

AP notes

SUBSIDIES

Suggested LTT

- Existing WTO disciplines have served to curb and WTO-inconsistent subsidies (whether "actionable" or "prohibited" subsidies).
- However, more should be done by WTO members to discipline the wide-spread use by some members of horizontal subsidies.
- The EU has already tabled detailed proposals on two of the more important practices: dual-pricing and below-cost financing.
- Important in the MTS to have clear disciplines to curb the significant competitive distortions that otherwise result from leaving such practices unchecked.
- **DEFENSIVE (if raised):** Undeniable that a number of WTO members are seeking disciplines on certain aspects of fisheries subsidies. Equally undeniable that many of those members are seeking to have their own subsidies go unchecked.
- Remains to be seen how this issue may be carried forward in any future rules negotiations. By no means the only issue, and would be subject also to an overall balance in terms of the final negotiated outcome.

NEW ISSUES – INVESTMENT & COMPETITION

Suggested LTT (if raised by moderator or audience):

- Investment and competition both part of the original "Singapore Issues".
- Systemic issues relevant to the MTS and of value to all members.
- Investment increasingly an alternative to traditional trade. Competition rules important to allow new entrants to operate effectively.
- EU traditionally a strong advocate of both issues (along with TF and Transparency in Government Procurement).
- Agreed in 2004 to abandon all four issues (save for TF) as issues for DDA negotiations.
- EU believes both issues are important for the effective functioning of trade relations. Included in several concluded and ongoing FTAs.