

# WORLD TRADE ORGANIZATION

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**Working Party on the  
Accession of the Lao PDR**

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## **ACCESSION OF THE LAO PDR**

### Domestic Support and Export Subsidies in the Agricultural Sector

#### Revision

The following submission, dated 22 April 2008, is being circulated at the request of the Delegation of the Lao People's Democratic Republic (Lao PDR).

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**DOMESTIC SUPPORT: LAO PEOPLE'S DEMOCRATIC REPUBLIC**  
**REPORTING PERIOD: Fiscal years<sup>1</sup> 2001 - 2003**

*Measures exempt from the reduction commitment – "Green Box"*

Measure type	Description of the measure	Monetary value of measure (Unit - US\$) (Unit - Kip)			Data sources
1	2	3			4
1. General services					
(a) Research	National Agriculture and Forestry Research Institute research on all aspects of agriculture development and production, in accordance with Annex II:2(a) of the Agreement on Agriculture.	2001 <sup>2</sup>	221,137	1,961,706,327	Ministry of Agriculture and Forestry
		2002	1,056,881	10,627,995,336	
		2003	1,036,147	10,950,001,496	
Total Average			771,388	7,846,567,719	
(b) Pest and diseases control and inspection services	Expenditure on plant and animal inspection and plant quarantine and animal health control, in accordance with Annex II:2(b) and (e) of the Agreement on Agriculture.	2001	394,319	3,498,003,849	Ministry of Agriculture and Forestry
		2002	2,487,172	25,011,001,632	
		2003	2,397,426	25,335,997,968	
Total Average			1,759,639	17,948,334,483	
(c) Training services	Expenditure on training provided by agricultural schools, in accordance with Annex II:2(c) of the Agreement on Agriculture.	2001	284,523	2,524,003,533	Ministry of Agriculture and Forestry
		2002	2,024,662	20,360,001,072	
		2003	2,029,239	21,444,997,752	
Total Average			1,446,141	14,776,334,119	
(d) Extension and advisory services	National Agriculture and Forestry Extension Service activities, in accordance with Annex II:2(d) of the Agreement on Agriculture.	2001	738,812	6,554,001,252	Ministry of Agriculture and Forestry
		2002	1,250,298	12,572,996,688	
		2003	2,779,712	29,375,996,416	
Total Average			1,589,607	16,167,664,785	
2. Domestic distribution of food aid					
(a) Domestic food aid	Government expenses for the distribution of foreign aid (mainly food and seed) to alleviate the effects of natural disasters such as flood, drought and fire damage. This includes Food for Work and Food for activities programmes under the World Food Programme, in accordance with Annex II:4 of the Agreement on Agriculture.	2001	56,363	499,996,173	Ministry of Labour and Social Welfare
		2002	29,833	300,000,648	
		2003	28,388	300,004,384	
Total Average			38,195	366,667,068	

<sup>1</sup> Fiscal Year is October to September.

<sup>2</sup> Exchange rate 2001=8,871 kip/US\$; 2002=10,056 kip/US\$; and 2003=10,568 kip/US\$.

**DOMESTIC SUPPORT: LAO PEOPLE'S DEMOCRATIC REPUBLIC**  
**REPORTING PERIOD: Fiscal years 2001 - 2003**

*Measures exempt from the reduction commitment - "Development Programmes" (Article 6.2)*

Measure type	Description of the measure	Monetary value of measure (Unit - US\$) (Unit - Kip)			Data sources
1	2	3			4
(a) Investment subsidies generally available to agriculture and input subsidies generally available to low-income or resource-poor producers	Investment and operating credit at lower than normal market interest rates generally available to farmers and groups of farmers to promote agriculture production, in accordance with Article 6.2 of the Agreement on Agriculture.	2001:	N/A	N/A	Ministry of Finance, Agriculture Promotion Bank, and Bank of Lao PDR
		2002:	1,530,158	15,387,268,848	
		2003:	1,447,166	15,293,650,288	
		Average:	1,488,662	15,340,459,568	
(b) Input subsidies generally available to low-income or resource-poor producers	Lower than normal market electricity rates for farmers in accordance with Article 6.2 of the Agreement on Agriculture.	2001:	158,610	1,407,029,310	Ministry of Industry and Handicraft and Electricity du Laos
		2002:	138,018	1,387,909,008	
		2003:	146,470	1,547,894,960	
		Average:	147,699	1,447,611,092	

**DOMESTIC SUPPORT: LAO PEOPLE'S DEMOCRATIC REPUBLIC**  
**REPORTING PERIOD: Fiscal years 2001 - 2003**

*Measures exempt from the reduction commitment - Direct Payments under Production-Limiting Programmes - "Exempt Direct Payments"*

Measure type	Name and description of measure with reference to criteria in Article 6.5 of the Agreement on Agriculture	Year	Monetary value of measure	Data sources
1	2	3	4	5
NIL				

**DOMESTIC SUPPORT: LAO PEOPLE'S DEMOCRATIC REPUBLIC**  
**REPORTING PERIOD: Fiscal years 2001 - 2003**

*Calculation of the Total Aggregate Measurement of Support*

Description of basic products (including non-product specific AMS)	Products-specific AMS from Supporting Tables DS:5 to DS:7	Product-specific measurements of support (from Supporting Table DS:8)	Current Total AMS (aggregate)
1	2	3	4
Product-specific AMS	NIL	NIL	NIL
Non-product-specific AMS			<i>de minimis</i>

**DOMESTIC SUPPORT: LAO PEOPLE'S DEMOCRATIC REPUBLIC**  
**REPORTING PERIOD: Fiscal years 2001 - 2003**

*Product-Specific Aggregate Measurements of Support: Market Price Support*

Description of basic products	Fiscal year	Measure type(s)	Applied administered price		External reference price	Eligible production	Associated fees/Levies	Total market price support	Data sources
1	2	3	4		5	6	7	8	9
			US\$/MT	Kip/MT	US\$/MT	MT		{(4-5)x6}-7	
Rice	2001	Minimum farm gate price	169.09 <sup>3</sup>	1,499,997	260	1,403,968 <sup>4</sup>		NIL	Ministry of Commerce, Ministry of Agriculture and Forestry and University of Arkansas. FOB price for low quality rice in Thailand.
	2002		149.16	1,499,953	261	1,498,230		NIL	
	2003		141.94	1,500,022	267	1,472,562		NIL	

<sup>3</sup> 1,500 kip/kg converted at the following exchange rates: 2001=8,871 kip/US\$; 2002=10,056 kip/US\$; 2003=10,568 kip/US\$.

<sup>4</sup> Total value in US\$ of rice production 2001: 321.3 million; 2002: 324.5 million; 2003: 308.7 million.

Total value in US\$ of agricultural production: 2001: 821.4 million; 2002: 832.8 million; 2003: 805.8 million.

Note: Internal market prices remained above the minimum farm gate price throughout the base period.

**DOMESTIC SUPPORT: LAO PEOPLE'S DEMOCRATIC REPUBLIC**  
**REPORTING PERIOD: Fiscal years 2001 - 2003**

*Product-Specific Aggregate Measurements of Support: Non-Exempt Direct Payments*

Description of basic products	Period/year	Measure type (s)	Applied administered price	External reference price	Eligible production	Total price related direct payments	Other non- exempt direct payments	Associated fees/levies	Total direct payments	Data sources
1	2	3	4	5	6	7 (4-5)x6	8	9	10 (7+8-9)	11
NIL										

**DOMESTIC SUPPORT: LAO PEOPLE'S DEMOCRATIC REPUBLIC**  
**REPORTING PERIOD: Fiscal years 2001 - 2003**

*Product-Specific Aggregate Measurements of Support: Other Product-Specific Support and Total Product-Specific AMS*

Description of basic products	Period/year	Measure type (s)	Other product specific budgetary outlays	Other product specific support	Associated fees/levies	Total other product specific support	Market price support (Supporting Table DS:5)	Non-Exempt direct payments (Supporting Table DS:6)	Total AMS	Data sources
1	2	3	4	5	6	7 (4-5)x6	8	9	10 (7+8-9)	11
NIL										



**DOMESTIC SUPPORT: LAO PEOPLE'S DEMOCRATIC REPUBLIC**  
**REPORTING PERIOD: Fiscal years 2001 - 2003**

*Product-Specific Equivalent Measurements of Support*

Description of basic products	Period or year	Measure type (s)	Applied administered price	Production eligible to receive the applied administered price	Market price support budgetary outlay	Equivalent measurement of support (include calculation details)	Non-exempt direct payment	Other product specific support	Associated fees and levies	Total monetary value of equivalent commitment	Data sources
1	2	3	4	5	6	7	8	9	10	11	12
NIL											

**DOMESTIC SUPPORT: LAO PEOPLE'S DEMOCRATIC REPUBLIC**  
**REPORTING PERIOD: Fiscal years 2001 - 2003**

*Non-Product-Specific AMS*

Measure types	Year or period	Non-product-specific budgetary outlay	Other non-product-specific support	Associated fees/levies	Total non-product-specific support		Data sources
1	2	3	4	5	6 (= 3+4-5)		7
					US\$	Kip	
State-owned enterprise purchases farm products at market prices and sells them back into the domestic market at a later time in order to stabilise supplies and prices. The Government provided initial investment of US\$19,500 <sup>5</sup> in 1994. Since then the company has operated at a profit requiring no further government funding	2001	NIL	NIL	NIL	NIL	NIL	Ministry of Commerce
	2002	NIL	NIL	NIL	NIL	NIL	
	2003	NIL	NIL	NIL	NIL	NIL	
Irrigation subsidy	2001	1,674,110	NIL	NIL	1,674,110	14,851,029,810	Ministry of Agriculture and Forestry
	2002	11,935,551	NIL	NIL	11,935,551	120,023,900,856	
	2003	11,763,995	NIL	NIL	11,763,995	124,321,899,160	
	Total Average	8,457,885	NIL	NIL	8,457,885 <sup>6</sup>	86,398,943,275	

<sup>5</sup> Exchange rate 1994: 717.5 kip/US\$.

<sup>6</sup> *De minimis*.

**EXPORT SUBSIDIES: LAO PEOPLE'S DEMOCRATIC REPUBLIC**  
**REPORTING PERIOD: Fiscal years 2001 - 2003**

*Export Subsidies: Outlay and Quantity*

Description of products	Direct export subsidies	Sales of stocks	Producer financed subsidies	Cost reduction measures	Internal transport subsidies	Total product-specific export subsidies	Quantity of subsidized exports	Data sources
1	2	3	4	5	6	7	8	9
NIL								

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