



The Estey Centre Journal of
**International Law
and Trade Policy**

Abstract

**The Effects of Alternative Proposals for
Agricultural Export Subsidies in the Current
WTO Round**

Piero Conforti

INEA, The National Institute of Agricultural Economics, Rome, Italy

Beatriz E. Velazquez

INEA, The National Institute of Agricultural Economics, Rome, Italy

The article is aimed at assessing the impact of reducing and/or eliminating EU export subsidies within the next WTO round. The Global Trade Analysis Project (GTAP) model and database are employed to study the effects of the two main proposals put forward on this matter by the EU and the U.S. Results of the simulations confirm the common knowledge that the elimination of EU export subsidies would bring about increases in prices, exports and production for several net exporters of agricultural products. At the same time, such effects are all relatively small in size, particularly the effects on trade, production and welfare, even under the more radical scenario that simulates the elimination of export subsidies. Despite the fact that some net importing countries would suffer from a more expensive import bill, benefits may arise for some of them in terms of incentives to substitute domestic production for imports. This is the case in the Mediterranean region, and to a lesser extent sub-Saharan Africa.

Keywords: Export competition, GTAP model, WTO negotiations