



European Commission  
Agriculture and Rural Development



# **WTO workshop on Agricultural Notifications 22-24 September 2009**

## **EUROPEAN COMMUNITIES' EXPORT SUBSIDIES NOTIFICATION**

*European Commission*



# Export subsidy notifications

- Legal framework allowing respect of commitments
- Domestic Institutional framework for notifying
- Problems encountered in notifying
- Participation in the review proces
- Preservation/transfer of know-how



# EC Legal framework for using export subsidies

- EC has Single Common Market Organisation for agricultural products (R. 1234/2007)
- R.1234/2007 also lays down rules for the use of export subsidies
- Article 161 requires the use of export licenses
- Article 162 lays down the rules for application of export refunds



## Respect of the EC's URAA Export Subsidy commitments and its notification to WTO

- EC **Export License** is the key follow-up instrument.
- A model of this license can be found in Annex 1 to Commission Regulation 376/2008, the implementation regulation of export subsidies



## Export licenses are

- A document requested by exporters and issued by Member State authorities
- Export licenses are mandatory for every subsidised export.
- The license allows the EC to keep track of its subsidized exports.



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# Institutional follow-up of EC commitments

- Both Member States and the European Commission
- In Member States 2 authorities are involved:
  - License issuing agencies
  - Custom's authorities
- The EC Commission and in particular the Directorate General for Agriculture is involved at Community level



# The flow of export info

## Before export

- License request from exporter
- Licencing agency treats request
- Member States communicate an aggregation of licenses applied for to the Commission
- 3 days for Commission scrutiny of compliance with WTO commitment
- Communication to Member State, green light for issuing license
- License emitted
- Customs treatment

## After export

- preparation of info to WTO by DG Agriculture of the Commission on the basis of licenses emitted



# Structure in DG Agri for treating the info

- Export subsidy data, based on license info is treated decentralised in DG Agriculture by Units responsible for daily management.
- In those Units the respect of the commitments is guaranteed on a day to day basis
- At the end of a marketing year a specific WTO unit in the Commission collects the data for transmission to WTO.
- The work in the WTO Unit is roughly structured along the pillar structure of the AoA: specialists for MA, DS and ES





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## Problems Encountered:

mainly unwanted delays,

less so incompleteness because the  
procedures for the follow-up of ES  
commitments have proved to be fairly  
stabilized



## Reasons for delays in timely notification

- Different marketing years per product → different ending dates for data collection (July-June for cereals, Oct.-Sept. for sugar, etc.)
- Internally in the Commission, different Units are dealing with the management of different products
- Food aid figures follow a different data flow
- Incorporated products are equally followed up by a different data flow for daily management
- Internal compilation and final submission to the WTO.
- Procedures to follow after completion of the notification.
- Ongoing DDA negotiations. Drain on the staff resources in the WTO Unit.



# Participation in the review proces

- Also coordinated by WTO Unit in the Commission's DG of Agriculture
- Based on analysis of notifications in the Unit using the know how of the pillar "specialists"
- Consultation of bilateral desks in DG AGRI
- Communication with Member States on the issue through the so called 133 Committee (Article 133 of the Treaty).



# Preservation of know-how

- Hard copy files for Key information
- Electronic data
- Corporate memory
- To be improved, but suffers most from limited resources