ABSTRACT

Subsidizing a local product can cause harm to products of others where such products can not compete with their subsidized counterparts. The affected party may resort to applying a certain measure so as to counter the effects of the subsidy in question.

The Agreement on Subsidies & Countervailing Measures, which is one of the WTO Agreements, deals directly with subsidies, and provides rules for their application as well as for countering their effects.

This article relates rules of the Agreement on Subsidies to rules of the GATT 1994, explains some aspects of a subsidy and attempts to pinpoint the subsidies that have adverse impacts on the interests of WTO Members.