

Serbian agricultural policy in light of future WTO accession

Serbian WTO accession process

- Serbia applied for membership in 2004
- WTO Working Group for Serbian accession formed in 2005 and had so far 13 meetings (multilateral track of accession)
- Bilateral negotiations with interested WTO members under way for 9 years (bilateral track of accession)
- Bilateral negotiations concluded with Norway, EU, Switzerland, Canada, Ecuador, South Korea, Honduras, El Salvador, Panama, Mexico etc.
- Remaining bilateral negotiations to be ended – USA, Brazil and Ukraine (note – negotiations on future Free Trade Agreement between Serbia and Ukraine underway)
- Accession process at the very end – major pending issue is harmonization of Serbian GMO regulation (changed in 2009) with WTO principles of trade
- Once this systemic issue is settled, end of the process can be expected in 6 months period

Domestic support to agriculture

- Two sets of supporting tables developed and presented to interested members (2004-2006 and 2006-2008)
- On going work on 2012-2014
- Budgetary funds for support to agriculture small and inappropriately structured
- Majority funds devoted to so called “direct payments” per hectare
- In 2012-2014 strong incentive towards livestock
- No significant market interventions by the Government (and always at market prices)
- In place some of the measures with level of support higher than de minimis (milk premium)

Main policy instruments discussed

- Export subsidies -

- Request for abolition/bounding to 0 export subsidies frequent during accession
- Significant amounts paid through this measure since its introduction in 2004
- Measure abolished in 2011
- Regional trade agreement (CEFTA) was also strong impetus for the abolishment of the measure
- Practically, no effect on agricultural export
- Also, with no significant effect on domestic market of products previously subject to the measure (oilseeds, livestock, fruits)

Main policy instruments discussed

- Investment measures -

- Measure in place in all base periods analyzed
- Grants to users in amounts of up to 50% of investment
- Common measure in Western Balkan region derived from so called II pillar of CAP of EU
- Amounts spent expect to raise significantly in future (EU pre-accession funds)
- Not always clear whether measure is product specific or non-product specific support to agriculture
- Important for potential commitments and future notifications to WTO

Main policy instruments discussed

- Irrigation and Land measures -

- Measures applied in different forms and amounts through base periods
- Direct users can be local municipalities and farmers/agricultural producers
- Hard to distinguish between wider benefit for community and benefit for direct user
- Amounts spent expected to raise in future due to climate change and land consolidation issues
- Important for potential commitments and future notifications to WTO
- Similar examples can be found in veterinary, phytosanitary policy

Instead of Conclusion

- Consistent approach in classifying measures as imperative
- Once made decisions on measure types to be taken over through current and future base periods
- Examples can be found in almost all areas of agricultural policy
- WTO principles/provisions on domestic support as powerful tool of national agricultural policies