

WORLD TRADE ORGANIZATION

RESTRICTED

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**Working Party on the
Accession of Georgia**

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ACCESSION OF GEORGIA

Communication from Georgia

Addendum

The following additional information on domestic support and export subsidies in agriculture has been received from the Permanent Mission of Georgia, with the request that it be circulated to Working Party members.

DOMESTIC SUPPORT: GEORGIA
REPORTING PERIOD: Calendar year

Measures exempt from the reduction commitment - "Green box"

Measure type	Name and description of measure with reference to criteria in Annex 2 of the Agreement on Agriculture	Monetary value in year in question (Thousand Lari)	Data sources
1	2	3	4
General services General research (para. 2a)	Scientific Research Institute of Agriculture Biotechnology. Technical–Ecological Research Centre. Agricultural Machinery State Inspection Centre. Commission on Seed Selection and Protection Breeding Factories Breeding Factories of Artificial Insemination 1995 1996 1997	34,1 77,6 206,4	Ministry of Agriculture and Food
General services: Pest and disease control (para. 2b)	Regional Veterinary Stations. Domestic Epizootic measures. Poti Quarantine Station. Plant Protection Measures. 1995 1996 1997	620,3 635,4 1854,1	Ministry of Agriculture and Food
General services: Training services (para. 2c)	State Institute of Agricultural Business State Institute of Business 1995 1996 1997	- 9,7 42,8	Ministry of Agriculture and Food
General services: Extension and advisory services (para. 2d)	Magazine "Kvali" 1995 1996 1997	- 4,0 5,0	Ministry of Agriculture and Food

Measure type	Name and description of measure with reference to criteria in Annex 2 of the Agreement on Agriculture	Monetary value in year in question (Thousand Lari)	Data sources
1	2	3	4
General services: Inspection services (para. 2e)	State Seed Inspection. Plant Quarantine State Inspection. 1995 1996 1997	33,6 89,1 146,9	Ministry of Agriculture and Food
General services: Infrastructure services (para. 2g)	Construction of Irrigation Systems. Farm Melioration Reforestation Soil Improvement 1995 1996 1997	3372,9 3916,1 5957,5	Ministry of Agriculture and Food
Payments for relief from natural disasters (para. 8a)	Tea Industry Rehabilitation Programmes (See Annex A). 1995 1996 1997	- - 1000,0	Ministry of Agriculture and Food
Payments for relief from natural disasters (para. 8a)	Viniculture Promotion Programmes (See Annex B). 1995 1996 1997	- 1500,0* 1500,0	Ministry of Agriculture and Food
Total: 1995 1996 1997		4060,9 6231,9 10712,7	
1995-1997 avg.		7001,8	

* This is the value of the subsidy. Credit totalling 6 million Lari was made available at 24 per cent interest. The commercial rate is approximately 45-50 per cent. Therefore, the annual value of the subsidy is 26 (50-24) per cent of 6 million Lari, or is approximately 1,5 million Lari.

DOMESTIC SUPPORT: GEORGIA
REPORTING PERIOD: Calendar year

Measures exempt from the reduction commitment - Special and Different Treatment - "Development Programmes"

Measure type	Name and description of measure with reference to criteria in Article 6.2 of the Agreement on Agriculture	Monetary value in year in question, (Thousand Lari)	Data sources
1	2	3	4
No "Development Programmes" Subsidies were provided in 1995, 1996, 1997.			

Georgia reserves the right to maintain or introduce measures exempted from reduction pursuant to Article 6.2 of the Agreement on Agriculture.

DOMESTIC SUPPORT: GEORGIA
REPORTING PERIOD: Calendar year

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 Annex 2	Monetary value in year in question (Thousand Lari)	Data sources
1	2	3	4
No "Direct Payment" subsidies were provided in 1995,1996,1997			

DOMESTIC SUPPORT: GEORGIA
REPORTING PERIOD: Calendar year

Calculation of the Total Aggregate Measurement of Support
(1995-1997)

Description of basic products (including non-product-specific AMS)	Product-specific AMS (from Supporting Tables DS:5 to DS:7 below) (1,000 Lari)	Product-specific measurement of equivalent level of support (from supporting Table DS: 8 below) (1,000 Lari)	Current Total AMS (aggregate) (1,000 Lari)	Value of production (1,000 Lari)	% of production	Data sources
1	2	3	4	5	6	7
None	0	0	0	7,136,000	0	Ministry of Agriculture and Food
No non-exempt subsidies of any kind were provided 1995, 1996, 1997.						

Georgia wishes to avail itself of the *de minimis* exemption pursuant to Article 6.4 (b) of the Agreement on Agriculture.

DOMESTIC SUPPORT: GEORGIA
REPORTING PERIOD: Calendar year

ProductSpecific Aggregate Measurement of Support: Market Price Support

Description of basic products	Calendar year beginning	Measure type	Fixed administered price	Reference price	Eligible production	Associated levies	Total market price support	Data sources
1	2	3	4	5	6	7	8	9
No Market Price Support Subsidies were provided in 1995, 1996, 1997								

DOMESTIC SUPPORT: GEORGIA
REPORTING PERIOD: Calendar year

Product-Specific Aggregate Measurement of Support

Description of basic product	Year	Measure type	Applied administered price	External reference price	Eligible production	Total price- related direct payment	Other non- exempt direct payment	Associated fees/levies	Total direct payment	Data sources
1	2	3	4	5	6	7 ((4-5)*6)	8	9	10 (7+8-9)	11
No Non-Exempt Direct Payments Subsidies were provided in 1995, 1996, 1997										

DOMESTIC SUPPORT: GEORGIA
REPORTING PERIOD: Calendar year

Product-Specific Aggregate Measurement of Support: Other Product-Specific Support and Total

Product-Specific AMS

Description basic products	Calendar year	Measure type	Other product- specific budgetary outlays (1,000 Lari)	Other product- specific support (1,000 Lari)	Associated fees and levies (1,000 Lari)	Total other product- specific support (1,000 Lari)	Market price support (DS:5) (1,000 Lari)	Non-exempt direct payments (DS:6) (1,000 Lari)	Total AMS (1,000 Lari)	Data sources
1	2	3	4	5	6	7	8	9	10	11
No subsidies of this sort were provided in 1995, 1996, 1997										

DOMESTIC SUPPORT: GEORGIA
REPORTING PERIOD: Calendar year

Product-Specific Equivalent Measurements of Support

Description of basic products	Calendar year beginning	Measure type	Applied administered price	Production eligible to receive applied administered price	Market price support budgetary outlays	Equivalent measurements of support (include calculation details)	Non-exempt direct payments	Other product-specific support	Associated levies and fees	Total support equivalent to assistance	Data sources
1	2	3	4	5	6	7	8	9	10	11	12
No subsidies of this sort were provided in 1995, 1996, 1997											

DOMESTIC SUPPORT: GEORGIA
REPORTING PERIOD: Calendar year

Non-Product-Specific AMS

Measure type	Calendar year	Non-product-specific budgetary outlays (1,000 Lari)	Other non-product-specific support (incl. calculation details) (1,000 Lari)	Associated fees/levies (1,000 Lari)	Total non-product-specific budgetary outlays (1,000 Lari)	Data sources
1	2	3	4	5	6	7
No subsidies of this sort were provided in 1995, 1996, 1997						

DOMESTIC SUPPORT: GEORGIA
REPORTING PERIOD: Calendar year

Export Subsidies: Outlay and Quantity

Description of products	Direct export Subsidies	Sale of stocks	Producer financed subsidies	Cost reduction measures	Internal transport subsidies	Total product specific export subsidies	Quantity of subsidized exports	Data source
1	2	3	4	5	6	7	8	9
No subsidies of this sort were provided in 1995, 1996, 1997								

ANNEX A

Two wars, the 1991-1992 Civil War and the 1993-1994 War in Abkhazia and Samegrelo virtually destroyed the Georgian tea industry. As seen from the table below tea production declined sharply in 1991-1992, and again after the 1993-1994 war.

Year	Collected tea (thousand tons)
1988	458.7
1989	497.5
1990	516.7
1991	451.9
1992	212.3
1993	132.5
1994	61.6
1995	36.8
1996	31.7
1997	34.4
1998	25.0

Average production in 1989-90 (before the 1991-92 war) was 491 thousand tons. The average after 1994 war only 34.3 thousand tons, or less than 7% of the pre-war average.

ANNEX B

The 1991-1992 Civil War severely damaged Georgian viniculture. As shown below, grape production declined significantly after the war.

Year	Produced wine (thousand decalitres)
1988	15,806
1989	17,335
1990	16,271
1991	12,743
1992	9,097
1993	5,205
1994	4,000
1995	4,123
1996	2,241
1997	2,231

Average production in 1988-90 (before the 1991-1992 war) was 16,470 thousand decalitres. The average in 1993-1995 was only 4,443 thousand decalitres, or approximately 27 per cent of the pre-war average.
