Research Paper IC Value : 61.33| SJIF Impact Factor(2018) : 8.003| ISI Impact Factor (2017):1.365 (Dubai)

Volume - 7, Issue- 4, April 2019 | e-ISSN : 2347 - 9671| p- ISSN : 2349 - 0187

EPRA International Journal of Economic and Business Review -Peer Reviewed Journal

AGREEMENT ON AGRICULTURE:

The Impasse for WTO

Dr. O. S. Deol

Associate Professor, Department of Commerce, Shaheed Bhagat Singh (E) College, University of Delhi, Delhi, India 110017

ABSTRACT

The main aim of the Agreement on Agriculture is the removal of trade distortions resulting from subsidies, price and market support, and other trade distorting supports; and eventually facilitate a fair, predictable and market-oriented agricultural trading system. The new rules and commitments are applied to: market access, domestic support and export subsidy. The newly committed tariffs and tariff quotas for all agricultural products became effective in 1995.

The Uruguay Round Agreement contained a time table for new negotiations on a number of topics. The Built-in Agenda asked for negotiations for continuing the process of substantial progressive reductions in support and protection in agriculture in 2000. The first draft of modalities on agriculture was circulated in February 2003, followed by a revision in March based on negotiators' comments. The draft focused on bridging the differences – the search for the compromises that were necessary for a final draft. The Ministerial Draft suggested a very modest reduction in domestic subsidies in rich countries, little reduction in export subsidies and a little bit opening of rich country markets. The draft, finally, could not be adopted.

The efforts for negotiations on agriculture continued. The Ministers resolved to establish modalities no later than April 30, 2006 and to submit comprehensive draft Schedules based on these modalities on later than July 31, 2006. The trade negotiations took place at the Ministerial level in July 2008. The Chairman, Negotiation Committee (Agriculture Committee in Special Session) circulated among the Members a revised Draft of framework for modalities on agriculture dated 6th December, 2008. This was the last draft on agricultural modalities. It could not be approved owing to divergence among the Member countries.

There is a definite failure on agricultural domestic support negotiations, since rich countries are not willing to abandon agricultural subsidies. This paper describes the negotiations on agriculture and analyses the reasons behind the failure of negotiations. It also discusses the road ahead for agricultural trade under WTO framework.

KEYWORDS: *Agreement on Agriculture, Market Access, Domestic Support, Export Subsidy*

1.INTRODUCTION

The agricultural trade became highly slanted attendant to domestic support policies. The Uruguay Round produced the first multilateral trade agreement on agriculture. The new rules and commitments are applied to:

1. Market access
2. Domestic support
3. Export subsidy

The Agreement allows Member countries to support their rural economies through the policies that cause minimum distortion to trade. Developing country members have been given some flexibility in fulfilling their obligations. To safeguard the interest of net food importing countries and the least developed countries, special provisions have been made in the Agreement.

This paper studies the Agreement on Agriculture. It discusses the negotiations on agriculture held so far. It also analyses the facts behind the impasse on agricultural negotiations. The study is divided into six sections. Section 2 discusses the Agreement on agriculture and the measures taken to remove distortions in agricultural trade as per Agreement. Section 3 contains discussion on the negotiations on agriculture held so far. Section 4 discusses the continued impasse on the negotiations on agriculture. Section 5 deals with the road ahead for global trade in agriculture in the light of WTO framework. Section 6 concludes the Paper.

2.AGREEMENT ON AGRICULTURE

The General Agreement on Tariffs and Trade, 1947 did apply to agricultural trade, but it allowed member countries some non-tariff measures such as import quota and subsidies, unlike the non-agricultural trade. The agricultural trade became highly slanted attendant to domestic support policies. The Uruguay Round produced the first multilateral trade agreement on agriculture.

The main intention of the Agreement on Agriculture is the removal of trade distortions resulting from subsidies, price and market support, and other trade distorting supports; and eventually facilitate a fair, predictable and market-oriented agricultural trading system. The first step in this direction was 'tariffication'. In tariffication, all non-tariff barriers such as quota were replaced by tariff that represented about the same level of protection as the existing nontariff barriers. These tariff rates are called 'bound tariff rates' and act as ceiling rates. Member countries are not permitted to increase a bound tariff rate without negotiating with other members. The Agreement necessitates that this bound tariff rate be reduced over a period of time. The tariffs on all agricultural products are now bound tariff rates. The new rules and commitments are applied to:

(a) Market access
(b) Domestic support
(c) Export subsidy

The Agreement permits Member countries to support their rural economies through the policies that cause minimum distortion to trade. Developing country members have been given some flexibility in fulfilling their obligations. To protect the interest of net food importing countries and the least developed countries, special provisions have been made in the Agreement.

2.1 Market Access

The Agreement requires that all non-trade barriers on the import of agricultural goods be placed with a single tariff rate. Members applying non-tariff barriers on agricultural products at the time of Agreement were permitted to adopt 'Tariff Rate Quotas' as a transitional mechanism. Tariff Rate Quota is a system of applying two tariff rates – lower rates for specified quantities, higher rates for quantities that exceeds quota. These Tariff Rate Quotas were intended eventually to be transformed into simple tariffs.

The newly committed tariffs and tariff quotas for all agricultural products became effective in 1995. The bound tariff, domestic support and export subsidy reduction schedule is given in the table below:

Table 1 Tariff, Domestic Support and Export Subsidy Reduction Targets

Measure	Developed Countries Six Years (1995 – 2000) (%)	Developing Countries Ten Years (1995 – 2004) (%)
Tariffs Average cut for all agricultural products Minimum cut per product	 36 15	 24 10
Domestic Support Total AMS cut (base period 1986-88)	20	13
Exports Value of subsidies Subsidised quantities (base period 1986-90)	 36 21	 24 14

Note (i) Only the figures for cutting export subsidies appear in the Agreement, (ii) The least developed countries do not need to reduce tariff or subsidies; (iii) The base level for tariff cuts was the bound rate before January 1, 1995, or for unbound tariffs, the actual rate charged in the September 1986 when the Uruguay Round began.

Members used these targets in preparing their national schedules of commitments. The commitment schedules are legally binding. For agricultural products, where non-tariff barriers were replaced with tariffs, countries are allowed to take 'special safeguards' in order to avert the swiftly falling prices or surge in imports hurting their farmers.

2.2 Domestic Support

Domestic support measures are the policies which support domestic prices or subsidise production in some other way. The Agreement differentiates between domestic support programmes that encourage the production directly, and those that are considered not directly affecting the production. The domestic support policies that have a direct effect on production and trade must be cut back. There are four types of domestic support, as given below in the table, that are useful in the calculation of 'Total Aggregate Measure of Support' (AMS), which is to be reduced as per the Agreement.

Table 2 Domestic Support

Support	Measures
Red Box	These subsidies are not permitted. Red box subsidies refer to income tax exemptions on export profits, concessional interest rate on export credit, special import licenses etc. However, this provision does not apply to the countries having a per capita income lower than US$ 1,000.
Green Box	These measures can be used freely. These measures include government services such as research, disease control, infrastructure and food security. These also include payment made directly to farmers that do not stimulate production such as certain forms of direct income support, assistance to help farmers restructure agriculture, and direct payment under environmental and regional assistance programmes.
Blue Box	These measures are also permitted. These measures include direct payments to farmers where the farmers are required to limit production. Such payments are made on fixed areas and yield or a fixed number of livestock.
Amber Box	The Amber Box supports are to be reduced as per the agreement. These measures include producer's payments and other domestic subsidies that the member country has to reduce under the agreement.

Aggregate Measure of Support (AMS) is of two types: Product specific and non-product specific. The product specific support refers to subsidies given to producers of specific crops. Non-product specific support includes subsidies on agricultural inputs such as fertilizers, seeds, irrigation, power, credit etc. AMS is calculated separately for both types of supports. The total AMS (base year 1986 – 88) should be reduced by 20% over six years (1995 – 2000) in the case of developed countries and by 13% over 10 years (1995 – 2004) in the case of developing countries. The least developing countries do not need to make any cut in the total AMS.

The De minimus is the spending on domestic support that is exempted from the calculation of total AMS calculations. The Agreement set the De minimus for developed countries at 5% of the total value of all agricultural production for the product and the non-product specific each. Developing countries are allowed up to 10% of the total value of agricultural production.

2.3 Export Subsidy

The export subsidies are provided by a country to make its goods globally competitive. The Agreement prohibits export subsidies on agricultural products unless the subsidies are specified in a member's list of commitments. Where these are listed, the Agreement requires the members to reduce both the amount of money they spend on export subsidies and the quantity of exports that are provided subsidies. The developed countries agreed to reduce the value of export subsidies by 36% over six years (1995 – 2000), developing countries had to cut it by 24% over ten years (1995 – 2004), taking the average of 1986 – 1990 as the base level. The developed countries also agreed to reduce the quantities of subsidized exports by 21% over six years (1995 – 2000), while developing countries had to reduce it by 14% over ten years (1995 – 2004). The least developed countries do not need to make any cut in the export subsidies.

3.THE NEGOTIATIONS

The first Ministerial Conference of the WTO was held in Singapore from December 9 to 13, 1996. The Ministerial Conference mainly focused on agriculture and textiles in the Built-in Agenda. Developing countries brought to notice that the efforts by the U.S., the E.U. and others on reducing domestic support and export subsidies did not produce the expected gains for other trading partners. They had effectively avoided liberalisation by using high base year values for export subsidies and by continuing domestic support by various other means.

The Uruguay Round Agreement contained a time table for new negotiations on a number of topics. The Built-in Agenda asked for negotiations for continuing the process of substantial progressive reductions in support and protection in agriculture in 2000. An effort was made to start a new Round of negotiations on agriculture at the Third Ministerial Conference held on November 30 – December 3, 1999 in Seattle, U.S.. In the run up to the Seattle Ministerial Conference and the new negotiations, the following issues were among those that were raised:

1. Additional reductions in tariffs, domestic support and exports subsidy were called for in agricultural trade. In addition, some countries said the main objective of the new negotiations should be to bring agricultural trade under the same rules and disciplines as trade in other goods.
2. Several countries uttered interest in further negotiations to deal with tariff quotas.
3. A number of countries wanted 'Blue Box' subsidies scrapped because the payments are only partly decoupled from production. While, others said it is an important tool for supporting and reforming agriculture, and for achieving certain non-trade objectives.
4. Some countries wished-for the total elimination of export subsidies. In addition, several members insisted to examine rules to prevent governments getting around their commitments, including use of the state trading enterprises and subsidised export credits.
5. The Agreement on Agriculture comprises provisions for important non-trade concerns such as food security, the environment, structural adjustment and so on. Some countries said all the objectives can and should be achieved more effectively through the 'Green Box' subsidies which are targeted at these objectives. Many exporting developing countries said multifunctionality is a form of special and differential treatment for developed countries. Several countries agreed that any economic activity, whether industrial, services or like, are multifunctional, and therefore, if the WTO has to address this issue, it has to do so in all areas of negotiations, not only agriculture.
6. Many countries favoured developing countries given the special and differential treatment to take account

of their needs. Some countries said that the WTO arrangements should be more flexible so that developing countries could support and protect their agricultural and rural development and ensure the livelihood of the population.

7. A number of developing countries which depend on imports for their food supply were concerned about possible rise in world food prices as a result of reduction in richer countries' subsidies.

The Seattle Ministerial Conference failed owing to an unbridgeable difference in opinions amongst some important developed countries, especially regarding the removal of trade distortions in agricultural trade and some other issues.

The mandated negotiations in agriculture started in 2000. 121 Members submitted their negotiation proposals to the WTO.

The Fourth Ministerial Conference held in Doha, Qatar in November 2001, provided the mandate for negotiations on wide range of subjects and other aspects. The 10 page declaration adopted at the Ministerial Conference, which formed the basis for the new round of negotiations along with implementation and monitoring work, is known as 'Doha Development Agenda'.

The Members recognised the work already undertaken in the negotiations initiated in early 2000 under Article 20 of the Agreement on Agriculture. The Ministers took note of the non-trade concerns reflected in the negotiating proposals submitted by Members and confirmed that non-trade concerns will be considered in the negotiations as provided for in the Agreement on Agriculture. Further, it was decided that modalities for the further commitments, including provisions for special and differential treatment, shall be established no later than March 31, 2003 and Members shall submit their comprehensive draft schedules based on these modalities no later than the date of the Fifth Session of the Ministerial Conference.

The Fifth Ministerial Conference of the WTO was held at Cancun, Mexico from September 10 – 14, 2003. From March 2002 to March 2003, the negotiations on agriculture went through a modalities phase. Member countries engrossed their discussions more on technical work- on detailed possibilities for each of the three main areas of the agriculture Agreement: market access, domestic support and export subsidies. Special treatment for developing countries was an integral part of all of these negotiations, and non-trade concerns were taken into account.

The first draft of modalities on agriculture was circulated in February 2003, followed by a revision in March based on negotiators' comments. The draft focused on bridging differences – the search for the compromises that were necessary for a final draft.

The deadline of March 31, 2003 for establishing modalities on agriculture was missed. The negotiations held in August 2003 in Geneva led to two interest conflicting drafts on modalities. The first was a proposal from the US and the EU. The second proposal was from a group of developing countries including India, Brazil and China. The developing countries' proposal contained provisions for market access, reduction in domestic support (blue box), export subsidies and special protection for their products. They demanded that developed countries should cut more than US$ 300 billion annual subsidies they provide to their agriculture sector.

The Ministerial Draft recommended a very modest reduction in domestic subsidies in rich countries, little reduction in export subsidies and a little bit opening of rich country markets. This laid the foundation for the failure of negotiations at Cancun. Finally, the Cancun Ministerial Conference could not reach any framework agreement, and ended in debacle.

After the fiasco of Cancun, the Members renewed their efforts and held, at regular intervals, formal and informal meetings. They developed a negotiation package in July 2004. The General Council approved the 'July Package' on August 1, 2004.

The sixth Ministerial Conference was held at Hong Kong, China, from December 13 to 18, 2005. The trade Ministers made a Declaration on December 18, 2005. They reaffirmed the decision adopted by the General Council on August 1, 2004. In context of agriculture, the following declaration was made:

1. On the domestic support, the Ministers declared that there will be three bands for reductions in the final bound total AMS and in the overall cut in trade distorting domestic support, with higher linear cuts in higher bands. Green Box criteria will be reviewed, inter alia, to ensure that programmes of developing country Members that cause not more than minimal trade distortion are effectively covered.
2. The Ministers agreed to ensure the parallel elimination of all forms export subsidies and disciplines on all export measures with equivalent effect to be completed by the end of 2013.
3. On the market access, the Ministers noted the progress made on ad valorem equivalents. They adopted four bands for restructuring tariff cuts, recognising that they agreed on the relevant thresholds – including those applicable for developing country Members.

The Ministers resolved to establish modalities no later than April 30, 2006 and to submit comprehensive draft Schedules based on these modalities on later than July 31, 2006. The dead line was missed.

3.1 Draft Modalities, 6th December, 2008

The trade negotiations took place at the Ministerial level in July 2008. The Chairman, Negotiation Committee (Agriculture Committee in Special Session) circulated among the Members a revised Draft of framework for modalities on agriculture dated 6th December, 2008. He mentioned that the negotiations came somewhat closer, but the text was still square bracketed. There was certain divergence. There was no formal agreement on any or all contained in the Draft. The important points of the Draft are given below:

Domestic support:

1. The base level of reductions in Overall Trade Distorting Domestic Support (OTDS) shall be sum of: (a) the Final Bound Total AMS specified in Part IV of the Member's Schedule; plus; (b) for developed country Members, 10% of the average total value of agricultural production during the 1995 – 2000 base period (this being composed of 5% of the average total value of production for product-specific and non-product specific AMS respectively); plus (c) the higher of average Blue Box payments as notified to the Committee on Agriculture, or 5% of the average total value of

agriculture production, in the 1995 – 2000 base period.

2. For developing country Members, item (b) of the above paragraph shall be 20% of the average total value of agricultural production in the 1995 – 2000 or 1995 – 2004 period as may be selected by the Member concerned. For developing country Members, the base period for the purpose of item (c) of the above paragraph shall be 1995 – 2000 or 1995 – 2004 as may be selected by the Member concerned.
3. 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 80 percent; (b) where the base OTDS is greater than US$ 10 billion and less than or equal to US$ 60 billion, or the equivalent in the monetary terms in which the binding is expressed, the reduction shall be 70 percent; (c) where the base OTDS is less than or equal to US$ 10 billion, or equivalent in the monetary terms in which the binding is expressed, the reduction shall be 55 percent.
4. For developed country Members, the reduction shall be implemented in six steps over five years. For developing country Members, the reduction shall be implemented in nine steps over eight years.

Final Bound Total AMS:

1. The Final Bound Total AMS shall be reduced in accordance with the following tiered formula: (a) where the Final Bound Total AMS is greater than US$ 40 billion, or equivalent in the monetary terms in which the binding is expressed, the reduction shall be 70 percent; (b) where the Final Bound Total AMS is greater than US$ 15 billion and less than or equal to US$ 40 billion, or the equivalent in the monetary terms in which the binding is expressed, the reduction shall be 60 percent; (c) where the Final Bound Total AMS is less than or equal to US$ 15 billion, or the equivalent in the monetary terms in which the binding is expressed, the reduction shall be 45 percent.
2. For developed country Members, the reduction shall be implemented in six steps over five years. For developing country Members, the reduction shall be implemented in nine steps over eight years.

Market Access:

1. Developed country Members shall reduce their final bound tariffs in six equal annual instalments over five years in accordance with the following tiered formula: (a) where the final bound tariff or ad valorem equivalent is greater than 0 and less than or equal to 20 percent, the reduction shall be 50 percent; (b) where the final bound tariff or ad valorem equivalent is greater than 20 percent and less than or equal to 50 percent, the reduction shall be 57 percent; (c) where the final bound tariff or ad valorem equivalent is greater than 50 percent and less than or equal to 75 percent, the reduction shall be 64 percent; and (d) where the final bound tariff or ad valorem equivalent is greater than 75 percent, the reduction shall be 70 percent.
2. Developing country Members shall reduce their final bound tariffs in eleven equal annual instalments over ten years in accordance with the following tiered formula: (a) where the final bound tariff or ad valorem equivalent is greater than 0 and less than or equal to 30 percent, the reduction shall be two-third of the cut for developed countries; (b) where the final bound tariff or ad valorem equivalent is greater than 30 percent and less than or equal to 80 percent, the reduction shall be two-third of the cut for developed countries; (c)where the final bound tariff or ad valorem equivalent is greater than 80 percent and less than or equal to 130 percent, the reduction shall be two-third of the cut for developed countries and (d) where the final bound tariff or ad valorem equivalent is greater than 130 percent, the reduction shall be two-third of the cut for developed countries.

Blue and Green Box Supports:

There were provisions for changes to be incorporated in Annex II of Agreement on Agriculture.

This was the last draft on agricultural modalities. It could not be approved owing to divergence among the Member countries.

3.2 The Ministerial Conferences

The Seventh Ministerial Conference was held from November 30 to December 2, 2009 in Geneva, Switzerland. The Conference was held after a gap of four years and only statements were made by the Ministers and no negotiation could take place.

The eighth Ministerial Conference was held in Geneva, Switzerland, from December 15 to 17, 2011. Though there was deadlock on the Doha Round, the Eighth Ministerial Conference succeeded in developing the atmosphere for further talks and bringing, to some extent, the multilateral trading system back on track. The proposal of making provisional or definitive agreements wherever possible, even before the conclusion of single understanding, was an signal that Members were committed and willing to move forward on negotiations and to end impasse on Doha Development Agenda.

The Ninth Session of the WTO Ministerial Conference was held in Bali, Indonesia from December 3 to 7, 2013. Members noted that, subject to Annex 2 of the Agreement on Agriculture, the types of programmes listed below could be considered as falling within the scope of the non-exhaustive list of general services programmes in Annex 2, paragraph 2 of the Agreement on Agriculture.

1. Land rehabilitation
2. Soil conservation and resource management
3. Drought management and flood control
4. Rural employment programmes
5. Issuance of property titles

The hard bargaining that ensued finally led to a compromise where Members agreed that they would refrain from using the WTO's Dispute Settlement Mechanism in relation to support provided for traditional staple food crops in pursuance of public stockholding programmes for food security purposes.

The Tenth Ministerial Conference was held in Nairobi, Kenya, from December 15 to 19, 1015. The Members took decisions on following issues in context of agriculture:

1. Special safeguard mechanism for developing country Members
2. Public stockholding for food security purposes
3. Export competition

Members decided that in order to achieve permanent solution of issue of public stockholding for food security purposes, the negotiations shall be held in the Committee on Agriculture in Special Session, in the dedicated sessions and in an accelerated time frame, distinct from the agriculture negotiations under the Doha Development Agenda (DDA).

It was decided that developed country Members shall immediately eliminate their remaining scheduled export subsidy entitlements as of the date of adoption of this decision. Developing country Members shall eliminate their export subsidy entitlements by the end of 2018.

The decision was taken in context of cotton on three elements: market access, domestic support and export competition. On market access, the decision calls for cotton from LDCs to be given duty free and quota free access to the markets of developing countries and to those of developing countries declaring that they can do so- from January 1, 2016.

The domestic support part of the cotton decision acknowledges members' reforms in their domestic cotton policies and stresses that more efforts remain to be made.

On export competition on cotton, the decision mandates that developed countries prohibit cotton export subsidies immediately and developing countries not later than January 1, 2017.

Though, the outcome is being claimed a historic one by WTO officials, but it is a setback to world trade and development, in particular, for developing countries. The reaffirmation of Doha Development Agenda was a divided one.

4.THE IMPASSE

The impasse remains mainly on two issues: domestic support and market access. The draft of framework on modalities on agriculture circulated on 6th December 2008 was last effort to resolve the issues on agriculture. The draft could not be adopted due to divergence among the member countries.

The developed countries relate domestic support with non-trade concerns and are reluctant to reduce domestic support. Further reductions in tariffs, domestic support and exports subsidy were called for in agricultural trade by developing countries. In addition, some countries said the main objective of the new negotiations should be to bring agricultural trade under the same rules and disciplines as trade in other goods.

A number of countries wanted 'Blue Box' subsidies scrapped because the payments are only partly decoupled from production. While, others said it is an important tool for supporting and reforming agriculture, and for achieving certain non-trade objectives.

A number of developing countries, mainly net food importing countries, which depend on imports for their food supply were concerned about possible rise in world food prices as a result of reduction in richer countries' subsidies.

At the Nairobi Ministerial Conference, it became clear that the issue is not going to be resolved. The reaffirmation of Doha Development Agenda has been divided. This is a diplomatic move to put Doha at back burner for the time being and eventually abandon it. A few developed countries are taking stand that the 'world has changed' since the beginning of Doha Development Round. They want to move forward on two tracks: first, to take 21st century issues like competition, investment, environment, government procurement, energy security, labour, global value chains, e-commerce and regulatory coherence; and second, the rapid rise of emerging countries should make these countries to pay significantly more than agreed earlier. Taken together, these propositions clearly lead to the rejection of Doha mandate and implicitly calls for a fresh mandate to start another round, comprising mainly the 21st century issues.

5.THE ROAD AHEAD

Developing countries are making commitments for phasing out export subsidies for the last few years. Similarly, duty-free and quota-free market access for exports of least developed countries is being committed since the Hong Kong Ministerial Conference. So far, nothing materialistic has happened for the developing countries. Global trade in agricultural products is highly distorted due to rich countries' subsidies. Negotiations on services have been put at the back burner.

Table 3 Top Exporters of Agriculture and Cotton in 2013

Agriculture (billion U.S. $)		Cotton (billion U.S. $)	
E.U.	156.3	China	17.5
U.S.	147.1	India	11.3
Netherlands	101.9	U.S.	7.5
Germany	87.6	Pakistan	5.3
Brazil	86.4	Australia	2.5
France	77.8	Turkey	1.9
Belgium	48.6	Italy	1.8
China	47.5	Germany	1.3
Spain	45.7	Brazil	1.2
Canada	45.3	Indonesia	0.8
Italy	42.6		
India	42.3		

Source: wits.worldbank.org

In 2013, the European Union renewed its Common Agricultural Policy (CAP) until 2020. In 2014, the U.S. Congress passed a new farm bill that restructures some key programmes and will guide U.S. farm policy until 2018.

In view of the facts that the U.S. and the E.U. are the two economies most criticised for their agricultural subsidies, it is important to note that the hands of the respective trade ministers are almost fixed with respect to the legislative changes.

Table 4 Actual Agriculture Producer Support Estimates, 2012

Country/Group	U.S.$ billion	Percent of production
Japan	43.48	49.5
Indonesia	31.87	24.3
China	275.58	19.4
E.U.	108.21	18.1
Mexico	6.63	10.4
U.S.	43.57	10.0
Canada	5.04	9.6
India	13.80	4.0
Brazil	7.28	3.7
Australia	0.72	1.45

Source: OECD: Producer and Consumer Support Estimate Database.

In July 2008 negotiations, the WTO Members wanted the U.S. and the E.U. to sharply cut their AMS caps. The Agreement on domestic support commitments are now much harder to achieve than in 2008 because of changes in market conditions and the U.S. farm legislations.

Table 5 Weighted average tariffs, 2013

Country	Tariff	Country	Tariff
Brazil	10.48	Malaysia	4.44
Pakistan	9.41	Indonesia	2.37
Korea	7.85	Australia	1.84
India	6.34	U.S.	1,51
Russian Fed.	6.21	Canada	1.45
Mexico	4.87	Singapore	0.07
China	4.74		

Source: wits.worldbank.org

The motive of these countries is to initiate new round for new issues. If they fail in this, then parallel moves are going on in the form of RCEP, TTP, TTPI and TISA. This would leave WTO as only a dispute settlement body.

6.CONCLUSION

The differences between the Members simmered on two lines. First, whenever developing countries raised the issue of non-implementation of agreements and non-realisation of due benefits for developing countries, the developed countries called for the extension of agenda, in particular the 'Singapore issues', and starting of a new round of trade negotiations. Second, on the question of agricultural subsidies provided by the developed countries, hampering the market access to developing countries' agricultural exports, the developed countries countered it by opening the platform for trade related environmental issues.

At the Hong Kong Ministerial Conference in 2005, a Declaration was made to establish modalities on agriculture by April 30, 2006 and prepare draft schedules by July 31, 2006.

There were divergences among the Members on agricultural modalities and cotton subsidies. Negotiations under Doha Round were suspended from June 24, 2006.

In order to restart negotiations, a draft of modalities for agriculture, based on July 2008 negotiations, was circulated among the Members on 6th December 2008. The modalities could not be approved due to divergence among the Members. After a gap of four years, the Seventh WTO Ministerial Conference was held in 2009, but no negotiation could take place. The outcomes of Geneva Conference (2011), Bali Conference (2013) and Nairobi Conference (2015) were not satisfactory, since the issue of distortions in global agricultural trade remained unresolved.

There is a definite failure on agricultural domestic support negotiations, since rich countries are not willing to abandon agricultural subsidies. The E.U. and the U.S. have already re-enacted their long-term agricultural policies in such a way leaving no space for reduction or elimination of the farm subsidies.

A few developed countries are taking stand that the 'world has changed' since the beginning of Doha Development Round. They want to move forward on two tracks: first, to take 21st century issues like competition, investment, environment, government procurement, energy security, labour, global value chains, e-commerce and regulatory coherence; and second, the rapid rise of emerging countries should make these countries to pay significantly more than agreed earlier. Taken together, these propositions clearly lead to the rejection of Doha mandate and implicitly calls for a fresh mandate to start another round, comprising mainly the 21st century issues.

The divisive affirmation of Doha Agenda at the Nairobi Ministerial is first step in the process of abandoning Doha Agenda.

REFERENCES

Books:

1. *Deol, O.S. (2016), "Twenty Years of World Trade Organisation- 1995 – 2015", New Century Publications, New Delhi.*
2. *Mattoo, Aaditya and Stern, Robert M. (eds.). (2003). "India and the WTO", International Bank for Reconstruction and Development, Washington.*
3. *Sen, R.K. and Raj, J.F.(eds.). (2009), "WTO and Asian Union", Deep and Deep Publications, New Delhi.*
4. *Vasudeva, P.K. (ed.). (2005), "World Trade Organisation: Implications for Indian Economy", Pearson Education (Pte) Limited, Delhi.*

Journals:

1. *Das, Abhijit, "Showing spine at the WTO negotiations", The Hindu Daily, July 16, 2015, New Delhi.*
2. *Kanungo, Anil K. (December 23, 2015), "Nothing Historic About Nairobi Ministerial", The Financial Express, New Delhi.*

3. *Ravi Kanth, D., "WTO Upside down: Trade Facilitation versus Agriculture", Economic and Political Weekly, Vol. XLIX, No.36, September 6, 2014.*

Websites:

1. *www.ictsd.org*
2. *www.iisd.ca*
3. *www.oecd.org*
4. *www.rbi.org*
5. *www.worldbank.com*
6. *www.wto.org*