

Notes on Possible Discussions on Subsidies Organized by FMG January 26,2023

I am John Weekes a member of the Friends of Multilateralism Group (FMG). I would like to welcome you to today's session about next steps in the fisheries subsidies negotiations, and in a few moments I will turn the proceedings over to today's moderator, Stuart Harbinson. However, Lou and Stuart thought it would be helpful if I were to say a few words about FMG's plan to launch a series of events on subsidies, including on fisheries, during 2023 and beyond.

Let me briefly explain why we think the time may be right for such a discussion and give a sense of our initial thinking on the scope of this initiative.

Why

Recent analysis points to the fact that subsidies and other equivalent actions by governments have moved to the top of the list of measures that put market access for goods at risk, particularly in the largest markets. The past year has seen enormous sums spent by governments and there is a serious risk that this trend will continue as more and more governments conclude they must intervene to put their own producers on an even footing with those of other nations.

This aggressive spending simply cannot continue. Indeed, governments already recognize the need to focus on ideas for repairing government balance sheets by reducing spending. A collective approach to doing so would offer the prospect of ensuring that all major countries would engage.

Smaller and medium sized countries which do not have the resources to compete with the big guys could well see real value in a new effort to strengthen disciplines.

Importantly, as the Cairns Group has recognized, there is a need to renew the effort to discipline agricultural subsidies.

Initial soundings undertaken by FMG have revealed an interest in engaging in a wide-ranging discussion of subsidies. Some see this as an urgent task. Few, if any, seem to be opposed to such a discussion.

Elements for a discussion

In our initial thinking at FMG we thought discussion might be organized along the following lines:

- An initial focus could be on economic considerations, including the motivations for governments in offering supports, the cost of such programs to treasuries, as well as their impact in other countries. This could include considerations of the environmental impact of subsidies but also how subsidies might promote adoption of environmentally friendly measures;
- A brief description of the analytical work which has been undertaken on subsidies by the WTO, the OECD and the World Bank;
- A brief review of the sectoral breadth of industrial subsidies and the availability of data including on which governments are most active in providing subsidies;
- New approaches to tackle agriculture subsidies in the 21st century;
- Continued work on fisheries subsidies;
- Government support in the services sector; and
- Examining existing international disciplines on subsidy practices including the WTO agreements on Agriculture, Subsidies and Countervailing Measures, and Fisheries Subsidies. Such an analysis could include reference to the no-longer in force ASCM provisions in Article 8 which address “non-actionable” subsidies used in support of research, disadvantaged regions, and adaptation to new environmental requirements.

We could begin with an initial overview discussion and then, depending on the outcome, organize further meetings to go into these matters in more depth.

Comments welcome

As we continue our preparatory work, FMG would welcome comments as to the best way to proceed. But not today, because today our focus should be on next steps in the fisheries subsidies negotiations.

Thank you for your attention.

I now pass the floor to our moderator Stuart.