

# EXPORT PROMOTION AND THE WTO

## A BRIEF GUIDE



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The International Trade Centre (ITC) is the joint agency of the World Trade Organization and the United Nations.

**Street address:** ITC,  
54-56, rue de Montbrillant,  
1202 Geneva, Switzerland

**Postal address:** ITC,  
Palais des Nations,  
1211 Geneva 10, Switzerland

**Telephone:** +41-22 730 0111

**Fax:** +41-22 733 4439

**E-mail:** [itcreg@intracen.org](mailto:itcreg@intracen.org)

**Internet:** <http://www.intracen.org>

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Study looking at export promotion schemes which are consistent with international rules on subsidies, and are most frequently used by developing countries – examines the rules contained in the WTO Agreement on Subsidies and Countervailing Measures (ASCM), covering manufactured goods; highlights rules in the WTO Agreement on Agriculture (AoA) on subsidies, covering certain primary or agricultural products; outlines tools such as duty drawback, export credits and export guarantees, which are at the disposal of countries wishing to promote exports; presents and analyses examples of schemes in place in selected countries in Asia, Africa and Latin America.

**Descriptors: Export Promotion, Subsidies, Agreement on Subsidies and Countervailing Measures, Agreement on Agriculture, WTO, Case Studies.**

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ITC, Palais des Nations, 1211 Geneva 10, Switzerland

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## Foreword

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Export promotion schemes can play an important part in the development strategies of countries, especially of developing countries that seek to make exports an engine for economic growth. Membership in the World Trade Organization (WTO) is a critical tool for participation in the multilateral trading system. It requires opening domestic markets to international trade – where exceptions and flexibilities have not been negotiated – but also provides huge market opportunities for domestic producers.

To design successful export development strategies, it is fundamental that governments and private exporters have a clear understanding of the applicable WTO rules and their implications for their specific individual characteristics.

The rules are complex. This book highlights the relevant rules contained in the WTO Agreement on Subsidies and Countervailing Measures (ASCM), covering manufactured goods, and the WTO Agreement on Agriculture (AoA).

Through it, ITC aims to respond to questions which governments and private exporters frequently confront when designing and implementing export promotion schemes. What is an export subsidy? What kinds of financial support can developing country governments provide to companies and businesses? Special dispensations have been negotiated for developing and least developed countries. Under which circumstances can they be used?

The study outlines the various tools, such as duty drawback, export credits and export guarantees, which are at the disposal of countries wishing to promote exports. To illustrate this, experiences from developing and least developed countries are analyzed to serve as case studies for others.

These examples should not be interpreted as an authoritative judgement on whether the schemes are in compliance with WTO rules. This timely book makes an effort to peel back some of the complexities, and helps developing countries identify policies and approaches that may assist them in their efforts to grow their economies through exports.



Patricia R. Francis  
Executive Director  
International Trade Centre

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# Contents

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Foreword	iii
Acknowledgements	iv
Note	vii
List of cases cited	viii

## **Introduction** 1

### **Chapter 1**

## **The WTO Agreement on Subsidies and Countervailing Measures** 3

Coverage and main rules	3
Definition of a subsidy	3
Specificity	6
Types and treatment of specific subsidies under the ASCM	7
Prohibited subsidies	7
Actionable subsidies	11
Non-actionable subsidies	11
Special and differential treatment for developing country members	11
Exemption from the prohibition on export subsidies	11
Special procedural rules concerning actions against subsidies provided by developing countries	15

### **Chapter 2**

## **The agreement on agriculture** 19

Introduction	19
Coverage and main rules	19
Export promotion schemes under the AoA	20
What is an export subsidy?	20
Export subsidies and schedules of commitments	20
List of export subsidies	20
Disciplines applicable to export subsidies	21
Special and differential treatment for developing country members	22
Conclusion	22

<b>Chapter 3</b>	
<b>Analysis of certain types of frequently used export promotion schemes</b>	<b>23</b>
Introduction	23
Duty drawback schemes	23
Substitution drawback systems	25
Schemes in the form of condoning or not collecting government revenues otherwise due	26
Export credits	28
What are export credits?	28
Permitted export credits	28
Export credit guarantees	29
Prohibition of Item 'J' on the Illustrative List	30
Free trade zones and other schemes	31
 <b>Chapter 4</b>	
<b>Conclusion</b>	<b>37</b>

#### Boxes

1.1 Example of a government action that is not an indirect financial contribution	4
3.1 Example of SIONs: the Duty Entitlement Passbook Scheme in India	26

#### Figures

1.1 What is a benefit	5
1.2 Developing countries and export subsidies	17
2.1 Disciplines on subsidies	22

#### Tables

1.1 Exempt countries	12
1.2 WTO Members with programme extensions	14

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