond *de minimis* expressed as a percentage of the value of production of the product in question will be established for each of the agriculture products of the developed Members, based on the average of the product-specific AMS that remained beyond *de minimis* in the domestic support notifications of the most recent three years filed till December 2018. Product-specific AMS which are below *de minimis* in base period, shall not exceed *de minimis* level for the products concerned, starting from the first day of 2019.
- b. Step 2: Developed Members shall reduce the product-specific AMS beyond *de minimis* of the concerned agricultural products with more than 10% product-specific AMS by half of the difference between the base level and 10% in 202x, starting the reduction on the first day of 2019, with equal annual steps.
- c. Step 3: Developed Members shall reduce the product-specific AMS beyond *de minimis* of the concerned agricultural product with more than 10% product-specific AMS to 10% on the first day of 202y, with equal annual steps.

- d. Step 4: Developed Members shall reduce the product-specific AMS beyond *de minimis* of the concerned agricultural product with more than 5% product-specific AMS to 5% on the first day of 202z, with equal annual steps.
 - e. For developing Members with product-specific AMS beyond *de minimis* of the concerned agricultural products, discipline should be established by WTO Members with special and differential treatment.
 - f. Each WTO Member with AMS entitlements beyond *de minimis* shall annually notify the Committee on Agriculture the product-specific AMS beyond *de minimis* and the value of production of the concerned agricultural product in sufficient detail to monitor the compliance with its obligations on product-specific AMS.
 - g. Work programme: Members agree to a work programme to thereafter start negotiations on further disciplines on domestic support.
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