

行政院及所屬各機關出國報告
(出國類別：其他)

參加WTO九十二年第二次
非農產品市場進入談判小組會議報告

出國人：

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參加W T O九十二年第二次非農產品市場進入談判小組會議報告

主辦機關:

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出國類別: 其他

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內容摘要:

W T O非農產品市場進入談判小組五月廿六日至廿八日間召開之會議係九十二年度第二次會議，本會由國合處張簡任技正兼科長淑賢、漁業署吳科長維勳參加，配合經濟部國際貿易局劉科長威廉、工業局郭組長俊德及我國常駐W T O代表團鄧公使振中、李參事舟生、章秘書遠智等單位人員共同出席。談判仍舊延續「尋求會員支持給予新入會國特殊考量，再配合我之前向W T O所提出之談判立場，透過部門別談判及與其他立場相近會員之結盟，給予包括漁、林產品在內之敏感性產業部門較優惠之待遇」之目標與策略，尋求會員之支持以確保我最大之經濟利益。本次會議重點係以主席於五月十六日提出非農產品市場進入之削減模式草案包括：1．以單一調和公式逐項調降關稅；2．部門別自由化，將漁產品等七項產品之關稅分三階段調降至零；3．開發中及低度開發國家（L D C）之特殊優惠待遇，包括可有五%稅項為非約束、L D C不必降稅等；4．新會員可採較大參數B值等為討論焦點。會議中近五十個會員就主席之削減模式草案發表意見，除少數會員（如中國）支持主席之提案內容外，大部分會員咸認該提案內容，仍需作相當程度之修正，特別是針對該公式對會員履行杜哈回合承諾之公平性及解決對開發中會員特殊待遇等方面仍有待商榷。在部門別自由化方面，會員對於是否應在強制性或自願性之基礎上實施，及對於應納入部門別自由化之項目等，仍意見分歧。另針對給予新入會國之特殊考量方面，多數會員認為新會員仍應履行與其他會員相同之減讓義務，惟美國、加拿大、瑞士及歐盟等皆同意給予新會員較長之降稅期程。我國與會代表亦針對主席之提案發言指出，該公式使低關稅會員之關稅降稅幅度高於高關稅會員之降稅幅度，殊不公平。我方並要求對於敏感性之部門應給予適當彈性。另我方雖支持以部門別方式推動自由化，惟相關部

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壹、背景說明

依據W T O杜哈部長會議宣言，會員同意在協商確定談判模式（modalities）後，將針對調降或撤除關稅，包括：關稅高峰、高關稅及關稅級距，以及非關稅障礙（特別是對開發中國家具出口利益的產品）展開談判。W T O所成立之貿易談判委員會並於去（九十一）年二月一日設立「W T O非農產品市場進入談判小組(N A M A)」，由瑞士代表團團長 Mr. Pierre-Louis Girard 擔任主席，負責非農產品市場進入之談判。

依據W T O杜哈部長會議宣言第四十二段之指示，相關談判應於二〇〇五年一月一日之前達成結論，因此談判工作小組旋於去（九十一）年四月八日召開第一次會議，並於同年七月第二次會議確立談判時程後展開談判工作。「非農產品市場進入談判小組」本（九十二）年第一次會議係於二月十九至二十一日召開，該次會議中，各國依據W T O秘書處彙整各會員所提出之談判立場文件，會員提出之議題包括：談判是否涵蓋所有產品、長期而言是否應消除所有關稅、談判之核心模式、談判之輔助模式、是否應消除低關稅或微量關稅、關稅高峰與關稅級距如何定義、是否應擴大會員之約束關稅之項目、是否應處理部分會員約束稅率高於執行稅率之問題、談判之基礎年及基礎稅率如何訂定、是否應授予會員自願性自由化計點、新入會國之問題如何處理、低度開發國家之問題如何處理等進行討論，惟尚無法達成共識。G主席嗣於五月十六日提出非農產品市場進入之削減模式草案供會員於即將於五月廿六日至廿八日召開之會議中討論。

本次（五月廿六日至廿八日間召開）會議係W T O非農產品市場進入談判小組九十二年度第二次會議，本次會議本會配合經濟部國際貿易局及工業局等單位共同派員出席，本會由國合處張簡任技正兼科長淑賢、漁業署吳科長維勳參加，經濟部則由國際貿易局劉科長威廉及工業局郭組長俊德共同與會。我國常駐W T O代表團鄧公使振

中、李參事舟生、章秘書遠智亦會同出席會議。

貳、參與談判之目標與策略

於二月份之談判會議前，為考量我國在談判過程中可發揮之影響力，以及所訂定目標之可行性後，已決定現階段之策略目標訂為：「尋求會員支持給予新入會國特殊考量，再配合我之前向WTO所提出之談判立場，透過部門別談判及與其他立場相近會員之結盟，給予包括漁、林產品在內之敏感性產業部門較優惠之待遇」。

另 Girard 主席於五月十六日提出非農產品市場進入之削減模式草案中，對我國漁業有重大關係之內容重點包括：(一) 以單一調和公式逐項調降關稅，各會員之平均關稅稅率 (Ta) 與參數 (B) 之乘積大小將決定稅率調降幅度及上限以及 (二) 部門別自由化，將電子產品、漁產品、鞋品、皮革製品、汽車零組件、珠寶與貴金屬、紡織品與成衣等七項產品之關稅分三階段調降至零，其中漁業部門別自由化將對我國漁業發展造成重大衝擊，為此如何於此回合談判中避免漁業部門納入自由化之部門之議題繼續發展，俾依據前次會議所確立之談判目標，在瞬息萬變之談判過程中，隨時調整談判策略，並以該策略目標為主軸，尋求會員之支持、策略聯盟或合作夥伴，以確保我最大之經濟利益，為我談判目標與談判策略。

參、出席非農產品市場進入會議情形

一、會議議程與進行方式：

本次會議之前，我國各單位代表於廿四日由鄧公使振中主持工作會議，就主席所提削減模式進行討論，以整合我方立場。

本次非農產品市場進入談判小組會議仍為瑞士駐WTO代表團大使 Mr. Pierre-Louis Girard，主席於五月十六日提出非農產品市場進入之削減模式草案，內容重點包括：1. 以單一調和公式逐項調降關

稅，各會員之平均關稅稅率（Ta）與參數（B）之乘積大小將決定稅率調降幅度及上限；2．部門別自由化，將電子產品、漁產品、鞋品、皮革製品、汽車零組件、珠寶與貴金屬、紡織品與成衣等七項產品之關稅分三階段調降至零；3．開發中及低度開發國家（LDC）之特殊優惠待遇，包括可有五％稅項為非約束、LDC不必降稅等；及4．新會員可採較大參數B值等。

本次會議之議程包括討論主席所提出之削減公式及會員自上次會議以來所提出之報告計八篇，惟會議期間之討論焦點仍集中於G主席之提案內容(會議資料如附件一)。

會議結束前主席針對會員提出問題之澄清，其內容：

- (一) 認為核心模式包括：降稅公式、部門別自由化、開發中國家之特殊優惠待遇，新入會國之特殊待遇。
- (二) 認為最終約束稅率應為從價稅。
- (三) 認為會員平均稅率包含約束及未約束稅項。
- (四) 認為公式中之參數(B)只有新會員可採用不同之B值，低度開發國家則不以公式法削減。
- (五) 公式削減法不適用已納入部門別自由化之產品項目，且部門別自由化適用所有會員。
- (六) 部門別之產品範圍將由會員諮商決定。
- (七) 能力建構計畫之適用對象包括開發中及低度開發國家。
- (八) 有關會員平均稅率(Ta)之計算方式，將由秘書處作進一步研究後答覆。
- (九) 新入會國之定義在杜哈部長會議宣言中已有說明，惟在非農產品市場進入談判中新入會國之定義仍由會員決定。

二、會員發言情形：

本次會期近五十個會員就主席之削減模式草案發表意見（會員

之重要論點經彙整如附件二)。綜觀本次會期各會員之發言情形，會員對主席提案之看法，除少數會員(如中國)支持主席之提案內容外，大部分會員咸認該提案內容在作為未來談判之基礎前，仍需作相當程度之修正，特別是針對該公式對會員履行杜哈回合承諾之公平性及解決對開發中會員特殊待遇等方面仍有待商榷。在部門別自由化方面，會員對於是否應在強制性或自願性之基礎上實施，及對於應納入部門別自由化之項目等，仍意見分歧。另針對給予新入會國之特殊考量方面，多數會員認為新會員仍應履行與其他會員相同之減讓義務，惟美國、加拿大、瑞士及歐盟等，皆同意給予新會員較長之降稅期程。

三、我與會團員發言情形

我國與會代表亦針對主席提案發表整體性之看法，以及就我針對新入會國之特殊考量所提之提案發言提出說明(發言內容詳如附件三)。我方針對主席之提案發言指出，該公式使低關稅會員之關稅降稅幅度高於高關稅會員之降稅幅度，殊不公平。我方並要求對於敏感性之部門應給予適當彈性。另我方雖支持以部門別方式推動自由化，惟相關部門項目應由會員談判決定。此外，我方反對將利用可耗竭自然資源生產之漁產品及林產品等納入部門別自由化，且不同意以會員完成履行現行減讓承諾後之約束稅率作為基礎稅率，以及要求給予新入會國較長之調適期。

肆、雙邊會談情形：

本次會議期間經我國常駐WTO代表團之主動邀請或應相關國家要求安排，另自廿五日起分別與日本、美國、澳洲、韓國舉行雙邊會議，我方參加人員除本會人員外，尚包括鄧公使、李參事舟生、工業局郭組長俊德、貿易局劉科長威廉及駐WTO代表團章秘書遠智等。

一、與日本雙邊諮商情形：

(一)、諮商時間：九十二年五月廿五日晚間七時

(二)、日方代表：通商政策局通商機構部長田中伸男（相當於我組長至副局長層級）主談，其他尚包括農部人員計八人。

(三)、日方發表之意見：

1. 認為 G 大使所提出之公式使低關稅會員之關稅降稅幅度高於高關稅會員之降稅幅度，殊不公平；另由於開發中國家之關稅稅率水準較高，該項公式之降稅結果亦不利促進開發中會員間之貿易。另日方仍建議採行其所提出以加權平均稅率計算降稅幅度之線性降稅公式。
2. 在部門別自由化方面，日本反對將漁產品、皮革、林產品及鞋類品納入部門別自由化；惟支持將汽車、化學品及玩具等納入部門別自由化項目。
3. 日方支持擴大約束稅率之項目比率，惟認為 G 主席所提出會員應將未約束稅率項目約束於最惠國稅率之兩倍，仍有討論之空間；日方認為該項兩倍稅率將予降低。
4. 日方認為新入會國仍應負擔相同之關稅減讓義務，惟可支持給予適當之調適期。
5. 針對我所提出以部門別之平均稅率來計算 Ta 值，日方認為恐過於複雜，不易為會員所接受。
6. 日方並提供其蒐集有關其他會員對主席提案之看法供我參考：如 G 主席可能於七月中提出修正提案。

二、與美國雙邊諮商情形：

(一)、諮商時間：九十二年五月廿六日晚間八時

(二)、美方代表：美國駐 WTO 代表團資深參事 Nancy Adams 主談，其他尚包括商業部及貿易代表署人員計五人。

(三)、美方發表之意見：

1. 針對G大使所提出之降稅公式，美國仍持保留態度，認為以該公式本身而言，倘不經修改，恐將因會員無法認同而夭折。
2. 美方並認為公式中之 Ta 值對平均稅率較低之會員不公平，爰將針對此節進行研究，以提出較符合公平性之參數（如將會員之平均稅率水準、約束關稅項目比率、零關稅項目等設計一計點制度，以決定該項參數）。另美方亦認為該公式將使發展程度相當之會員須負擔不同之降稅度，
3. 美方不支持主席所提出會員未約束之稅項應約束於最惠國稅率兩倍之議，認為此將造成形式上之減讓(paper cut)，而未能創造實質之市場進入機會。
4. 為使談判之進程能夠加速，美國與歐盟曾就彼此之立場進行溝通，以免會員因談判未有實質進展而置身事外；惟在與歐盟磋商之過程中，美歐亦會分別與日本等主要會員交換意見。
5. 針對我在會中所提出關切之議題，如敏感性產品應給予適當彈性，並可原則接受我所提出入會國享有較長調適期之建議。另美方亦認為部門別不一定需降至零關稅。

三、與澳洲雙邊諮商情形：

(一)、諮商時間：九十二年五月廿七日上午九時

(二)、澳方代表：澳洲駐WTO代表團公使銜參事 John Arkin 主談

(三)、澳方發表之意見：

1. 澳洲傾向以單一之瑞士公式作為核心削減模式，惟公式之調降結果應帶來實質之市場進入機會，且公式之削減效果應更具企圖心。
2. 另針對主席所提出之公式，澳方認為應採用較低之B值，另各會員國之平均稅率(即Ta值)應以訂定上限之方式加以調和。澳方並認為應提高約束關稅項目之比率，惟針對主席所提出未約束之產品項目應約束於最惠國稅率之兩倍

一節，則不表同意，認為應約束於執行稅率。

3. 針對新入會國之特殊考量，澳方可同意給予較長之執行期間。另針對開發中及低度開發國家之特殊考量，澳洲仍認為應採同一公式，且適用相同之參數，惟可給予開發中及低度開發國家較長之執行期間。
4. 針對部門別方面，澳方對紡織品及汽車等產業較為敏感，我方亦應澳方之詢問，說明我較敏感之產品部門包括：漁產品，紡織品及汽車零件等。

四、與韓國雙邊諮商情形：

(一)、諮商時間：九十二年五月廿八日上午九時

(二)、韓方代表：韓國外交通商部主管通商政策企劃審議官（約相當副局長層級）申吉壽主談，其他產業資源部、林業部門等人員計九人

(三)、韓方發表之意見：

1. 韓方認為此回合非農產品市場進入談判之結果應能創造實質之市場進入機會，另針對主席所提出之關稅削減公式，除認為其無法反映會員之發展程度，並認為相關公式應對會員具敏感性之產品給予彈性及調整之空間；
2. 韓國之敏感性產品項目包括林產品及漁產品，針對如何給予敏感性產品適當彈性，韓方建議以訂定個別降稅幅度及平均目標稅率之方式處理。韓方並對我方昨（廿七）日回應韓方立場表示感謝。
3. 針對給予新入會國特殊考量一節，韓方認為可支持給予較長之調適期。
4. 我方表示，韓國及我國在許多議題持相同立場，如林、漁產品不宜以部門別方式削減關稅，對於敏感性產品應給予適當彈性等。為使主席未來所提出之提案建議可將該等關切事項

納入考量，我建議考慮邀請有類似關切事項之會員組成利益團體，以共同提案或聯名致函主席之方式處理相關議題。韓方對該議至表贊同，並表示願與我繼續就相關建議進行會商。

伍、檢討與建議

美國及日本雖曾於雙邊會談時透露，G主席可能於於本年七月中旬提出修正案，惟本次會議主席於作結論時表示，渠暫不考慮於七月前提出相關修正案，惟盼會員以該提案為基礎，提出相關修正建議，俾供渠參考。為使G主席未來就本案所提出之修正提案可將我關切事項納入考量，宜速與貿易局及工業局共同研擬對策，並結合利益相近之會員如韓國及日本等會員組成利益團體，以共同提案或聯名致函主席之方式處理相關議題，俾確保我經貿及產業發展利益。

鑑於漁業如納入部門別自由化將對我國漁業發展造成重大衝擊，我國於此次會議中雖與日本、韓國均表示反對將利用可耗竭自然資源生產之漁產品及林產品等納入部門別自由化，惟其效果如何尚無法得知，為確保我國之立場能繼續於會場發酵，宜針對此議題再提出有利於我國之立場文件。

在本次會議之討論過程中，有關降稅之核心模式，除少數會員支持主席之提案內容外，大部分會員咸認該提案內容在作為未來談判之基礎前，仍需作相當程度之修正，特別是針對該公式對會員履行杜哈回合承諾之公平性及解決對開發中會員特殊待遇等方面仍有待商榷，故而此次會議討論焦點係集中於主席之公式，未來我國對降稅模式之立場亦應隨議程之推進，進一步評估對我較有利之公式修正模式及可推動部門別談判之產業，並及早針對國內各產業部門對因應該公式可能產生之衝突，協商解決，俾在談判過程中為優勢產業拓展出口市場，為劣勢產業降低談判結果可能帶來之影響。

附件一

WTO/AIR/2098

12 MAY 2003

SUBJECT: FORMAL MEETING OF THE NEGOTIATING GROUP ON MARKET ACCESS

1. THE NEGOTIATING GROUP ON MARKET ACCESS WILL MEET ON MONDAY, 26 MAY 2003 AT 9:30 A.M. IN THE CENTRE WILLIAM RAPPARD. THE MEETING WILL CONTINUE ON TUESDAY, 27 MAY AND WEDNESDAY, 28 MAY 2003, IF NECESSARY.

2. THE FOLLOWING ITEMS ARE PROPOSED FOR THE AGENDA:

A. CONSIDERATION OF POSSIBLE MODALITIES FOR NEGOTIATIONS ON MARKET ACCESS FOR NON-AGRICULTURAL PRODUCTS

(I) CHAIRMAN'S PAPER ON DRAFT ELEMENTS OF MODALITIES FOR NEGOTIATIONS ON NON-AGRICULTURAL PRODUCTS (TN/MA/W/35)*

(II) TARIFFS

- INCIDENCE OF NON-AD VALOREM TARIFFS IN MEMBERS' TARIFF SCHEDULES AND POSSIBLE APPROACHES TO THE ESTIMATION OF AD VALOREM EQUIVALENTS (TN/MA/S/10)*

(III) NON-TARIFF BARRIERS (NTBS)

- NON-TARIFF BARRIER NOTIFICATIONS - ADDENDUM (TN/MA/W/25/ADD.1)

(IV) CONSIDERATION OF DOCUMENTS SUBMITTED BY PARTICIPANTS AT OR SINCE THE GROUP'S LAST MEETING (SEE POINT 3)

(V) OTHER MATTERS

B. OTHER BUSINESS

3. DOCUMENTATION FROM PARTICIPANTS CIRCULATED JUST PRIOR TO, AT OR SINCE THE LAST MEETING OF THE NEGOTIATING GROUP, IS AS FOLLOWS:

(I) MARKET ACCESS FOR NON-AGRICULTURAL PRODUCTS
- COMMUNICATION FROM INDIA (TN/MA/W/10/ADD.3)

(II) MARKET ACCESS FOR NON-AGRICULTURAL PRODUCTS - REVENUE IMPLICATIONS OF TRADE LIBERALIZATION

* TO BE ISSUED.

03-2508

. /.

- COMMUNICATION FROM THE UNITED STATES
(TN/MA/W/18/ADD.2)

(III) ANSWERS TO THE QUESTIONS PROVIDED BY THE CHAIRMAN OF
NEGOTIATING GROUP ON MARKET ACCESS (JOB(03)/27)
- COMMUNICATION FROM LATVIA (TN/MA/W/32)

(IV) HARMONIZED SYSTEM (HS) CLASSIFICATION CODES OF
GAS-RELATED GOODS
- SUBMISSION BY THE STATE OF QATAR (TN/MA/W/33)

(V) MARKET ACCESS FOR NON-AGRICULTURAL PRODUCTS
- COMMUNICATION FROM MOROCCO (TN/MA/W/34)

4. PARTICIPANTS IN THE NEGOTIATIONS AND OTHER GOVERNMENTS WITH
OBSERVER STATUS ARE REQUESTED TO INFORM THE SECRETARIAT OF THE NAMES
OF THEIR REPRESENTATIVES AS SOON AS POSSIBLE.

SUPACHAI PANITCHPAKDI

NEGOTIATING GROUP ON MARKET ACCESSAnnotated Agenda of the Meeting on 26-28 May 2003

Participants in the negotiations are kindly requested to provide an **advance copy** of their written statements to the Secretariat for use by the interpreters.

(1) Adoption of the agenda

The Negotiating Group is expected to adopt the agenda of the meeting as set out in document WTO/AIR/2098.

(2) Consideration of possible modalities for negotiations on market access for non-agricultural products**(i) Chairman's paper on draft elements of modalities for negotiations on non-agricultural products (TN/MA/W/35)**

The Chairman will introduce his paper on draft elements of modalities for negotiations which contains possible modalities for both tariffs and non-tariff barriers. The Chairman will open the floor for comments.

(ii) Tariffs

- *Incidence of Non-Ad Valorem Tariffs in Members' Tariff Schedules and Possible Approaches to the Estimation of Ad valorem Equivalents (TN/MA/S/10)*

The Secretariat will introduce this paper which outlines the various approaches to calculating *ad valorem* equivalents. The Chairman will open the floor for comments.

(iii) Non-Tariff Barriers (NTBS)

- *Non-Tariff Barrier Notifications- Addendum (TN/MA/W/25/Add.1)*

An addendum to the compilation of Members' notifications of NTBs has been produced based on submissions received as of mid-May 2003. The Chairman will open the floor for comments.

(iv) Consideration of documents submitted by participants at or since the group's last meeting

Participants who have submitted papers at or since the last meeting of the group are expected to introduce their papers. The Chairman will open the floor for any other comments.

(v) **Other Matters**

The Chairman intends to address any other matter that participants would wish to take up.

(3) **Other Business**

WORLD TRADE ORGANIZATION

TN/MA/W/35
16 May 2003

(03-2639)

Negotiating Group on Market Access

DRAFT ELEMENTS OF MODALITIES FOR NEGOTIATIONS ON NON-AGRICULTURAL PRODUCTS

A. INTRODUCTION

1. In adopting on 19 July 2002 the Programme of Meetings of the Negotiations on Market Access for Non-Agricultural products (hereafter Work Programme), the participants in the Negotiating Group on Market Access (NGMA) stated that they will "aim at a common understanding on a possible outline of modalities by the end of March 2003 with a view to reaching an agreement on those modalities by 31 May 2003." With a view to facilitate such agreement, the Chair submits herewith a draft of "Elements of Modalities for Negotiations on Non-Agricultural Products," under his own responsibility.

2. This draft is based on the work carried out during the series of formal and informal session of the NGMA starting on 2 August 2002 and conducted in accordance with the Mandate provided by Ministers at Doha, and the Work programme thereunder adopted by the NGMA on 19 July 2002.

Paragraph 16 of the Doha Ministerial Declaration provides (WT/MIN(01)/DEC/1):

"16. We agree to negotiations which shall aim, by modalities to be agreed, to reduce or as appropriate eliminate tariffs, including the reduction or elimination of tariff peaks, high tariffs, and tariff escalation, as well as non-tariff barriers, in particular on products of export interest to developing countries. Product coverage shall be comprehensive and without *a priori* exclusions. The negotiations shall take fully into account the special needs and interests of developing and least-developed country participants, including through less than full reciprocity in reduction commitments, in accordance with the relevant provisions of Article XXVIII *bis* of GATT 1994 and the provisions cited in paragraph 50 below. To this end, the modalities to be agreed will include appropriate studies and capacity-building measures to assist least-developed countries to participate effectively in the negotiations."

Furthermore, paragraph 4 of the Work Programme states (TN/MA/3):

"4. In accordance with paragraph 16 and other relevant provisions of the Doha Ministerial Declaration, special and differential treatment for developing and least-developed countries shall be an integral part of all elements of the negotiations under this Work Programme."

3. This draft does not claim to represent elements agreed in whole or in any part and is without prejudice to the position of participants. As it will become evident immediately in this draft, some parts are not fully elaborated, and some of the other points raised are not included. Thus, it is not in anyway comprehensive. Rather it should be seen as a set of basic elements for possible modalities, which will need to be adjusted, completed, refined, or further expanded upon.

4. It is hoped that these Draft Elements will further stimulate the constructive discussions which have taken place between participants so as to enable them to build up a consensus on modalities for negotiations on tariffs and non-tariff barriers. It is furthermore expected that in conducting these discussions the participants will keep closely in mind the importance of preserving the integrity of the WTO multilateral trading system as embodied in the WTO Agreements, building upon the market openings realized thus far as a major element in promoting trade and development, and incorporating special and differential treatment as an integral part of the negotiations.

Therefore the following elements are proposed:

B. TARIFFS

The proposed elements for modalities on tariff negotiations are outlined in the following four sub-sections, all of which are an integral part of the modalities for all participants.

1. **Formula**

5. The application of the formula will be based on the following elements:

- base rate: tariff reduction or elimination on all non-agricultural products¹ from the bound rates after full implementation of current concessions². However, for unbound items, the basis for commencing the tariff reductions shall be two times the MFN applied rate³;
- the base year for MFN applied tariff rates shall be 2001;
- non-ad valorem duties shall be converted to *ad valorem* equivalents according to the procedures in Annex I;
- HS nomenclature: negotiations to commence on the basis of Harmonized System (HS) 1996, and negotiations to be finalized in HS2002 nomenclature;⁴ and
- for import data, the years 1999-2001, hereinafter "reference period", shall be used in order to mitigate yearly fluctuations.

6. All non-agricultural tariffs shall be reduced on a line-by-line basis using the formula⁵ applied to the base rates outlined in paragraph 5:

$$t_1 = \frac{B \times t_a \times t_0}{B \times t_a + t_0}$$

¹ All products not covered by the WTO Agreement on Agriculture.

² Credit may be given for autonomous liberalization provided that the items were bound on an MFN basis in the WTO since the conclusion of Uruguay Round. Thus, in the following cases, credit will accrue by using the base rate that was in place before the autonomous liberalization took place, and the formula reduction would be applied to this higher basis. In the case of items that were not previously bound, two times the MFN applied rate or the new bound rate, whichever is higher, for the year the liberalization took place would be the basis. It is noted that in the cases of the Ministerial Declaration on the Expansion of Trade in Information Technology Products, further initiatives in the Pharmaceutical zero-for-zero sector, and certain other individual initiatives, the bound rate was reduced to zero and through the application of the formula, credits would not be relevant. Thus, for the remaining items, credit could be given for the tariff lines noted in the following WTO documents which have been given legal effect through certifications: European Communities (WT/Let/178), Hungary (WT/Let/441), India (WT/Let/374), Korea (WT/Let/302), Pakistan (WT/Let/424), Sri Lanka (WT/Let/398), and the United States (WT/Let/182).

³ When the MFN applied rate in the base year is zero, 5 percent shall be used as the basis.

⁴ If Members so desire, they may commence with HS2002 nomenclature if the corresponding concordance tables are provided.

⁵ All numbers used in the formula will be calculated to one significant decimal point.

where,

t_1 is the final rate, to be bound in *ad valorem* terms

t_0 is the base rate

t_a is the average of the base rates⁶

B is a coefficient with a unique value to be determined by the participants

2. Sectorial Tariff Elimination

ref. 2000. 12. 23. 24.

7. In addition to the application of the formula, a sector elimination approach is proposed in order to eliminate and bind all tariffs on products of particular export interest to developing and least-developed country participants. Therefore, the following sectors are proposed: Electronics & Electrical goods; Fish & Fish products; Footwear; Leather goods; Motor Vehicle parts & components; Stones, Gems, & Precious Metals; and Textiles & Clothing.⁷

The sectorial tariff elimination shall be achieved through three phases of equal length. The basis for elimination will be from the bound rates after full implementation of current concessions, or for unbound items, the MFN applied rates in 2001. The tariff reductions will occur in equal annual stages, as follows:

- developed participants and other participants who so decide, shall eliminate tariffs at the end of the first phase;
- other participants shall achieve tariff reduction and elimination as follows: 1) tariff reduction to a proposed level of not more than 10 percent⁸ at the end of the first phase; 2) maintain this level during the second phase; and 3) achieve elimination of tariffs at the end of the third phase.

3. Additional Provisions for Developing and Least-Developed Participants

8. Taking into account the relevant provisions of the mandate, and the special and differential treatment and "less than full reciprocity" already provided in the elements above, developing and least-developed participants shall have additional provisions as follows:

- a) for developing country participants, longer implementation periods for tariff reductions, and up to 5 percent of tariff lines may remain unbound provided that they do not exceed 5 percent of the total value of a member's imports, calculated for the reference period.⁹
- b) least-developed country participants shall not be required to undertake reduction commitments, as noted in paragraphs 6, 7, 11, and 12. As part of their contribution to this round of negotiations, they are however expected to substantially increase their level of binding commitments.

⁶ The calculation of tariff averages should not be biased by the disaggregation of Members tariff schedules. To reduce the bias introduced by the different number of tariff lines in Members' schedules, the HS standard nomenclature, an international standard up to the level of HS 6-digit subheadings, shall serve as basis for the calculation of simple tariff averages. The tariff average, shall be calculated in two steps:

- i) A simple arithmetic average of tariff line *ad valorem* duties or AVEs is used to calculate the tariff average for each non-agricultural HS 6-digit subheading
- ii) This HS 6-digit average is then used as basis to calculate the simple tariff average for each Member.

⁷ Members will need to determine the product coverage applicable to these sectors.

⁸ If the rate (bound or in the case of unbound items, the MFN applied rate in 2001) is less than 10 percent, this lower rate shall remain in place.

⁹ Does not apply to those products included in the sectorial tariff elimination approach.

9. Furthermore, as a contribution to the integration of the LDCs into the multilateral trading system and support for the diversification of their production and export base, it is proposed that developed participants and other participants who so decide, grant on an autonomous basis duty-free and quota-free market access for non-agricultural products originating from LDCs by the year [...]

4. Newly Acceded Members

10. In addition to the provisions already set out in paragraph 8 above, newly acceded Members could have recourse to a higher coefficient in the formula in order to take into account their extensive market access commitments undertaken as part of their accession and recognizing that staged tariff reductions are still being implemented.

5. Supplementary Modalities

11. It is proposed that participants supplement additional tariff reduction and elimination made through the formula and sectorial modalities above with zero-for-zero sector elimination, sectorial harmonization, and request & offer.

12. In addition, it is proposed that participants consider the elimination of low duties.

C. NON-TARIFF BARRIERS

13. The following elements are proposed for the modalities on NTBs:

- a) It is understood that the NGMA maintains overall responsibility for addressing non-tariff barriers (NTBs) as part of the Doha Declaration;
- b) The negotiating group will proceed with the identification and examination of the various types of NTBs;¹⁰
- c) After completing the identification, participants will aim to categorise the NTBs as well as clarify and seek additional information where necessary, and then proceed in the following manner:
 - Selected NTBs, to be agreed upon by the participants, would be dealt with by the NGMA on the basis of modalities, which could include request/offer, horizontal, or vertical approaches;
 - NTBs that have a specific negotiating mandate in the Doha Declaration in other areas should continue to be addressed in that body but information on the progress or outcome of those negotiations should be reported to this group for transparency;
 - Work on NTBs which relate to other areas of the Doha Declaration which currently do not have a specific negotiating mandate would progress in other fora but information on the progress should be reported to this group for transparency; and
 - NTBs that currently do not have a specific negotiating mandate would, after further clarification and if the group decides there is a need to send them to another WTO body, be reported to the TNC in order to be forwarded to the appropriate WTO body for action and reporting back.

¹⁰ In this respect, it is recalled that work has already been initiated with the notification of non-tariff barriers by participants.

D. APPROPRIATE STUDIES AND CAPACITY BUILDING

14. Paragraph 16 of the Doha Declaration and its reference to paragraph 50 provide, as part of the modalities, for appropriate studies and capacity building measures to assist least-developed countries to participate effectively in the negotiations. In this regard, but also in a broader sense, it is proposed that:

- Participants identify issues related to studies and other capacity building measures to further improve participation in the negotiations. In addition, the Secretariat will continue to initiate these matters when it undertakes work relevant to this negotiating group, including in cooperation with other international organizations.¹¹
- Participants initiate proposals to provide adequate delivery of technical assistance and capacity building measures related to the negotiations on non-agricultural market access, keeping in mind the measures already incorporated in the WTO Annual Technical Assistance/Capacity Building Plans for both 2002 and 2003.

¹¹ It is noted that to date, a number of relevant studies have been prepared or referenced, as follows: Selective Bibliography of Research on Market Access (TN/MA/S/1 + Add.1), Formula Approaches to Tariff Negotiations (TN/MA/S/3 + Rev.1 + Rev.1/Add.1 + Rev.2), WTO Members' Tariff Profiles (TN/MA/S/4 + Rev.1 + Rev.1/Corr.1), Formula Approaches to Tariff Negotiations – Secretariat Simulations using Members' Tariff Concessions (JOB (03)/67), Incidence of Non-*Ad valorem* Tariffs in Members' Tariff Schedules and Possible Approaches to the Estimation of *Ad valorem* Equivalents (TN/MA/S/10), and Market Access Issues Related to Products of Export Interest Originating from Least Developed Countries (TN/MA/S/7).

ANNEX I

Calculation of *ad valorem* equivalents

1. Where Members have non-*ad valorem* tariffs in their base rates, *ad valorem* equivalents (AVEs) for these rates will be calculated by the Secretariat using the following methodology:
 - If import values and quantities are available in the IDB unit values shall be calculated at the tariff line level.
 - If import values and quantities are not available in the IDB at the tariff line level unit values of the relevant HS 6 digit subheading of the Member's IDB data shall be used.
 - If import values and quantities are not available in the IDB for a specific Member at the HS 6 digit level, world unit values, based on data available in the IDB and complemented by information in the UN COMTRADE database, shall be used.
 - Non *ad valorem* tariffs for which AVEs cannot be calculated by the Secretariat because of the technical nature of the duties concerned shall be assumed to have an AVE equivalent to the tariff average (t_a) as used in the formula in paragraph 6 of this document.

 2. However, if the Member concerned so desires, they may calculate AVEs themselves if it is done so in a transparent manner and uses the representative reference period. Full details of the method and data used for these calculations shall be included in the tables of supporting material for the draft offers and shall be subject to multilateral review. Members may ask the Secretariat for technical assistance in their calculation of AVEs.
-

**INCIDENCE OF NON-*AD VALOREM* TARIFFS IN MEMBERS'
TARIFF SCHEDULES AND POSSIBLE APPROACHES TO
THE ESTIMATION OF *AD VALOREM* EQUIVALENTS**

Note by the Secretariat¹

I. INTRODUCTION

1. In their WTO schedules, Members use a variety of formats to specify individual tariff commitments. In most cases, Members specify tariffs in *ad valorem* terms, which is a simple percentage of the value of the imported product. However, some countries choose to specify some or all tariffs in specific or other non-*ad valorem* (NAV) formats, particularly on the imports of agricultural products.

2. This paper reviews the NAV bound duties² in the Consolidated Tariff Schedules database (CTS) and the applied duties in the latest tariff schedules submitted by WTO Members to the Integrated Data Base (IDB). It is necessary to review both bound and applied schedules since the NAV may be specified differently in each schedule for the same Member. The paper then considers possible approaches to estimating *Ad Valorem* Equivalents (AVEs) and discusses issues raised in respect of these various methodologies.

II. NON-*AD VALOREM* TARIFFS

A. CLASSIFICATION OF NAV TARIFFS

3. NAV tariffs can be classified in the following categories:

- **Specific tariff rates:** The customs duty is not related to the value of the imported goods but to the weight, volume, surface, etc. of the goods. The specific duty stipulates how many units of currency are to be levied per unit of quantity (e.g. 2.00 Swiss Francs per kg);
- **Compound rates:** The customs duty is a tariff comprising an *ad valorem* duty to which is added or subtracted a specific duty (e.g. 10 per cent plus \$2.00/kg; 20 per cent less \$2.00/kg);
- **Mixed duty rates.³** In general, this type of duty ensures a minimum or maximum level of protection through a choice between an *ad valorem* duty and a specific duty (e.g. 10 per cent minimum \$2.00/kg; 10 per cent or \$2.00/kg, whichever is less);

¹ This document has been prepared under the Secretariat's own responsibility and is not intended to prejudice the positions of any Members and to their rights and obligations under the WTO.

² Tariffs and duties shall be used interchangeably in this document.

³ The IDB uses the term mixed duty. Other sources may use the term alternative duty.

- Technical duty rates: The customs duty is determined by complex technical factors such as alcohol content, sugar content or the value of the imported product (e.g. 8.2 per cent + T1, where T1 refers to a specific formula duty based on the agricultural component of the product).
4. A more detailed typology of tariffs is given in Annex Table 1a. It presents in a standardized way *ad valorem*, specific and compound duties and various ways in which mixed duties can be expressed. Annex Table 1b lists technical duties and other duties that cannot be converted to AVEs with the information available in the IDB.

III. INCIDENCE OF NAV TARIFFS IN THE IDB AND CTS DATABASES

5. The tariff schedules of about half the submissions to the IDB express some MFN applied duties as NAV tariffs.⁴ Annex Table 2a provides detailed information for those WTO Members with NAV duties, broken down by type of NAV duty and by sector.⁵ The shares with respect to the total number of agricultural and industrial tariff lines is also provided. Annex Table 2b provides the information on Members providing AVEs to the IDB.

6. Overall, the share of NAV tariff lines in total tariff lines for the Members with NAV tariffs in the IDB is 6.6 percent. Thirty three countries have less than 5 per cent of NAVs in their tariff lines and 17 have less than 1 per cent. Special mention should be made of Switzerland, with 83 per cent of its tariff lines consisting of NAV duties.

7. The incidence of NAV duties is highest for agricultural products (19 per cent of total agricultural tariff lines, compared to only 4 per cent for industrial products).⁶ Excluding Switzerland, the share of NAV lines can be as high as 60 per cent of all agricultural tariff lines and as high as 26 per cent for non-agricultural tariff lines. Developed country Members are the greatest users of NAVs in agriculture: Canada (26 per cent), European Communities (45 per cent), Iceland (25 per cent), Norway (63 per cent) and United States (43 per cent). A number of economies in transition have also relatively high shares: Belarus (33 per cent), Bulgaria (15 per cent), Poland (25 per cent), Russian Federation (33 per cent). Among the developing country Members, Cyprus (50 per cent) and Thailand (56 per cent) have the highest incidence.

8. Annex Table 3 presents the incidence of NAV duties in the CTS database. Forty Members include NAV duties in their tariff schedules of concessions. The picture for Members with a relatively high incidence of NAV duties in their schedules of concessions is similar to that in the IDB. Malta is an exception, as it has replaced almost all its bound NAV duties in agriculture (84 per cent of total agricultural lines) with *ad valorem* duties in its latest applied tariff. On the other hand, it can be seen that a number of developing Members currently expressing their tariffs in NAV terms in the IDB did not bind them in this format. Among those with high incidence are: Djibouti – 15 per cent of its total agricultural lines and South Africa – 13 per cent of its agricultural lines and 26 per cent of its industrial lines. Similarly, some economies in transition (including Belarus, the Former Yugoslav Republic of Macedonia, and the Russian Federation) use a relatively high number of NAV duties in their national applied tariffs.

9. The incidence of NAV lines by chapter of the Harmonized System nomenclature in the IDB and CTS databases, is presented in Annex Table 4.⁷ A higher incidence of NAV duties appear in agricultural products such as meat products (chapter 02), dairy produce (chapter 04), sugars

⁴ The statistics refer to the status of IDB and CTS files as of 31 January 2003.

⁵ The agriculture sector includes products covered by the Agreement on Agriculture; the industry lines include other products not covered by the Agreement on Agriculture.

⁶ Taking into account only Members with NAV tariffs in the IDB.

⁷ Given the specificity of Switzerland, which has only specific duties in addition to duty free tariffs, its tariff lines have been excluded from Annex Table 4.

(chapter 17), cocoa (chapter 18), preparations of cereals, flour, starch or milk (chapter 19) and beverages (chapter 22). For industrial products, most of the NAV lines are concentrated in textile products.

IV. CONVERSION OF NAV TARIFFS TO AVES

10. The existence of NAV tariffs in Members' schedules makes it extremely difficult to arrive at a meaningful picture of the level of tariffs, unless those rates can be converted to AVEs. For example, the recent document on Members' Tariff Profiles (TN/MA/S/4/Rev.1) produced for the Negotiating Group on Market Access (for non-agricultural products) could only include NAV tariffs in the calculations of duty averages and maxima for those Members who had provided AVEs (see Annex Table 2b).

11. Conversion of NAV tariffs to AVEs is being discussed in the Negotiating Group on Market Access as well as in the Special Session of the Committee on Agriculture. The overview of proposals submitted to the Negotiating Group on Market Access (TN/MA/6/Rev.1) notes that several of these proposals are related to issue of NAV tariffs. Whereas some submissions speak more generally of the need to maximize the use of *ad valorem* rates⁸, others state that Members should consider converting all NAV duties to *ad valorem* rates.⁹ One proposal calls for a common methodology to calculate these rates.¹⁰

12. The conversion of NAV duties to AVEs would allow all tariffs to be included in the tariff reduction formulae proposed in the context of discussions on tariff reduction modalities. Table 1 compares the result of a linear with a non-linear tariff reduction when applied to different initial tariffs. The Swiss formula, with a coefficient of 12, has been used as an example of a non-linear formula.¹¹ Whereas a linear reduction applies to *ad valorem* as well as NAV duties, a non-linear cut cannot be applied on NAV duties unless AVEs are provided. It should be noted though that even if a linear cut can be applied to NAVs the resulting tariffs cannot be considered in the calculation of statistical indicators such as tariff averages.

Table 1 Linear and non-linear cut applied to *ad valorem* and NAV duties

	Initial tariff t_0	Linear cut 50 per cent t_1	Swiss formula (coef. 12) $t_1 = (12*t_0) / (12+t_0)$
Case 1	20 per cent	10 per cent	7.5 per cent
Case 2	\$50/tonne	\$25/tonne	?
Case 3	30 per cent or \$20/tonne, whichever is the greatest	15 per cent or \$10/tonne, whichever is the greatest	?

⁸ TN/MA/W/9 (Canada), TN/MA/W/18 (US).

⁹ TN/MA/W/6/Add.1 (Korea), TN/MA/W/23 (MERCOSUR), TN/MA/W/14 (Oman), TN/MA/W/8 (Singapore).

¹⁰ TN/MA/W/31 (Egypt, India, Indonesia, Kenya, Malaysia, Nigeria, Tanzania, Uganda and Zimbabwe).

¹¹ For a discussion of the properties of various tariff reduction formulae see document TN/MA/S/3/Rev.2.

V. APPROACHES TO ESTIMATING AVEs

A. OVERVIEW

13. The Secretariat does not calculate AVEs for inclusion in either the IDB or the CTS.¹² This practice originates from discussions in the Informal Advisory Group to the IDB – a body established during the Uruguay Round. Only AVEs that have been supplied by Members are reported in the IDB. Only five Members have submitted AVEs to the IDB, as indicated in Annex Table 2b. The basis for the calculations is generally not provided.

14. The Secretariat's background paper "*Ad valorem*, Specific and Other Tariffs" (AIE/S5, 6 February 1998) presented two main methods of AVE estimation that have been used in the GATT/WTO context and which both require that imports have actually taken place for the tariff lines and specific duties in question:

- the use of revenue collected divided by the value of imports, and
- the use of unit values of traded products.

15. Although the use of actual trade data is not the only way of calculating AVEs, under the appropriate circumstances it gives the most accurate information for a particular product. If there is no trade in the product concerned, it could be considered that the price of the product (including the tariff) concerned is, at that point in time, "economically prohibitive". This does not necessarily mean that the tariff is "high", but that because of the nature of domestic demand, the competitiveness of domestic production, distribution peculiarities, transport costs, etc., it is not attractive for traders to import that product.

16. In all cases the limits of AVEs must be kept in mind.¹³ AVEs are only a snap-shot of the actual effect of a specific duty in the reference period used for the calculation. Even though the specific duties used are fixed, their impact may change over time and in relation to each shipment. Moreover, AVEs are usually calculated in terms of annual averages and, in this case, they can only be assessed at the end of the period, when all relevant trade data have been collected. The annual averages also mask a potentially wide variation of AVEs. For example, a shipment of lower valued products has a higher AVE than that of a high value shipment. Thus, the AVEs assessed by some exporting Members could be significantly different from those assessed by others because of different unit values, for example due to seasonal differences.

¹² For the Trade Policy Reviews the Secretariat takes into account only the *ad valorem* part of all compound and certain mixed duties if AVEs are not provided by the Member. These "substitutes" for AVEs are used in all statistical tables of the Trade Policy Reviews. Outside the WTO a number of initiatives to estimate AVEs have been undertaken. These include Gibson et. al (2001), ITC (2001), OECD (1997) and Stawowy (2001).

¹³It should also be kept in mind in what follows that there is a more general limit to the concept of *ad valorem* equivalents. When replacing one type of tariff structure with a significantly different type of structure the protection cannot be made "equivalent" in a general sense. The two structures may perhaps raise the same amount of tariff revenue or give rise to the same trade flows or to the same production or consumption patterns. But it will generally not be possible to find one *ad valorem* tariff structure which, if implemented, would precisely regenerate several or all of these features. Consequently, when seeking to define an AVE structure, the specific sense in which it will be "equivalent" to the original structure would need to be specified. In other words, there is no generally "correct" way of making such a conversion - what is "correct" will depend on the specific definition of the term "equivalent" that is employed.

B. REVENUE METHOD

17. According to this method, AVEs are estimated as a ratio of customs revenue collected on a particular product (at the tariff line level) to the value of imports of the same product. Revenues of \$10 million collected on an import value of \$100 million, for example, would give an AVE of 10 per cent, even though the actual tariffs were collected on a dollar per tonne basis. While for certain purposes this method can technically be accurate, it has a number of shortcomings:

- data on revenue collection by tariff line are often unavailable publicly, or even to statistical agencies (though customs authorities normally collect information at this level).
- where data are available, a major problem with this method of estimation is that it can measure only the AVEs of applied tariffs but not those of bound tariffs, except when applied duties are equal to bound duties.
- AVEs may understate the applied MFN tariff rate if any trade within the product category concerned flows under a preferential trading arrangement, such as a GSP scheme, a special regime for least-developed countries, or a free trade area.
- other duties and charges, duty drawbacks, safeguard measures, anti-dumping duties, tariffs waived for re-export, and so on may affect the estimations as well. Adjustments for all these factors designed to identify the actual MFN rate may be a cumbersome exercise.¹⁴

C. UNIT VALUE METHOD

18. The unit value method of estimating AVEs requires that the specific tariff is expressed as a ratio of the unit price of the associated import flow. Given the lack of detailed data available on import prices at the tariff line level, an estimate of unit import prices can be made simply by dividing the value of imports by their volume for the tariff line concerned. For example, if the c.i.f. import value of a good is \$10,000 and the quantity imported is 100 tonnes, the unit value is \$100 per tonne. Then if the specific duty were \$10 per tonne, the AVE would be 10 per cent.

19. The results of this approach can provide, in a technical sense, an accurate assessment and, as long as volume and value statistics are collected in the same manner. Nevertheless, this method may prove very time-consuming as NAV duties are often not simply specific rates that can be directly compared to unit values, but may be compound, mixed or technical rates that require additional calculations, and in some instances also additional data.

✓ 20. The quality of the estimation of AVEs using the unit value method depends very much on the quality of the underlying import values and quantities. As quantity information is not always measured with the same degree of precision as import values the resulting unit values may yield estimates which may vary considerably among members. It would therefore appear necessary to evaluate tariff line unit values in the context of Members' and world HS 6 digit unit values. Significant deviations which cannot be explained by the properties of the underlying product category should be closely scrutinized and excessive unit values should possibly be "capped" at a certain percentile range of 'acceptable' unit values around the world mean unit value.

21. The other remaining problem is that of technical duties which cannot be converted to AVEs without detailed additional information on the import flows. The revenue method could be used successfully in this context if there are no preferences and, regarding bound rates, only if those are equal to the MFN applied rates.

¹⁴ Such adjustments might not be necessary if the reason for amassing AVE data is to make an economic assessment of protection levels.

22. In conclusion, it appears that the unit value method is a viable methodology for estimating AVE in an internationally comparable way. Like the revenue method it requires that imports have taken place in the reference period in order to calculate tariff line unit values. However, in the absence of such information, approximate AVEs could still be calculated using higher level aggregates, i.e. HS 6 digit based unit values. If these are not available at the level of the Member concerned, regional or world unit values could be used.

D. ESTIMATION OF AVES

23. The estimation of the AVE (in per cent) of a simple specific tariff using the revenue method is expressed in the following formula:

$$\text{AVE} = \frac{\text{rev}}{v} \times 100 \text{ where } \text{rev} = \text{sp} \times \text{q} \text{ and}$$

rev - Duty revenue
sp - Specific tariff
v - Import value
q - Import quantity

24. The estimation of the AVE (in per cent) of a simple specific tariff using unit values is expressed in the following formula:

$$\text{AVE} = \frac{\text{sp}}{\text{uv}} \times 100 \text{ where, } \text{uv} = \frac{v}{q} \text{ and}$$

sp - Specific tariff
uv - Import unit value
v - Import value
q - Import quantity

25. Specific tariffs are generally expressed in national currency units. If import values are not provided in the national currency, exchange rates are required.¹⁵ A quantity units conversion factor is necessary when the specific tariff and the import quantities are not expressed in the same units.

26. An example of the estimation of an AVE for a specific duty is given in Table 2. Using the formulae presented above revenue method and unit value method yield the same results because there is only one duty rate and revenue and trade information is available.

Table 2 Example with specific tariff: \$20/tonne

	Import value (US \$)	Import quantity (tonnes)	Tariff revenue (US \$)	Unit value	AVE in per cent
Case 1	1000	10	200	\$100/tonne	20
Case 2	500	10	200	\$50/tonne	40

¹⁵ For the conversions of import values reported in national currency in IDB submissions annual averages of market exchange rates reported in the IMF's International Financial Statistics unless exchange rates have been provided with the IDB submissions.

27. Compound and mixed tariffs contain at least one simple specific component and/or at least one ad valorem component, linked with logical and/or arithmetic operators. The computable ones correspond to those identified in the IDB files and listed in Annex Table 1a.16

28. The computable tariffs are of the following types:

- Addition or subtraction of specific and/or *ad valorem* tariff components
- Choice between specific and/or *ad valorem* tariff components
- Choice between specific and/or *ad valorem* tariff components, subject to upper and/or lower limits

29. The non-computable tariffs include, among others:

- Tariff element applicable to input content, for example agricultural component or metal content
- Two or more tariff components specified, but without indication of what condition to apply
- Tariff lines with incomplete descriptions

30. Technical tariffs are in general non-computable, but trade affected by these tariffs is relatively low compared to all trade with NAV MFN applied duties. If one considers the latest tariff and trade data available in the IDB for the QUAD countries, the amount of trade corresponding to the tariff lines for which the MFN applied duty is expressed in NAV terms represents approximately 7 per cent of total trade. Only around 4 per cent of this trade is related to technical duties.

31. An example of the estimation of an AVE for a mixed duty is given in Table 3. Again revenue method and unit value method yield the same results because there is only one duty rate and revenue and trade information is available.

Table 3 Example with mixed tariff: 20 per cent or \$20/tonne, whichever is the greatest

	Import value (US \$)	Import quantity (tonnes)	Tariff revenue (US \$)	Unit value	AVE in per cent
Case 1	1000	10	200	\$100/tonne	20
Case 2	500	10	200	\$50/tonne	40
Case 3	2000	10	400	\$200/tonne	20

VI. CONCLUSIONS

32. The document has shown that AVEs can be estimated for NAV tariffs. The estimation of AVEs in a transparent and internationally comparable way for all Members appears to be an important step forward in understanding better the diverse structures of protection that prevail in WTO Member countries. It is also a necessary prerequisite for the application of any non-linear, harmonizing tariff cutting formula.

33. Two methods for estimating AVEs were presented: the revenue method and the unit value method. They yield the same results if the underlying import flows face the same MFN tariff treatment. However, the unit value method is relatively easier to apply to situations with no trade flows and/or situations with multiple preferential rates.

34. It is important to note that some Members estimate AVEs in their tariff schedules. In some cases these are for internal purposes, such as to assess the implications of their tariff profile and in

¹⁶ Stawowy (2001) identified a range of compound and alternative tariffs in various schedules. Several were computable as AVEs, but others were not.

others they supply them to international agencies. The methodologies presented in this document and/or similar methods used by other international agencies and certain national administrations could serve as benchmarks for coordinated action at the international level to enhance the transparency of tariff regimes. It would also be important to have an internationally accepted benchmark that can be used for any multilateral review of AVE estimation done by Members.

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Table 1a: Typology of tariffs

Type of duty	Functional form	Example	
<i>Ad valorem</i>			
<i>Ad valorem</i>	$av = \frac{\text{duty amount}}{\text{import value unit}} \times 100$	5 per cent	
<i>Non ad valorem</i>			
Specific	$sp = \frac{\text{duty amount}}{\text{import quantity unit}}$	15 Fr./100 kg brut	Switzerland
Compound	av+sp	15 per cent + \$12,000 each	Australia
Mixed	max(av, sp)	40 per cent or 622 eur/t, whichever is higher	Bulgaria
	min(av, sp)	45 per cent or Rs 55 per kg, whichever is lower	India
	max(av ₁ , av ₂ +sp)	4.5 per cent or 3.5 per cent +1.21yen/m ² , whichever is greater	Japan
	min(av ₁ +sp, av ₂)	7 per cent + 89,40 €/100 kg or 50 per cent, whichever is lower	Croatia
	min(av ₁ +sp ₁ , av ₂ +sp ₂)	9.1 per cent + 45.1 €/100 kg/net or 18.9 per cent + 16.5 €/100 kg/net whichever is lower	European Communities
	max(min(av ₁ , sp ₁), sp ₂)	15 per cent or 125yen/l, whichever is less, subject to a minimum customs duty of 67yen/l	Japan
	$\begin{cases} av & \text{if } sp_1 \leq av_1 \leq sp_2 \\ sp_1 & \text{if } av \leq sp_1 \\ sp_2 & \text{if } av \geq sp_2 \end{cases}$	5 per cent but not less than 4.74¢/kg or more than 9.48¢/kg	Canada

Table 1b: Some examples of non-computable NAV tariffs

Example		Description
9 per cent + EA MAX 18.7 per cent + ADS/Z	EU	Technical duty. EA refers to a duty on the agricultural component and AD S/Z represent an additional duty on sugar.
0.68 Norwegian Kroner per kg + MX	Norway	Technical duty. MX represents the real content of agricultural ingredients.
5 per cent, or, if lower, 0.45\$/kg TSS	Australia	Technical duty. TSS = kilograms total soluble solids
40 per cent or 54 per cent with a maximum of 4 225c/kg	South Africa	No indication of what condition to apply

Note:

Examples have been standardized and do not reflect necessarily the original expression in the tariff schedule.

Table 2a: NAV duties in the IDB applied tariffs

Member / Country in Accession	Year	Digit	Specific		Compound		Mixed		Others		In per cent of all tariff lines		
			Agr	Ind	Agr	Ind	Agr	Ind	Agr	Ind	Agr	Ind	Total
AUSTRALIA	2001	8	5	0	0	8	2	0	0	0	0.9	0.2	0.3
BANGLADESH	1999	8	0	3	0	0	0	0	0	5	0.0	0.1	0.1
BARBADOS	2001	10	62	24	0	0	0	0	0	0	5.9	0.4	1.3
BELARUS	2001	9	77	1	0	71	663	743	0	0	32.8	9.5	14.3
BRUNEI DARUSSALAM	2001	9	68	19	0	0	0	0	0	1	7.3	0.4	1.4
BULGARIA	2001	9	40	0	166	0	121	1	0	0	15.1	0.0	3.1
CANADA	2001	8	139	0	51	5	161	13	15	0	25.7	0.2	4.0
CHINA	2002	8	7	35	0	7	0	0	0	3	0.7	0.7	0.7
CROATIA	2001	9	0	0	44	0	182	0	0	0	19.3	0.0	2.9
CYPRUS	2001	10	350	97	1056	0	0	0	0	0	49.7	1.2	13.5
DJIBOUTI	1999	8	68	0	34	16	0	0	0	0	14.9	0.4	2.3
EUROPEAN COMMUNITIES	2002	8	598	5	240	0	51	34	88	1	45.4	0.5	9.7
FORMER YUGOSLAV REPUBLIC OF MACEDONIA	2001	10	0	0	309	8	0	0	0	0	14.4	0.1	3.0
ICELAND	2000	8	50	0	302	0	0	0	0	0	25.0	0.0	4.7
INDIA	2001	6	2	0	0	0	0	332	0	0	0.3	7.0	6.1
ISRAEL	1999	8	40	30	168	536	158	392	0	0	27.4	11.3	13.4
JAPAN	2001	9	178	46	56	0	46	251	16	0	16.5	4.1	6.6
JORDAN	2001	9	0	0	7	2	0	0	0	0	0.8	0.0	0.1
KENYA	1999	8	0	30	0	0	56	566	0	0	6.8	11.6	11.0
KOREA, REPUBLIC OF	2001	10	0	21	0	0	33	0	0	0	2.2	0.2	0.5
KYRGYZ REPUBLIC	2001	9	11	0	0	0	134	0	0	0	6.5	0.0	1.4
LATVIA	1999	9	7	0	0	0	0	0	0	0	0.3	0.0	0.1
LITHUANIA	2001	9	8	0	0	0	248	0	0	0	10.6	0.0	2.3
MALAWI	2000	8	0	0	0	0	0	0	0	1	0.0	0.0	0.0
MALAYSIA	2001	10	36	0	33	2	1	10	0	0	6.0	0.1	0.8
MALTA	2001	10	4	5	0	0	0	0	0	0	0.2	0.1	0.1
MAURITIUS	2001	8	1	2	0	0	0	0	0	0	0.1	0.0	0.1
MEXICO	2001	8	10	0	42	3	0	0	0	0	4.9	0.0	0.5
MOROCCO	1997	8	0	0	0	0	0	0	0	13	0.0	0.2	0.1
NEW ZEALAND	1999	8	4	184	0	11	0	0	0	34	0.4	3.7	3.2
NORWAY	2002	8	800	5	3	0	0	0	43	0	63.3	0.1	11.9
PAKISTAN	2001	8	37	7	0	3	0	0	0	1	5.3	0.2	0.9
POLAND	2000	9	35	0	74	0	442	79	0	0	25.1	0.9	6.0
RUSSIAN FEDERATION	2001	10	77	1	0	71	680	750	0	0	32.7	9.4	14.3
SEPARATE CUSTOMS TERRITORY OF TAIWAN, PENGHU, KINMEN AND MATSU	2001	8	14	28	0	0	27	86	0	0	3.4	1.6	1.8
SINGAPORE	2001	9	4	0	0	0	0	0	0	0	0.5	0.0	0.1
SLOVENIA	2001	9	0	0	393	0	0	0	0	0	18.7	0.0	3.8
SOLOMON ISLANDS	1998	8	33	30	0	36	0	0	0	0	4.5	1.5	1.9
SOUTH AFRICA	2001	8	95	91	3	0	12	1725	0	0	13.0	26.1	24.6
SRI LANKA	2001	8	29	1	0	0	10	0	0	0	4.7	0.0	0.6

Member / Country in Accession	Year	Digit	Specific		Compound		Mixed		Others		In per cent of all tariff lines		
			Agr	Ind	Agr	Ind	Agr	Ind	Agr	Ind	Agr	Ind	Total
SWITZERLAND	2001	8	1900	5039	0	0	0	0	0	0	86.4	82.2	83.3
THAILAND	1999	10	116	37	0	0	441	917	0	0	55.6	16.3	22.0
TURKEY	2001	12	11	12	122	0	1	64	91	1	7.0	0.5	1.6
UNITED STATES	2001	8	621	58	111	349	0	0	16	133	43.0	6.4	12.6
ZIMBABWE	2001	8	9	15	0	146	11	0	0	0	2.5	3.1	3.0
Total			5541	5787	3209	1264	3417	5386	262	193	19.3	4.0	6.6

Note:

NAV tariffs recorded as "other" represent technical duties which may be underestimated because such duties are difficult to identify and therefore are often considered as specific, compound or mixed duties.

Table 2b: AVEs submitted to the IDB

Member	Year	Specific		Compound		Mixed		In per cent of all NAV tariff lines		
		Agr	Ind	Agr	Ind	Agr	Ind	Agr	Ind	Total
AUSTRALIA	2001	0	0	0	8	2	0	28.6	100.0	66.7
EUROPEAN COMMUNITIES	2000	925	3	288	0	80	27	67.0	75.0	67.2
JORDAN	2000	0	0	7	2	0	0	100.0	100.0	100.0
POLAND	2000	25	0	50	0	165	34	43.6	43.0	43.5
UNITED STATES	2001	609	58	111	349	0	0	96.3	75.4	87.5
Total		1559	61	456	359	247	61	69.8	71.9	70.1

Table 3: NAV duties in the CTS database

Member	Specific		Compound		Mixed		Other		In per cent of all bound tariff lines		
	Agr	Ind	Agr	Ind	Agr	Ind	Agr	Ind	Agr	Ind	Total
AUSTRALIA	14	5	0	0	0	0	0	0	1.9	0.1	0.3
BRUNEI DARUSSALAM	29	0	0	0	0	0	0	0	3.3	0.0	0.5
BULGARIA	63	0	281	1	192	0	0	0	24.4	0.0	5.1
CANADA	200	9	51	5	152	9	0	0	30.1	0.3	4.8
CROATIA	7	0	36	0	186	0	0	0	19.7	0.0	3.1
CYPRUS	0	0	2004	4	0	0	0	0	69.0	0.1	20.1
EGYPT	10	0	0	0	4	0	0	0	1.7	0.0	0.2
EUROPEAN COMMUNITIES	637	8	333	1	38	31	0	0	45.8	0.5	10.0
FIJI	24	0	0	0	0	0	0	0	3.5	0.0	0.9
GEORGIA	26	0	0	0	0	0	0	0	3.3	0.0	0.4
HAITI	37	154	0	5	54	633	0	0	11.9	18.4	17.4
ICELAND	0	0	361	1	0	0	0	0	22.7	0.0	4.2
INDIA	2	0	0	0	0	332	0	0	0.3	10.0	8.3
ISRAEL	1	191	1	355	0	18	0	0	0.2	9.9	8.4
JAMAICA	2	0	0	0	0	0	0	0	0.2	0.0	0.0
JAPAN	157	12	46	0	44	200	0	0	18.7	3.4	6.0
JORDAN	0	0	7	2	0	0	0	0	0.8	0.0	0.1
KOREA, REPUBLIC OF	0	0	0	0	68	21	0	0	4.6	0.2	0.9
KYRGYZ REPUBLIC	5	0	0	0	42	36	0	0	5.1	0.6	1.2
LATVIA	8	0	0	0	0	0	0	0	1.1	0.0	0.2
LITHUANIA	6	0	0	0	108	0	0	0	11.7	0.0	1.8
MALAYSIA	116	9	187	0	42	0	0	0	26.2	0.1	4.7
MALTA	266	5	2202	1	0	0	0	0	84.0	0.1	21.6
MEXICO	0	0	0	0	82	1	0	0	7.6	0.0	0.7
MOLDOVA	24	0	9	0	29	0	0	0	7.9	0.0	1.0
MYANMAR	9	0	0	0	0	0	0	0	1.1	0.0	0.9
NEW ZEALAND	10	190	0	11	0	0	0	36	1.0	3.7	3.4
NORWAY	202	115	0	0	520	5	0	1	68.2	2.3	13.4
PAPUA NEW GUINEA	43	4	0	0	0	0	0	0	6.2	0.1	0.9
POLAND	0	0	758	0	433	0	0	0	53.6	0.0	11.9
SINGAPORE	55	0	0	0	0	0	0	0	6.5	0.0	1.3
SLOVENIA	0	0	564	6	0	0	0	0	24.5	0.1	5.1
SOLOMON ISLANDS	23	26	0	0	0	26	0	0	3.4	1.2	1.5
SRI LANKA	1	0	0	0	22	16	0	0	2.7	1.2	1.8
SURINAME	0	0	0	0	0	1	0	0	0.0	0.1	0.1
SWITZERLAND	1938	15	0	0	1	5053	0	0	89.0	83.9	85.2
SEPARATE CUSTOMS TERRITORY OF TAIWAN, PENGHU, KINMEN AND MATSU	90	4	0	0	21	82	0	0	8.1	1.2	2.3
THAILAND	4	2	0	0	333	690	0	0	43.7	20.6	24.9
UNITED STATES	625	54	115	183	9	0	4	140	42.5	4.0	10.1
ZIMBABWE	19	0	0	16	0	0	0	0	2.8	3.6	3.1
Total	4653	803	6955	591	2380	7154	4	177	28.3	3.9	8.4

Table 4: Distribution of NAV duties in the IDB and CTS databases by HS chapter¹⁷

HS Chapter	Product Description	IDB			CTS		
		NAV duties (across all Members)		Number of Members with NAV duties	NAV duties (across all Members)		Number of Members with NAV duties
		Number	Per cent ¹⁸		Number	Per cent ¹⁸	
01	LIVE ANIMALS	216	12.1	15	293	23.8	14
02	MEAT AND EDIBLE MEAT OFFAL	1665	30.1	18	1605	43.0	18
03	FISH AND CRUSTACEANS, MOLLUSCS AND OTHER AQUATIC INVERTEBRATES	413	4.8	9	136	3.2	7
04	DAIRY PRODUCE; BIRDS' EGGS; NATURAL HONEY; EDIBLE PRODUCTS OF ANIMAL ORIGIN, NOT ELSEWHERE SPECIFIED OR INCLUDED	1240	29.4	23	1280	45.0	22
05	PRODUCTS OF ANIMAL ORIGIN, NOT ELSEWHERE SPECIFIED OR INCLUDED	12	1.0	3	9	1.0	3
06	LIVE TREES AND OTHER PLANTS; BULBS, ROOTS AND THE LIKE; CUT FLOWERS AND ORNAMENTAL FOLIAGE	80	5.9	6	84	9.0	5
07	EDIBLE VEGETABLES AND CERTAIN ROOTS AND TUBERS	616	13.4	20	723	21.1	19
08	EDIBLE FRUIT AND NUTS; PEEL OF CITRUS FRUIT OR MELONS	696	14.8	22	833	23.6	18
09	COFFEE, TEA, MATE AND SPICES	81	4.0	9	77	4.9	9
10	CEREALS	185	11.9	14	290	27.5	14
11	PRODUCTS OF THE MILLING INDUSTRY; MALT; STARCHES; INULIN; WHEAT GLUTEN	306	11.6	14	534	28.4	14
12	OIL SEEDS AND OLEAGINOUS FRUITS; MISCELLANEOUS GRAINS, SEEDS AND FRUIT; INDUSTRIAL OR MEDICINAL PLANTS; STRAW AND FODDER	113	3.5	10	129	5.3	10
13	LAC; GUMS, RESINS AND OTHER VEGETABLE SAPS AND EXTRACTS	5	0.6	4	2	0.3	2
14	VEGETABLE PLAITING MATERIALS; VEGETABLE PRODUCTS NOT ELSEWHERE SPECIFIED OR INCLUDED	15	2.6	5	10	2.2	2

¹⁷ The statistics shown in the columns for IDB and CTS are not strictly comparable because the sample of Members with NAV duties in the IDB does not match the sample of Members in the CTS. The list of Members included in each case is shown in Annex Tables 2a and 3. Given the specificity of Switzerland, which has only specific duties in addition to duty free tariffs, its tariff lines have been excluded it from the table.

¹⁸ In per cent of all tariff lines in HS chapter, taking into account all Members with NAV duties.

¹⁹ In per cent of all Tariff lines in HS chapter, taking into account all Members with NAV duties.

HS Chapter	Product Description	IDB			CTS		
		NAV duties (across all Members)		Number of Members with NAV duties	NAV duties (across all Members)		Number of Members with NAV duties
		Number	Per cent ¹⁸		Number	Per cent ¹⁸	
15	ANIMAL OR VEGETABLE FATS AND OILS AND THEIR CLEAVAGE PRODUCTS; PREPARED EDIBLE FATS; ANIMAL OR VEGETABLE WAXES	330	7.6	17	336	10.7	17
16	PREPARATIONS OF MEAT, OF FISH OR OF CRUSTACEANS, MOLLUSCS OR OTHER AQUATIC INVERTEBRATES	371	12.4	17	426	22.1	16
17	SUGARS AND SUGAR CONFECTIONERY	403	25.8	22	481	40.4	19
18	COCOA AND COCOA PREPARATIONS	220	22.0	16	219	29.3	15
19	PREPARATIONS OF CEREALS, FLOUR, STARCH OR MILK; PASTRYCOOKS' PRODUCTS	498	24.9	19	406	27.9	18
20	PREPARATIONS OF VEGETABLES, FRUIT, NUTS OR OTHER PARTS OF PLANTS	1140	15.5	21	1666	34.8	17
21	MISCELLANEOUS EDIBLE PREPARATIONS	242	12.8	22	317	23.4	22
22	BEVERAGES, SPIRITS AND VINEGAR	1753	41.8	32	1616	55.2	25
23	RESIDUES AND WASTE FROM THE FOOD INDUSTRIES; PREPARED ANIMAL FODDER	129	6.3	11	255	16.9	11
24	TOBACCO AND MANUFACTURED TOBACCO SUBSTITUTES	218	18.6	17	312	42.9	20
25	SALT; SULPHUR; EARTHS AND STONE; PLASTERING MATERIALS, LIME AND CEMENT	25	0.6	5	10	0.4	5
26	ORES, SLAG AND ASH	9	0.5	1	9	0.7	1
27	MINERAL FUELS, MINERAL OILS AND PRODUCTS OF THEIR DISTILLATION; BITUMINOUS SUBSTANCES; MINERAL WAXES	210	5.7	14	82	4.2	6
28	INORGANIC CHEMICALS; ORGANIC OR INORGANIC COMPOUNDS OF PRECIOUS METALS, OF RARE-EARTH METALS, OF RADIOACTIVE ELEMENTS OR OF ISOTOPES	9	0.1	5	4	0.1	2
29	ORGANIC CHEMICALS	129	0.5	7	23	0.1	6
30	PHARMACEUTICAL PRODUCTS	0	0	0	18	1.0	2
31	FERTILISERS	0	0	0	0	0	0

HS Chapter	Product Description	IDB			CTS		
		NAV duties (across all Members)		Number of Members with NAV duties	NAV duties (across all Members)		Number of Members with NAV duties
		Number	Per cent ¹⁸		Number	Per cent ¹⁸	
32	TANNING OR DYEING EXTRACTS; TANNINS AND THEIR DERIVATIVES; DYES, PIGMENTS AND OTHER COLOURING MATTER; PAINTS AND VARNISHES; PUTTY AND OTHER MASTICS; INKS	6	0.2	2	2	0.1	2
33	ESSENTIAL OILS AND RESINOIDS; PERFUMERY, COSMETIC OR TOILET PREPARATIONS	33	1.3	9	58	3.2	14
34	SOAP, ORGANIC SURFACE-ACTIVE AGENTS, WASHING PREPARATIONS, LUBRICATING PREPARATIONS, ARTIFICIAL WAXES, PREPARED WAXES, POLISHING OR SCOURING PREPARATIONS, CANDLES AND SIMILAR ARTICLES, MODELLING PASTES, "DENTAL WAXES" AND DENTAL PREPARATIONS WITH A BASIS OF PLASTER	20	1.2	2	18	1.6	4
35	ALBUMINOIDAL SUBSTANCES; MODIFIED STARCHES; GLUES; ENZYMES	75	6.3	10	73	8.7	8
36	EXPLOSIVES; PYROTECHNIC PRODUCTS; MATCHES; PYROPHORIC ALLOYS; CERTAIN COMBUSTIBLE PREPARATIONS	10	1.9	4	9	2.6	2
37	PHOTOGRAPHIC OR CINEMATOGRAPHIC GOODS	105	3.9	11	30	1.7	6
38	MISCELLANEOUS CHEMICAL PRODUCTS	45	0.9	8	37	1.1	9
39	PLASTICS AND ARTICLES THEREOF	181	1.7	6	128	1.8	3
40	RUBBER AND ARTICLES THEREOF	56	1.1	8	6	0.2	2
41	RAW HIDES AND SKINS (OTHER THAN FURSKINS) AND LEATHER	38	1.6	2	26	1.6	2
42	ARTICLES OF LEATHER; SADDLERY AND HARNESS; TRAVEL GOODS, HANDBAGS AND SIMILAR CONTAINERS; ARTICLES OF ANIMAL GUT (OTHER THAN SILK-WORM GUT)	85	5.1	6	8	0.7	4
43	FURSKINS AND ARTIFICIAL FUR; MANUFACTURES THEREOF	18	1.3	2	3	0.3	1
44	WOOD AND ARTICLES OF WOOD; WOOD CHARCOAL	4	0.1	3	21	0.5	3
45	CORK AND ARTICLES OF CORK	0		0	0		0

HS Chapter	Product Description	IDB			CTS		
		NAV duties (across all Members)		Number of Members with NAV duties	NAV duties (across all Members)		Number of Members with NAV duties
		Number	Per cent ¹⁸		Number	Per cent ¹⁸	
46	MANUFACTURES OF STRAW, OF ESPARTO OR OF OTHER PLAITING MATERIALS; BASKETWARE AND WICKERWORK	9	1.8	1	7	2.2	1
47	PULP OF WOOD OR OF OTHER FIBROUS CELLULOSIC MATERIAL; RECOVERED (WASTE AND SCRAP) PAPER AND PAPERBOARD	0	0	0	0	0	0
48	PAPER AND PAPERBOARD; ARTICLES OF PAPER PULP, OF PAPER OR OF PAPERBOARD	129	1.7	8	163	3.2	3
49	PRINTED BOOKS, NEWSPAPERS, PICTURES AND OTHER PRODUCTS OF THE PRINTING INDUSTRY; MANUSCRIPTS, TYPESCRIPTS AND PLANS	21	1.5	3	3	0.4	1
50	SILK	11	1.4	2	19	3.6	3
51	WOOL, FINE OR COARSE ANIMAL HAIR; HORSEHAIR YARN AND WOVEN FABRIC	97	3.5	7	64	3.5	5
52	COTTON	1036	11.7	8	517	9.2	6
53	OTHER VEGETABLE TEXTILE FIBRES; PAPER YARN AND WOVEN FABRICS OF PAPER YARN	7	0.4	2	4	0.3	2
54	MAN-MADE FILAMENTS	506	10.0	7	234	7.2	5
55	MAN-MADE STAPLE FIBRES	924	11.9	7	281	5.6	5
56	WADDING, FELT AND NONWOVENS; SPECIAL YARNS; TWINE, CORDAGE, ROPES AND CABLES AND ARTICLES THEREOF	38	1.5	7	41	2.2	5
57	CARPETS AND OTHER TEXTILE FLOOR COVERINGS	178	11.3	9	42	4.1	6
58	SPECIAL WOVEN FABRICS; TUFTED TEXTILE FABRICS; LACE; TAPESTRIES; TRIMMINGS; EMBROIDERY	255	8.8	8	113	5.8	6
59	IMPREGNATED, COATED, COVERED OR LAMINATED TEXTILE FABRICS; TEXTILE ARTICLES OF A KIND SUITABLE FOR INDUSTRIAL USE	65	3.5	6	54	4.0	2
60	KNITTED OR CROCHETED FABRICS	139	7.8	6	17	1.7	2
61	ARTICLES OF APPAREL AND CLOTHING ACCESSORIES, KNITTED OR CROCHETED	1161	15.5	12	206	4.1	6

HS Chapter	Product Description	IDB			CTS		
		NAV duties (across all Members)		Number of Members with NAV duties	NAV duties (across all Members)		Number of Members with NAV duties
		Number	Per cent ¹⁸		Number	Per cent ¹⁸	
62	ARTICLES OF APPAREL AND CLOTHING ACCESSORIES, NOT KNITTED OR CROCHETED	1134	13.8	11	322	6.0	6
63	OTHER MADE UP TEXTILE ARTICLES; SETS; WORN CLOTHING AND WORN TEXTILE ARTICLES; RAGS	310	8.0	13	28	1.1	6
64	FOOTWEAR, GAITERS AND THE LIKE; PARTS OF SUCH ARTICLES	249	8.9	10	56	3.3	4
65	HEADGEAR AND PARTS THEREOF	28	4.1	5	17	3.7	3
66	UMBRELLAS, SUN UMBRELLAS, WALKING-STICKS, SEAT-STICKS, WHIPS, RIDING-CROPS AND PARTS THEREOF	12	3.0	1	3	1.1	1
67	PREPARED FEATHERS AND DOWN AND ARTICLES MADE OF FEATHERS OR OF DOWN; ARTIFICIAL FLOWERS; ARTICLES OF HUMAN HAIR	4	0.9	2	0	0	0
68	ARTICLES OF STONE, PLASTER, CEMENT, ASBESTOS, MICA OR SIMILAR MATERIALS	16	0.5	2	35	1.6	3
69	CERAMIC PRODUCTS	42	2.0	5	20	1.5	3
70	GLASS AND GLASSWARE	69	1.4	5	77	2.4	6
71	NATURAL OR CULTURED PEARLS, PRECIOUS OR SEMI-PRECIOUS STONES, PRECIOUS METALS, METALS CLAD WITH PRECIOUS METAL, AND ARTICLES THEREOF; IMITATION JEWELLERY; COIN	17	0.6	4	5	0.2	1
72	IRON AND STEEL	84	0.6	5	100	1.2	4
73	ARTICLES OF IRON OR STEEL	48	0.5	5	50	0.8	2
74	COPPER AND ARTICLES THEREOF	8	0.2	2	8	0.3	3
75	NICKEL AND ARTICLES THEREOF	3	0.3	1	3	0.4	1
76	ALUMINIUM AND ARTICLES THEREOF	14	0.5	3	10	0.6	3
78	LEAD AND ARTICLES THEREOF	10	1.7	2	8	2.0	2
79	ZINC AND ARTICLES THEREOF	8	1.3	2	6	1.5	2
80	TIN AND ARTICLES THEREOF	0	0	0	0	0	0
81	OTHER BASE METALS; CERMETS; ARTICLES THEREOF	6	0.2	3	5	0.3	3
82	TOOLS, IMPLEMENTS, CUTLERY, SPOONS AND FORKS, OF BASE METAL; PARTS THEREOF OF BASE METAL	49	1.1	3	64	2.1	3
83	MISCELLANEOUS ARTICLES OF BASE METAL	5	0.2	2	4	0.3	3

HS Chapter	Product Description	IDB			CTS		
		NAV duties (across all Members)		Number of Members with NAV duties	NAV duties (across all Members)		Number of Members with NAV duties
		Number	Per cent ¹⁸		Number	Per cent ¹⁸	
84	NUCLEAR REACTORS, BOILERS, MACHINERY AND MECHANICAL APPLIANCES; PARTS THEREOF	43	0.1	6	42	0.2	5
85	ELECTRICAL MACHINERY AND EQUIPMENT AND PARTS THEREOF; SOUND RECORDERS AND REPRODUCERS, TELEVISION IMAGE AND SOUND RECORDERS AND REPRODUCERS, AND PARTS AND ACCESSORIES OF SUCH ARTICLES	154	0.6	10	107	0.6	8
86	RAILWAY OR TRAMWAY LOCOMOTIVES, ROLLING-STOCK AND PARTS THEREOF; RAILWAY OR TRAMWAY TRACK FIXTURES AND FITTINGS AND PARTS THEREOF; MECHANICAL (INCLUDING ELECTRO-MECHANICAL) TRAFFIC SIGNALLING EQUIPMENT OF ALL KINDS	0	0	0	0	0	0
87	VEHICLES OTHER THAN RAILWAY OR TRAMWAY ROLLING-STOCK, AND PARTS AND ACCESSORIES THEREOF	160	1.9	10	77	1.8	3
88	AIRCRAFT, SPACECRAFT, AND PARTS THEREOF	0	0	0	0	0	0
89	SHIPS, BOATS AND FLOATING STRUCTURES	11	0.8	1	0	0	0
90	OPTICAL, PHOTOGRAPHIC, CINEMATOGRAPHIC, MEASURING, CHECKING, PRECISION, MEDICAL OR SURGICAL INSTRUMENTS AND APPARATUS; PARTS AND ACCESSORIES THEREOF	24	0.2	7	42	0.5	5
91	CLOCKS AND WATCHES AND PARTS THEREOF	233	7.5	8	153	7.2	4
92	MUSICAL INSTRUMENTS; PARTS AND ACCESSORIES OF SUCH ARTICLES	3	0.2	2	2	0.2	2
93	ARMS AND AMMUNITION; PARTS AND ACCESSORIES THEREOF	8	0.7	2	24	3.5	3

HS Chapter	Product Description	IDB			CTS		
		NAV duties (across all Members)		Number of Members with NAV duties	NAV duties (across all Members)		Number of Members with NAV duties
		Number	Per cent ¹⁸		Number	Per cent ¹⁸	
94	FURNITURE; BEDDING, MATTRESSES, MATTRESS SUPPORTS, CUSHIONS AND SIMILAR STUFFED FURNISHINGS; LAMPS AND LIGHTING FITTINGS, NOT ELSEWHERE SPECIFIED OR INCLUDED; ILLUMINATED SIGNS, ILLUMINATED NAME-PLATES AND THE LIKE; PREFABRICATED BUILDINGS	98	2.9	2	17	0.9	3
95	TOYS, GAMES AND SPORTS REQUISITES; PARTS AND ACCESSORIES THEREOF	10	0.3	6	3	0.2	3
96	MISCELLANEOUS MANUFACTURED ARTICLES	43	1.3	9	52	2.5	8
97	WORKS OF ART, COLLECTORS' PIECES AND ANTIQUES	0	0	0	1	0.4	1

WORLD TRADE ORGANIZATION

TN/MA/W/25/Add.1
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Negotiating Group on Market Access

NON-TARRIFF BARRIER NOTIFICATIONS

Addendum

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¹ The information for Norway completely replaces the incomplete information produced in document TN/MA/W/25, which was due to technical problems with the file received.

I. EUROPEAN COMMUNITIES

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
1	2 Textiles and leather (including HS 4104)	3 A Member prohibited the export of raw hides and skins and bovine wet blue, whilst on exports of goat and sheep wet blue it levied 40 % export duty. Article XI of GATT 1994 prohibits quantitative export restrictions, export licences and export embargoes unless it can be demonstrated that the restrictions are temporary and are aimed at relieving a critical shortage of products essential to the exporting Member. The Member referred to did not state that the restrictions were temporary. FAO statistics, furthermore, did not bear out any critical shortage. Further to WTO consultations, the Member replaced the export ban with export duties on raw hides and skins, wet blue, tanned hides and skins.	4 Export duties placed upon hides and skins result in serious market access difficulties for the EC industry. According to FAO figures, exports of hides and skins by the Member imposing these barriers amounted to zero in 1994. The current rates of export duties amount to a <i>de facto</i> export ban.	5 Export taxes	6	7 Multilateral

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
1	2 Horizontal	3 A Member's government actively promoted a campaign called "Buy [National] Products" to encourage the sale of domestic products and to reduce imports. The campaign was aimed at describing imports as unpatriotic and consisted of different measures: aggressive promotion of domestic products and companies, including through press, websites, and TV advertising, trade fairs, etc. In some cases the campaign included threats to companies importing goods deemed to be "available" in the country, as well as other anti-import initiatives such as discriminatory tax audits, biased criticism of foreign products, publication of biased statistics by government agencies, etc. Buy [national] campaign, insofar they are directly operated by government agencies (and not civil society or non governmental organisations), can be considered as restrictive practices having voluntary protectionist effects.	4 The negative atmosphere created by this campaign hit EU industries, both for consumer and for capital goods. In particular several consumer goods imports (e.g. cosmetics, fashion items, cars, or home appliances) plummeted because they had been described as products sold with excessive distribution margins and consequently at prices not justified by the products' intrinsic value.	5 Buy national campaign	6	7 Multilateral

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
1	2 Dual use goods	3 A Member has established a comprehensive system of export controls to prevent exports of dual use goods to specific destinations. Other Members do so and this is not questionable. However, the system of the Member concerned requires, <i>inter alia</i> , that companies based or operating in the EU comply with that Member's "re-export" controls, including prohibitions on re-exports to specific destinations because of national security and foreign policy reasons. Grave concerns are raised by measures providing for sanctions (prohibition of contracting or procurement, bans on imports, etc.) against foreign companies violating their own countries' export controls, whenever such violations are considered by the referred Member to have had a detrimental effect on national security. The Member did also put in place other trade measures having extraterritorial effects.	4 The extraterritorial nature of such export controls has had serious repercussions on EU companies.	5 Application of national laws and regulations outside national borders	6	7 Multilateral

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
1	2 Horizontal	3 Administrative tiers below the central government have actively promoted selective purchasing laws, whereby access of companies to contracts is severely or completely curtailed on the basis of the companies' business links with specific third countries.	4 The EU strongly objects to such attempts to regulate the behaviour of EU companies that are acting in full compliance with EU laws and regulations.	5 Regulations by local, regional or independent authorities and bodies	6	7 Multilateral

II. MACAO, CHINA

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
1	2 Clothing and textile products	3 - Quotas - Customs procedures	4 Impeding and/or restricting effects on market access	5 Paris II and IVA	6 GATT	7 It could be discussed under the Trade Facilitation umbrella.

III. NORWAY

The notification is structured in two parts. Part I provides a summary of the NTBs which Norwegian economic operators face. The NTBs are grouped into seven categories with fairly generic descriptions. This table is based on the information provided in part II where the NTBs are grouped according to individual maintaining members. For the moment these members remain unidentified and alternative references are used.

A. PART I

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
	Generic	<p>CUSTOMS PRACTICES/ ADMINISTRATIVE PROCEDURES</p> <ul style="list-style-type: none"> • Extensive documentation requirements • Special invoice requirements • Documents must be authenticated by embassy/ chamber of commerce • Lack of transparency as to existing tariff levels • Customs tariff based on CCCN • Customs tariff not clearly based on any recognised international customs classification code • Clean report of findings required prior to export. • Quality certificates required/ Health certificates required 	Additional time and cost	Part II C / D / G	GATT art. VIII	
	Fish and fish products			Part IV L Part III	Agreement SPS/TBT	on

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
	Generic	<p>CUSTOMS FEES, EXTRA TAXES AND SURCHARGES</p> <ul style="list-style-type: none"> • Statistical fee/ tax • Customs surcharges and fees. • High fees related to financial transactions • Port taxes, inspection tax • Customs fee for shipments 	Additional cost	Part V B	GATT art. VIII	
	Generic	<p>STANDARDS AND CERTIFICATION</p> <ul style="list-style-type: none"> • National standards different from international standards • Product, environment and labelling requirements • Advance approval of products/ Attestation, certification requirements • Special registration requirements • Comprehensive safety regulations/ Special sanitary and health related requirements 	Additional time and cost	Part III B Part IV K Part III Part IV L Part III/Part IV K	Agreement TBT/SPS Agreement TBT/SPS	on on

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
	Generic	<p>QUANTITATIVE RESTRICTIONS AND IMPORT LICENSING</p> <ul style="list-style-type: none"> • Special requirements regarding registration and import licences • Import prohibitions and import quotas • Anti-dumping measures 	Additional time and cost	Part IV A Part II A	Agreement on Import Licensing Procedures GATT art. XI GATT art. VI	
	Generic	<p>PRESHIPMENT INSPECTION</p> <ul style="list-style-type: none"> • Specific limitations. • Comprehensive regulations for pre-shipment inspection. • Pre-shipment inspection required for all shipments/ shipments of certain goods 	Additional time and cost	Part IV L	Agreement on Preshipment Inspection	
	Generic	<p>CURRENCY RESTRICTIONS</p> <ul style="list-style-type: none"> • Exchange restrictions/control. • Currency licence required for shipment of goods. • Foreign currency controlled by domestic central bank 	Additional cost	Part IV D	GATT art. VIII	
	Generic	<p>OTHERS</p> <ul style="list-style-type: none"> • Transportation must be insured in importing country • National transport regulations 	Additional time and cost	Part II G - IV L	GATT art. VIII	

B. PART II

1. Import Restrictions

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
1	2	3	4	5	6	7
	Generic	Import license required. Validity of license: 6 months.	Additional time and cost	Part IV A	Agreement on Import Licensing Procedures	
	Generic	National importer must be registered by customs authorities. Frequent changes in regulations on license requirements.	Additional time required prior to exports	Part IV A	Agreement on Import Licensing Procedures	
	Pharmaceutical products	Special requirements regarding registration.	Additional time and cost	Part IV A	Agreement on Import Licensing Procedures	
	Textiles, clothing, footwear	Import license required for some products.	Additional time and cost	Part IV A	Agreement on Import Licensing Procedures	
	Generic	Registration required for all importers. Goods on "restricted list" can only be imported by approved importers.	Additional time and cost	Part IV A	Agreement on Import Licensing Procedures	
	Generic	Import license required for most goods.	Additional time and cost	Part IV A	Agreement on Import Licensing Procedures	
	Generic	All importers need to have a "company import license".	Additional time and cost	Part IV A	Agreement on Import Licensing Procedures	
	Generic	Comprehensive licensing system	Ambiguity with respect to product coverage of licensing arrangement.	Part IV A	Agreement on Import Licensing Procedures	
	Generic	Import license required for all goods. Validity of license: 4 months.	Additional time and cost	Part IV A	Agreement on Import Licensing Procedures	

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
1	2	3	4	5	6	7
	Generic	Import license required for certain products.	Additional time and cost.	Part IV A	Agreement on Import Licensing Procedures	
	Generic	Import license required for almost all goods. Import of used machines and electric appliances restricted.	Additional time and cost	Part IV A	Agreement on Import Licensing Procedures	
	Generic	Comprehensive system of import regulation.	Additional time and cost	Part IV A	Agreement on Import Licensing Procedures	
	Generic	Registration required for all goods. Import license required for some goods, incl. chemicals.	Additional time and cost	Part IV A	Agreement on Import Licensing Procedures	
	Pharmaceutical products	Import license required.	Additional time and cost	Part IV A	Agreement on Import Licensing Procedures	
	Pesticides, cosmetics	Registration required.	Additional time	Part IV A	Agreement on Import Licensing Procedures	
	Generic	Import restrictions such as import prohibitions, import licenses and import quotas for certain goods.	Additional time and cost	Part IV A	Agreement on Import Licensing Procedures	
	Generic	Import restricted to state trading companies or joint ventures with import license and only for import of goods relevant for their commercial activities.	Limits exports. Additional time and cost	Part IV A, Part I A	Agreement on Import Licensing Procedures, GATT art. XI	
	Generic	Import license required for certain machines, appliances and transportation vehicles.	Additional time and cost	Part IV A	Agreement on Import Licensing Procedures	
	Generic	Import license required for most goods.	Additional time and cost	Part IV A	Agreement on Import Licensing Procedures	

1 Maintaining Participant	2 Products affected by the barrier	3 Nature of the barrier	4 Trade Effects of the barrier	5 Inventory category	6 Relevant WTO provision	7 Treatment of the barrier
	Chemical and pharmaceutical products, leather goods	Import license required.	Additional time and cost	Part IV A	Agreement on Import Licensing Procedures	
	Generic	Import license required for shipments. Validity of license: 6 months.	Additional time and cost	Part IV A	Agreement on Import Licensing Procedures	
	Generic	Import license required for all goods. Validity of license: 6 months.	Additional time and cost	Part IV A	Agreement on Import Licensing Procedures	
	Pharmaceutical products, cosmetics	Import license required.	Additional time and cost	Part IV A	Agreement on Import Licensing Procedures	
	Generic	Comprehensive import licensing restrictions. Import of certain medical products are prohibited, while certain electrical and chemical products require license.	Additional time and cost.	Part IV A	Agreement on Import Licensing Procedures	
	fish and fish products e.g. cod, herring, mackerel, saithe	import licenses	import restrictions	PART IV	Agreement on import licensing procedures	
	Generic	Import of goods limited to importers with import license	Additional time and cost.	Part IV A	Agreement on Import Licensing Procedures	
	fish and fish products e.g. cod, mackerel, herring, sardine.	quantitative restrictions	import restrictions	PART IV (A)	GATT XI	
	fish and fish products	import licenses	extra time and cost	Part IV	Import licensing procedures	

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
1	2	3	4	5	6	7
	Telecommunications equipment, pharmaceuticals, cosmetics, sanitary products	Import license required.	Additional time and cost.	Part IV A	Agreement on Import Licensing Procedures	
	Generic	Import license required for all commercial imports.	Additional time and cost.	Part IV A	Agreement on Import Licensing Procedures	
	Generic	Import license required for most goods.	Additional time and cost.	Part IV A	Agreement on Import Licensing Procedures	
	Generic	Import license required for certain goods.	Additional time and cost.	Part IV A	Agreement on Import Licensing Procedures	
	Generic	Import license required for certain goods.	Additional time and cost.	Part IV A	Agreement on Import Licensing Procedures	
	fish and fish products (ex.03.02, ex. 03.03, ex 16.04, ex.16.05)	import licenses	import restrictions	PART IV (A)	Agreement on import licensing procedures	
	Generic	Import license required for most goods.	Additional time and cost.	Part IV A	Agreement on Import Licensing Procedures	
	Generic	Import license required for most goods.	Additional time and cost.	Part IV A	Agreement on Import Licensing Procedures	
	Chemical products, certain metals	Import license required.	Additional time and cost.	Part IV A	Agreement on Import Licensing Procedures	
	Generic	Registration of all imports.	Additional time and cost.	Part IV A	Agreement on Import Licensing Procedures	

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
1	2	3	4	5	6	7
	Certain household goods	Import prohibition	Limits exports.	Part IV A	Agreement on Import Licensing Procedures	
	Generic	Import restrictions on certain products.	Additional time and cost.	Part IV A	Agreement on Import Licensing Procedures	
	Generic	Registration required for all importers. Imports of used clothes prohibited.	Additional time and cost.	Part IV A	Agreement on Import Licensing Procedures	
	Generic	Import license required for certain products, including gold and chemicals.	Additional time and cost.	Part IV A	Agreement on Import Licensing Procedures	
	Generic	Comprehensive import licensing procedures.	Additional time and cost	Part IV A	Agreement on Import Licensing Procedures	
	Generic	Import license required for shipment of certain goods with value of above USD 5000,-.	Additional time and cost	Part IV A	Agreement on Import Licensing Procedures	
	Motor vehicles	Import license required.	Additional time and cost	Part IV A	Agreement on Import Licensing Procedures	
	Generic	Quantitative restrictions on certain products.	Additional time and cost	Part IV A	Agreement on Import Licensing Procedures, GATT art. XI	
	Generic	Comprehensive licensing system	Additional time and cost	Part IV A	Agreement on Import Licensing Procedures	
	Generic	Import licensing system for various products.	Additional time and cost	Part IV A	Agreement on Import Licensing Procedures	

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
1	2	3	4	5	6	7
Generic	Comprehensive system of import regulation.	Additional time and cost	Part IV A	Agreement on Import Licensing Procedures		
Generic	Import license required for certain products, including petroleum, some textiles, pharmaceutical products where similar products are being produced domestically.	Additional time and cost. Limits exports.	Part IV A	Agreement on Import Licensing Procedures		
Generic	License required for certain goods.	Additional time and cost	Part IV A	Agreement on Import Licensing Procedures		
Generic	All import must be registered. License required from authorities for exports that require after-sales service.	Additional time and cost	Part IV A	Agreement on Import Licensing Procedures		
Generic	Importer is required to apply for import certificate prior to imports.	Additional time and cost	Part IV A	Agreement on Import Licensing Procedures		
Generic	Import restrictions attached to various goods.	Additional time and cost	Part IV A	Agreement on Import Licensing Procedures		
whole fresh salmon	anti-dumping measure	marginal exports of the products concerned	PART II(A)	GATT VI		
Generic	Comprehensive import procedures.	Additional time and cost	Part IV A	Agreement on Import Licensing Procedures		
Generic	Compulsory registration for imports of various products.	Additional time and cost	Part IV A	Agreement on Import Licensing Procedures		
Electric apparatus	Import restrictions	Additional time and cost	Part IV A	Agreement on Import Licensing Procedures		

2. Currency Restrictions

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
1	2	3	4	5	6	7
	Generic	Exchange restrictions	Additional time and cost.	Part IV D	GATT article VIII	
	Generic	Currency licence required for shipment of goods when value exceeds USD 300.	Additional time required prior to exports.	Part IV D	GATT article VIII	
	Generic	Foreign currency controlled by Central bank.	Additional time required prior to exports.	Part IV D	GATT article VIII	
	Generic	Currency licence required for most purchases	Additional time required prior to exports.	Part IV D	GATT article VIII	
	Generic	Currency licence required for shipments above USD 4000,-.	Additional time required prior to exports.	Part IV D	GATT article VIII	
	Generic	Currency licence required for shipments above USD 5000,-.	Additional time required prior to exports.	Part IV D	GATT article VIII	
	Generic	Currency licence required for all shipments.	Additional time required prior to exports.	Part IV D	GATT article VIII	
	Generic	Currency licence required for shipments	Additional time required prior to exports.	Part IV D	GATT article VIII	
	Generic	Currency licence required for all purchases.	Additional time required prior to exports.	Part IV D	GATT article VIII	
	Generic	Currency licence required for all purchases.	Additional time required prior to exports.	Part IV D	GATT article VIII	
	Generic	Currency licence required for all purchases.	Additional time required prior to exports.	Part IV D	GATT article VIII	
	Generic	Currency licence required for all purchases.	Additional time required prior to exports.	Part IV D	GATT article VIII	
	Generic	Currency licence required.	Additional time required prior to exports.	Part IV D	GATT article VIII	
	Generic	Currency control by Central bank. Additional documentation in this respect.	Additional time required prior to exports.	Part IV D	GATT article VIII	

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
1	2	3	4	5	6	7
	Generic	Currency license required for shipments	Additional time required prior to exports.	Part IV D	GATT article VIII	
	Generic	Import certificate required from local bank for shipment of goods with value above USD 2500,-	Additional time required prior to exports.	Part IV D	GATT article VIII	
	Generic	Authorized banks must be used for transactions	Additional time required prior to exports.	Part IV D	GATT article VIII	
	Generic	Capital control by central bank	Additional time required prior to exports.	Part IV D	GATT article VIII	

3. Product, environment and labelling requirement

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
1	2	3	4	5	6	7
	Generic	Special marking and labelling requirement for a variety of products	Additional time and cost	Part IV K	Agreement on TBT	
	Electrical appliances	Special certification required	Additional time and cost	Part III C	Agreement on TBT	
	Pharmaceutical products	Special requirements regarding labelling	Additional time and cost	Part IV K	Agreements on TBT / SPS	
	fish and fish products	advance approval of products before exports.	extra time and cost	PART III/ PART IV (L)	TBT/SPS-agreement	
	Pharmaceutical products, electrical appliances, building materials	Special labelling requirements	Additional time and cost	Part IV K	Agreements on TBT / SPS	
	Generic	Special packaging requirements. Packaging material made of wood must be accompanied by health certificates.	Additional time and cost	Part IV K	Agreements on TBT and SPS	
	fish and fish products	attestation/ requirements certificate	extra time and cost	PART III/ PART IV (L)	TBT/SPS-agreement	
	Generic	Special labelling requirements if similar product is produced domestically	Additional time and cost	Part IV K	Agreement on TBT	
	All products made of wood including packaging	Exporter must prove that imported product and packaging is not infected by vermin. Use of wooden materials for packaging require issuance of health certificate.	Additional time and cost	Part III B	Agreement on SPS	
	Fish and fish products salted and dried fish	Advanced approval of products before exports, standards different from international standards	extra time and cost, unpredictability	PART III/ PART IV (L)	TBT/SPS-agreement	

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
1	2	3	4	5	6	7
	Fish and fish products	attestation/requirements certificate	unpredictability extra time and cost	PART III/ PART IV (L)	TBT/SPS- agreement	
	Electrical equipment and appliances	Approval required from different international standards. Approval required	Additional time and cost	Part III B/C	Agreement on TBT	
	Pharmaceutical products, cosmetics, for household cleaning		Additional time and cost	Part III C	Agreements on TBT / SPS	
	Generic	Special packaging requirements for wood and special labelling requirements	Additional time and cost	Part IV K	Agreements on TBT / SPS	
	Metals	National standards different from international standards.	Additional time and cost	Part III B	Agreement on TBT	
	Generic	Comprehensive certification systems	Additional time and cost	Part III C	Agreement on TBT	
	Generic	Labelling requirements if similar product is produced domestically	Limits exports	Part IV K	Agreement on TBT	
	Generic	Special packaging requirements, especially when use of wooden materials.	Additional time and cost	Part IV K	Agreements on TBT / SPS	
	Fish and fish products	requirements regarding packaging	extra time and cost	PART IV (K)/ PART IV (L)	TBT/SPS- agreement	
	Generic	Special marking requirements	Additional time and cost	Part IV K	Agreement on TBT	
	Pharmaceutical products	Registration required	Additional time and cost	Part III C	Agreements on TBT / SPS	
	Generic	For certain products special requirements for public health reasons	Additional time and cost	Part III B	Agreements on TBT / SPS	

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
1	2	3	4	5	6	7
	Generic	Comprehensive and complicated product requirements for certain goods.	Additional time and cost	Part III B	Agreements on TBT / SPS	
	Generic	Comprehensive and complicated product requirements for consumer goods	Additional time and cost	Part III B	Agreements on TBT / SPS	
	Generic	Special labelling requirements. Wooden packaging must be accompanied by health certificate.	Additional time and cost	Part IV K	Agreement on TBT/SPS	
	Pharmaceutical products	Special labelling requirements	Additional time and cost	Part IV K	Agreements on TBT / SPS	
	Electronic products and components	Special regulations regarding inspection.	Additional time and cost	Part III C	Agreement on TBT	
	fish and fish products	attestation/ requirements	unpredictability extra time and cost	PART III /PART IV (L)	TBT/SPS-agreement	
	Fire protection equipment	Additional national testing required in addition to certification	Additional time and cost	Part III C	Agreement on TBT	
	Water supply equipment	Use of different standards	Additional time and cost	Part III B	Agreement on TBT	
	Generic	Complicated regulations for import of certain products	Additional time and cost	Part III B	Agreements on TBT / SPS	
	Generic	Special labelling requirements	Additional time and cost	Part IV K	Agreement on TBT	
	Water supply equipment, building materials	National standards different from international standards.	Additional time and cost	Part III B	Agreement on TBT	
	Generic	Comprehensive safety regulations for various products	Additional time and cost	Part III B	Agreements on TBT / SPS	
	Filters	National standards different from international standards.	Additional time and cost	Part III B	Agreement on TBT	
	Generic	Special labelling requirements	Additional time and cost	Part IV K	Agreement on TBT	

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
1	2	3	4	5	6	7
	Generic	Special marking requirements regarding origin and content	Additional time and cost	Part IV K	Agreement on TBT	
	Generic	Special labelling requirements	Additional time and cost	Part IV K	Agreement on TBT	
	Fish and fish products	attestation/ requirements certificate	unpredictability extra time and cost	PART III/ PART IV (L)	TBT/SPS-agreement	
	Generic	Special labelling requirements	Additional time and cost	Part IV K	Agreement on TBT	
	Toys, household appliances	Special product requirements	Additional time and cost	Part III B	Agreement on TBT	
	Pharmaceutical and cosmetic products	Registration required by health authorities	Additional time and cost	Part III C	Agreements on TBT / SPS	
	Textiles, toys, cosmetics, aerosols, TVs	Special labelling requirements	Additional time and cost	Part IV K	Agreement on TBT	
	Electrical household appliances	Special testing requirements. Exceptions may be granted when use of international standards.	Additional time and cost	Part III C	Agreement on TBT	
	Pharmaceutical products	Special labelling requirements	Additional time and cost	Part IV K	Agreements on TBT / SPS	
	Electrical appliances	Special technical requirements	Additional time and cost	Part III B	Agreement on TBT	
	Generic	Special product requirements for certain products	Additional time and cost	Part III B	Agreements on TBT	
	Filters	Use of different standards	Additional time and cost	Part III B	Agreement on TBT	
	Fish and fish products	attestation/ requirements certificate	extra time and cost	PART IV (L), PART III (B)	SPS/TBT-agreement	
	Chemicals, fertilizers	Special product requirements	Additional time and cost	Part III B	Agreement on TBT	
	Pharmaceutical products	Certification by authorities required prior to imports.	Additional time and cost	Part III C	Agreements on TBT / SPS	

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
1	2	3	4	5	6	7
	Pharmaceutical products	Registration required by health authorities	Additional time and cost	Part III C	Agreements on TBT / SPS	
	Paint, tyres, yarn, silk	Special labelling requirements	Additional time and cost	Part IV K	Agreement on TBT	
	Cosmetics, pharmaceutical products	Special product requirements	Additional time and cost	Part III B	Agreements on TBT / SPS	
	Electrical equipment and appliances	National standards different from international standards	Additional time and cost	Part III B	Agreement on TBT	
	Pharmaceuticals and pesticides	Registration required by health authorities	Additional time and cost	Part III C	Agreements on TBT / SPS	
	Various electrical appliances and equipment	Certification required from authorities	Additional time and cost	Part III C	Agreement on TBT	
	Generic	Comprehensive requirements	Additional time and cost	Part III C	Agreement on TBT	
	Generic	Special labelling requirements	Additional time and cost	Part IV K	Agreement on TBT	
	Generic	Special product requirements for a variety of products	Additional time and cost	Part III B	Agreement on TBT	
	Electrical appliances	National standards different from international standards	Additional time and cost	Part III B	Agreement on TBT	
	Generic	Special labelling requirements	Additional time and cost	Part IV K	Agreement on TBT	
	Fish and fish products (salted and dried cod)	standards different from international standards	unpredictability	PART III/PART IV (L)	TBT/SPS-agreement	
	Pharmaceutical products, electrical equipment, radio- and TV equipment, children clothing, toys	Certification required that goods correspond with national requirements.	Additional time and cost	Part III B / C	Agreements on TBT / SPS	

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
1	2	3	4	5	6	7
	Pharmaceutical products	Registration authorities required by	Additional time and cost	Part III C	Agreements on TBT / SPS	
	Pharmaceutical products	Special labelling requirements	Additional time and cost	Part IV K	Agreements on TBT / SPS	
	Generic	Special packaging requirements	Additional time and cost	Part IV K	Agreements on TBT / SPS	
	Pharmaceutical products and kitchen equipment	Special sanitary and health related requirements	Additional time and cost	Part III B	Agreements on TBT / SPS	
	fish and fish products	attestation/ requirements certificate	extra time and cost	PART III/PART IV (L)	TBT/SPS-agreement	
	Pharmaceutical and chemical products	Comprehensive and complicated product requirements	Additional time and cost	Part III B	Agreements on TBT / SPS	
	Measurement devices, electrical appliances, motor vehicles	National standards different from international standards	Additional time and cost	Part III B	Agreement on TBT	
	Generic	Special labelling requirements	Additional time and cost	Part IV K	Agreement on TBT	
	Pesticides and pharmaceutical products	Comprehensive and complicated product requirements	Additional time and cost	Part III B	Agreements on TBT / SPS	
	Pharmaceutical products	Special registration and labelling requirements	Additional time and cost	Part III C / IV K	Agreements on TBT / SPS	
	Pharmaceutical products, pesticides	Special product requirements	Additional time and cost	Part III B	Agreements on TBT / SPS	
	Used goods	Inspection required	Additional time and cost	Part III C	Agreement on TBT	
	Chemicals	Special labelling requirements	Additional time and cost	Part IV K	Agreement on TBT	
	Pharmaceutical and sanitary products	Certification required from authorities	Additional time and cost	Part III C	Agreements on TBT / SPS	

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
1	2	3	4	5	6	7
	Generic	Use of national standards for many products	Additional time and cost	Part III B	Agreement on TBT	
	Building materials	Extensive certification procedures. Special labelling requirements.	Additional time and cost	Part III C / IV K	Agreement on TBT	
	fish and fish products	attestation/ certificate requirements	unpredictability	PART III/ PART IV (L)	TBT/SPS-agreement	
	Textiles, cosmetics, pharmaceuticals, fertilizer, pesticides, gold, silver, platinum	Special labelling requirements	Additional time and cost	Part IV K	Agreements on TBT / SPS	
	Generic	Comprehensive and complicated product and labelling requirements	Additional time and cost	Part III B / IV K	Agreement on TBT	
	Building materials, mechanical and electrical appliances and equipment, safety equipment, pressure tanks, toys	Certificate of conformity required to ensure comparability with international and national standards	Additional time and cost	Part III C	Agreement on TBT	
	fish and fish products	attestation/ certificate requirements	unpredictability	PART III/PART IV (L)	TBT/SPS-agreement	
	Generic	Use of national product and labelling requirements	Additional time and cost	Part III B / IV K	Agreement on TBT	
	Pharmaceutical products	Registration required. Special labelling requirements.	Additional time and cost	Part III C / IV K	Agreements on TBT / SPS	
	Generic	"Registered Trade Mark" can only be used for trade marks registered in South Africa	Additional time and cost	Part III C	Agreement on TBT	

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
1	2 Generic	3 Special product requirements for a variety of consumer products. Certification needed from Industry Advancement Administration.	4 Additional time and cost	5 Part III B / C	6 Agreement on TBT	7
	Fish and fish products	attestation/ requirements	unpredictability time and cost	PART III/ PART IV (L)	TBT/SPS-agreement	
	Pharmaceutical products, cosmetics, pesticides, machines	Special product requirements	Additional time and cost	Part III B	Agreement on TBT / SPS	
	Water supply equipment	Use of different standards	Additional time and cost	Part III B	Agreement on TBT	
	Generic	Certification required from authorities for certain products	Additional time and cost	Part III C	Agreement on TBT	
	Generic	Special labelling requirements for certain products	Additional time and cost	Part IV K	Agreement on TBT	
	Electrical appliances	Certification needed from authorities	Additional time and cost	Part III C	Agreement on TBT	
	Pharmaceutical products and medical equipment	Certification needed from authorities	Additional time and cost	Part III C	Agreements on TBT and SPS	
	Pharmaceutical products, poisonous substances, pesticides	Registration required	Additional time and cost	Part III C	Agreements on TBT and SPS	
	Generic	National standards different from international standards for certain products	Additional time and cost	Part III B	Agreement on TBT	
	Fish and fish products	attestation/ requirements	extra time and cost	PARTIII/PART IV (L)	TBT/SPS-agreement	
	Pharmaceutical products	Registration required	Additional time and cost	Part III C	Agreements on TBT / SPS	
	Refrigerators	National standards different from international standards	Additional time and cost	Part III B	Agreement on TBT	

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
1	2	3	4	5	6	7
	Pharmaceuticals, chemicals, pesticides, various industrial products	Comprehensive and complicated product requirements	Additional time and cost	Part III B	Agreements on TBT / SPS	
	Generic	Special labelling requirements for certain products	Additional time and cost	Part IV K	Agreement on TBT	
	Fish and fish products	attestation/ certificate requirements	unpredictability, extra time and cost	PART III/PART IV (L)	TBT/SPS-agreement	
	Pharmaceutical products	Registration required by national health authorities	Additional time and cost	Part III C	Agreements on TBT / SPS	
	Generic	Use of national standards	Additional time and cost	Part III C	Agreements on TBT / SPS	
	Generic	Stickers prohibited on packaging	Additional time and cost	Part IV K	Agreement on TBT	
	Household appliances, inflammable textiles, electrical appliances, pharmaceutical products, cosmetics, poisonous substances	Extensive product requirements	Additional time and cost	Part III B	Agreements on TBT / SPS	
	Textiles, wool, fur, electrical appliances, pharmaceutical products, cosmetics, dangerous substances, medical equipment	Extensive labelling requirements	Additional time and cost	Part IV K	Agreements on TBT / SPS	
	Generic	Special packaging requirements	Additional time and cost	Part IV K	Agreement on TBT	
	Certain products	National standards different from international standards.	Additional time and cost	Part III B	Agreement on TBT	

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
1	2	3	4	5	6	7
	Fish oil and fishmeal	attestation/requirements certificate	extra time and cost	PART III/ PART IV (L)	TBT/SPS-agreement	
	Pharmaceutical products, cosmetics, veterinary goods	Registration required	Additional time and cost	Part III C	Agreements on TBT / SPS	
	Pesticides	Special labelling requirements	Additional time and cost	Part IV K	Agreements on TBT	
	Fish and fish products	advance approval of products before exports	extra time and cost	PART III/ PART IV (L)	TBT/SPS-agreement	
	Generic	Special product requirements for certain consumer products	Additional time and cost	Part III B	Agreement on TBT	
	Fertilizers, pesticides, cosmetics and pharmaceutical products	Registration required by national authorities	Additional time and cost	Part III C	Agreements on TBT / SPS	
	Generic	Special labelling requirements	Additional time and cost	Part IV K	Agreement on TBT	
	Generic	Special marking requirements	Additional time and cost	Part IV K	Agreement on TBT	

4. Trade documents/Customs procedures

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
	Generic	Extensive documentation requirements. Clean report of findings required. Separate certificates required from fabricators of electrical material. Transportation must be insured. Customs tariff is based on CCCN.	Additional time and cost	Part II C / D / G	GATT art. VIII	
	Generic	Extensive documentation requirements. Special invoice form requirements	Additional time and cost	Part II D / G	GATT art. VIII	
	Generic	Extensive documentation requirements. Confirmation of correct invoice required. Detailed list of content needed which corresponds with invoice. Authentication of documents required. Transportation must be insured.	Additional time and cost	Part II D / G	GATT art. VIII	
	Generic	Statistic fee	Additional cost	Part V B	GATT art. VIII	
	Generic	Extensive documentation requirements. All documents must be authenticated by chamber of commerce (or embassy if so demanded by importer).	Additional time and cost	Part II D / G	GATT art. VIII	
	Generic	Special invoice requirements. Transportation must be insured in.	Additional time and cost	Part II G	GATT art. VIII	
	Generic	Special invoice requirements.	Additional time and cost	Part II G	GATT art. VIII	
	Generic	Transportation must be insured. Clean report of findings required prior to export.	Additional time and cost	Part II G	GATT art. VIII	

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
	Generic	Extensive requirements. Certificates required for various products. Confirmation by exporter required on invoice.	Additional time and cost	Part II G	GATT art. VIII	
	Generic	Customs surcharges and fees.	Additional cost	Part V B	GATT art. VIII	
	Generic	Extensive requirements. Special confirmation by exporter required on invoice. Most documents must be authenticated by embassy. Certificate required for import of certain machinery.	Additional time and cost	Part II D / G	GATT art. VIII	
	Generic	Port taxes. Extra customs duty	Additional cost	Part V B	GATT art. VIII	
	Generic	Extensive requirements. Clean report of findings required prior to export. Special confirmation by exporter required on invoice.	Additional time and cost	Part II G	GATT art. VIII	
	Generic	Extensive requirements. Clean report of findings required prior to export. Customs tariff based on CCCN.	Additional time and cost	Part II C / G	GATT art. VIII	
	Generic	Special invoice requirements.	Additional time and cost	Part II G	GATT art. VIII	
	Generic	Clean report of findings required prior to export. Special confirmation by exporter required on invoice.	Additional time and cost	Part II G	GATT art. VIII	
	Generic	Special invoice requirements	Additional time and cost	Part II G	GATT art. VIII	

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
	Generic	Special invoice requirements. Extensive documentation requirements. Documents must be authenticated by embassy.	Additional time and cost	Part II D/G	GATT art. VIII	
	Generic	Extensive documentation requirements.	Additional time and cost	Part II G	GATT art. VIII	
	Generic	Port tax, inspection tax	Additional cost	Part V B	GATT art. VIII	
	Generic	Special requirements	Additional time and cost	Part II G	GATT art. VIII	
	Generic	Extensive documentation requirements. Special confirmation by exporter required on invoice.	Additional time and cost	Part II G	GATT art. VIII	
	Generic	Extensive documentation requirements. Special confirmation by exporter required on invoice.	Additional time and cost	Part II G	GATT art. VIII	
	Generic	Extensive documentation requirements. Certificate of product content may be requested. Clean report of findings required prior to export. Confirmation by exporter required on invoice.	Additional time and cost	Part II G	GATT art. VIII	
	Generic	National surcharges and fees for statistics, solidarity and customs.	Additional cost	Part V B	GATT art. VIII	
	Generic	Special invoice requirements. Extensive documentation requirements.	Additional time and cost	Part II G	GATT art. VIII	
	Generic	Special confirmation by exporter required on invoice.	Additional time and cost	Part II G	GATT art. VIII	

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
	Generic	Extensive documentation requirements and complicated storage and customs procedures. Consular invoice required for shipment with value above USD 100. Transportation must be insured.	Additional time and cost	Part II D / G	GATT art. VIII	
	Generic	Clean report of findings required. Extensive documentation requirements. Transportation must be insured.	Additional time and cost	Part II G	GATT art. VIII	
	Generic	Extensive documentation requirements. All documents must be authenticated by embassy.	Additional time and cost	Part II D / G	GATT art. VIII	
	Generic	Surcharges on imports.	Additional cost	Part V B	GATT art. VIII	
	Generic	Special documentation requirements. Certificate of content required for pharmaceutical products. Authentication required. Transportation must be insured. Special conformation by exporter required on invoice.	Additional time and cost	Part II D / G Part V (B)	GATT art. VIII	
	Generic	Special documentation requirements. Transportation must be insured. Special confirmation by exporter required on invoice.	Additional time and cost	Part II G	GATT art. VIII	
	Generic	Extensive documentation requirements. Special invoice must be used. Clean report of findings required.	Additional time and cost	Part II G	GATT art. VIII	
	Generic	Special invoice form required in addition to "normal" invoice. Transportation must be insured.	Additional time and cost	Part II G	GATT art. VIII	

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
	Generic	Extensive requirements. Quality certificate required for some pharmaceutical and chemical products. Special confirmation by exporter required on invoice. Documents must be authenticated by the embassy.	Additional time and cost	Part II D / G	GATT art. VIII	
	Generic	Customs surcharges.	Additional cost	Part V B	GATT art. VIII	
	Generic	Extensive requirements. Clean report of findings required. Special confirmation by exporter required on invoice. Transportation must be insured. Customs tariff is based on CCCN.	Additional time and cost	Part II C / G	GATT art. VIII	
	Generic	Special invoice requirements	Additional time and cost	Part II G	GATT art. VIII	
	Generic	Special confirmation by exporter required on invoice.	Additional time and cost	Part II G	GATT art. VIII	
	Generic	Transportation must be insured.	Additional time and cost	Part II G	GATT art. VIII	
	Generic	Extensive requirements. Clean report of findings is required for certain steel products. Certificate of cleanliness required for used clothes. Weight certificate required for paper.	Additional time and cost	Part II G	GATT art. VIII	
	Generic	Surcharges and extra customs fees. Lack of transparency as to existing tariff levels.	Additional cost	Part V B	GATT art. VIII	

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
	fish and fish products (salmon)	Special additional duty	extra cost	PART V (B)	GATT VIII	
	Generic	Certificate of content required for pharmaceutical products. Clean report of findings required for blood transfusion equipment. Certificate of conformity required for certain used machines. Extra cost for approval of documents.	Additional time and cost	Part II D / G	GATT art. VIII	
	Generic	Extra surcharges. Lack of transparency as to existing tariff levels.	Additional cost	Part V B	GATT art. VIII	
	Generic	Extensive labelling and documentation requirements.	Additional time and cost	Part II G / IV K	GATT art. VIII	
	Generic	Extensive documentation requirements. Certificates required for certain products.	Additional time and cost	Part II G	GATT art. VIII	
	Generic	Customs surcharges.	Additional cost	Part V B	GATT art. VIII	
	Generic	Certificates required for certain products.	Additional time and cost	Part II G	GATT art. VIII	
	Generic	Extensive documentation requirements. Certificates required for certain products. Authentication of documents required. Transportation must be insured.	Additional time and cost	Part II D / G	GATT art. VIII	
	Generic	Customs surcharges.	Additional cost	Part V B	GATT art. VIII	
	Generic	Extensive documentation requirements. Clean report of findings required. Transportation must be insured.	Additional time and cost	Part II D / G	GATT art. VIII	

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
	Generic	Port tax, transportation tax, customs surcharges.	Additional cost	Part V B	GATT art. VIII	
	Generic	Customs tariff not clearly based on any recognized international customs classification code.	Additional time and cost	Part II C	GATT art. VIII	
	Generic	Extensive documentation requirements. Authentication of documents by consulate required. Certificates required for certain products.	Additional time and cost	Part II D / G	GATT art. VIII	
	Generic	Extensive documentation requirements. Clean report of findings required.	Additional time and cost	Part II G	GATT art. VIII	
	Generic	No public custom warehouses. Extensive documentation requirements. Clean report of findings required.	Additional time and cost	Part II G	GATT art. VIII	
	Generic	Customs classification based on the CCCN-code. Extensive documentation requirements. Invoice must be authenticated by chamber of commerce. Clean report of findings required for shipments.	Additional time and cost	Part II C / D / G	GATT art. VIII	
	Generic	Special invoice requirements	Additional time and cost	Part II G	GATT art. VIII	
	Generic	Customs classification system based on CCCN-code. Extensive documentation requirements. Inspection certificate required. Transport must be insured.	Additional time and cost	Part II C / G	GATT art. VIII	
	Generic	Statistical tax	Additional cost	Part V B	GATT art. VIII	
	Generic	Special invoice requirements	Additional time and cost	Part II G	GATT art. VIII	

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
	Generic	Extensive documentation requirements. National transport regulations.	Additional time and cost	Part II G	GATT art. VIII	
	Generic	Import surcharges	Additional cost	Part V B	GATT art. VIII	
	Generic	Special documentation requirements. Clean report of findings required.	Additional time and cost	Part II G	GATT art. VIII	
	Generic	Special documentation requirements.	Additional time and cost	Part II G	GATT art. VIII	
	Generic	Customs surcharges	Additional cost	Part V B	GATT art. VIII	
	fish and fish products	consular formalities	extra time and cost	PART II (D)	GATT VIII	
	Generic	Special invoice requirements	Additional time and cost	Part II G	GATT art. VIII	
	Generic	Extensive documentation requirements. Authentication by chamber of commerce required. Clean report of findings required. Transportation must be insured.	Additional time and cost	Part II D / G	GATT art. VIII	
	Generic	Special certificate required when use of wooden packaging.	Additional time and cost	Part II G	GATT art. VIII	
	Generic	Port and customs taxes	Additional cost	Part V B	GATT art. VIII	
	Generic	Detailed invoice requirements. Documents must be authenticated by embassy. Transportation must be insured.	Additional time and cost	Part II D / G	GATT art. VIII	
	Generic	Extensive documentation requirements. Clean report of findings required.	Additional time and cost	Part II G	GATT art. VIII	
	Generic	Extensive documentation requirements. National forms. Clean report of findings required. Other certificates required. Transportation must be insured.	Additional time and cost	Part II G	GATT art. VIII	
	Generic	Port and customs taxes	Additional cost	Part V B	GATT art. VIII	

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
	Generic	Extensive documentation and certificate of origin required. Documents must be authenticated by chamber of commerce and Arabic embassy. Transportation must be insured.	Additional time and cost	Part II D / G	GATT art. VIII	
	Generic	Extensive documentation requirements. Transport must be insured.	Additional time and cost	Part II G	GATT art. VIII	
	Generic	Strict customs formalities for import. Extensive documentation requirements. Various certificates required.	Additional time and cost	Part II G	GATT art. VIII	
	fish and fish products	consular formalities	extra time and costs	PART II (D)	GATT VIII	
	Generic	Extensive documentation requirements. Documents must be authenticated by chamber of commerce. Various certificates required.	Additional time and cost	Part II D / G	GATT art. VIII	
	Generic	Customs fee for shipments with value above USD 5,000,-	Additional cost	Part V B	GATT art. VIII	
	Generic	Extensive documentation requirements. Various certificates required, including clean report of findings.	Additional time and cost	Part II G	GATT art. VIII	
	Generic	Special requirements.	Additional time and cost	Part II G	GATT art. VIII	
	Generic	Special documentation requirements, including certificate of origin.	Additional time and cost	Part II G	GATT art. VIII	
	Medical equipment	Consular formalities regarding signatures etc.	Extra time and cost	Part II D	GATT art. VIII	

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
	Generic	Extensive and detailed documentation requirements. Various certificates required. Authentication of documents required by chamber of commerce/embassy.	Additional time and cost	Part II D / G	GATT art. VIII	
	Generic	National Certificate of Conformity required. Transportation must be insured.	Additional time and cost	Part II G	GATT art. VIII	
	Generic	Extensive documentation requirements. Various certificates required, including clean report of findings. Transportation must be insured.	Additional time and cost	Part II G	GATT art. VIII	
	Generic	Extensive documentation requirements. Various certificates required, including clean report of findings. Transportation must be insured.	Additional time and cost	Part II G	GATT art. VIII	
	Generic	Extensive documentation requirements. Various certificates required, including clean report of findings. Documents must be authenticated by Bureau Veritas and embassy. Transportation must be insured.	Additional time and cost	Part II D / G	GATT art. VIII	
	Generic	Special invoice requirements	Additional time and cost	Part II G	GATT art. VIII	
	Generic	Certificate of origin authenticated by chamber of commerce required. Inspection certificates required for pharmaceuticals, sanitary products and cosmetics.	Additional time and cost	Part II D / G	GATT art. VIII	

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
	Generic	Port tax, storage tax, transit tax, customs tax	Additional cost	Part V B	GATT art. VIII	
	Generic	Clean report of findings required. Transportation must be insured.	Additional time and cost	Part II G	GATT art. VIII	
	fish and fish products	consular formalities	extra time and cost	PART II (D)	GATT VIII	
	Generic	Extensive documentation requirements. Various certificates required. Various documents must be authenticated.	Additional time and cost	Part II D / G	GATT art. VIII	
	Generic	Extensive documentation requirements. Various certificates required, including clean report of findings. Transportation of shipments of value above XOF 200,000,- must be insured.	Additional time and cost	Part II G	GATT art. VIII	
	Generic	Special invoice requirements	Additional time and cost	Part II G	GATT art. VIII	
	Generic	Extensive documentation requirements. Various certificates required. Transportation must be insured.	Additional time and cost	Part II G	GATT art. VIII	
	Generic	Customs fee	Additional cost	Part V B	GATT art. VIII	
	Generic	Extensive documentation requirements. Various certificates required. Transportation must be insured.	Additional time and cost	Part II G	GATT art. VIII	
	Generic	Various fees	Additional cost	Part V B	GATT art. VIII	
	Generic	Extensive documentation required. Extensive invoice and certification requirements. Authentication of all documents by chamber of commerce / consulate necessary.	Additional time and cost	Part II D / G	GATT art. VIII	

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
	Generic	Port and customs taxes. High fees related to financial transactions.	Additional cost	Part V B	GATT art. VIII	
	Generic	Special documentation requirements.	Additional time and cost	Part II G	GATT art. VIII	
	Generic	Various taxes	Additional cost	Part V B	GATT art. VIII	
	Generic	Extensive documentation required, including various certificates. Maritime transport of goods to be conducted by domestic vessels. consular formalities	Additional time and cost	Part II G / IV L	GATT art. VIII	
			extra time and cost	PART II (D)	GATT VIII	
	Generic	Customs surcharges	Additional cost	Part V B	GATT art. VIII	
	Generic	Extensive documentation required, including various certificates. Authentication of all documents by embassy. Transportation must be insured.	Additional time and cost	Part II D / G	GATT art. VIII	
	Generic		Additional time and cost	Part II G	GATT art. VIII	
	Generic	Price controls. Additional taxes and fees.	Additional cost	Part V B	GATT art. VIII	

5. Preshipment Inspection

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
	Generic	Comprehensive regulations for preshipment inspection. Preshipment inspection required for all shipments above the value of USD 50,000,-.	Additional time and cost	Part IV L	Agreement on Preshipment Inspection	
	Generic	Preshipment inspection required for all shipments	Additional time and cost	Part IV L	Agreement on Preshipment Inspection	
	Generic	Preshipment inspection required for all shipments above the value of USD 5,000,-. For import of chemicals, pharmaceutical products and used clothes the corresponding value is USD 3,000,-.	Additional time and cost	Part IV L	Agreement on Preshipment Inspection	
	Generic	Preshipment inspection required for all shipments	Additional time and cost	Part IV L	Agreement on Preshipment Inspection	
	Generic	Preshipment inspection required for all shipments	Additional time and cost	Part IV L	Agreement on Preshipment Inspection	
	Generic	Preshipment inspection required for all shipments above the value of USD 4,000,-.	Additional time and cost	Part IV L	Agreement on Preshipment Inspection	
	Generic	Preshipment inspection required for all shipments above the value of USD 1,000,-.	Additional time and cost	Part IV L	Agreement on Preshipment Inspection	
	Generic	Preshipment inspection required for all shipments above the value of USD 3,000,-.	Additional time and cost	Part IV L	Agreement on Preshipment Inspection	

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
	Generic	Preshipment inspection required for all shipments above the value of USD 5.000,-. For import of motor vehicles and highly-demanded clothes all shipments must be inspected.	Additional time and cost	Part IV L	Agreement on Preshipment Inspection	
	Generic	Preshipment inspection required for all shipments above the value of USD 1.000,-.	Additional time and cost	Part IV L	Agreement on Preshipment Inspection	
	Generic	Preshipment inspection required for all shipments above the value of USD 2.000,-.	Additional time and cost	Part IV L	Agreement on Preshipment Inspection	
	Generic	Preshipment inspection required.	Additional time and cost	Part IV L	Agreement on Preshipment Inspection	
	Generic	Preshipment inspection required for all shipments above the value of USD 5.000,-.	Additional time and cost	Part IV L	Agreement on Preshipment Inspection	
	Generic	Preshipment inspection required for all shipments above the value of USD 3000,-. Preshipment inspection required for all shipments in containers.	Additional time and cost	Part IV L	Agreement on Preshipment Inspection	
	Generic	Preshipment inspection required for shipment of certain products.	Additional time and cost	Part IV L	Agreement on Preshipment Inspection	
	Generic	Preshipment inspection required for all shipments	Additional time and cost	Part IV L	Agreement on Preshipment Inspection	
	Generic	Preshipment inspection required.	Additional time and cost	Part IV L	Agreement on Preshipment Inspection	
	Generic	Preshipment inspection required for certain goods.	Additional time and cost	Part IV L	Agreement on Preshipment Inspection	

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
	Generic	Preshipment inspection required for all shipments above the value of USD 5,000,-. For pharmaceutical products is the corresponding value USD 3,000,-.	Additional time and cost	Part IV L	Agreement on Preshipment Inspection	
	Generic	Preshipment inspection required for all shipments	Additional time and cost	Part IV L	Agreement on Preshipment Inspection	
	Generic	Preshipment inspection required for all shipments above the value of USD 2,000,-.	Additional time and cost	Part IV L	Agreement on Preshipment Inspection	
	Generic	Preshipment inspection required for all shipments.	Additional time and cost	Part IV L	Agreement on Preshipment Inspection	

IV. SWITZERLAND

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
1	2	3	4	5	6	7
	Textile	Fiscal stamp	Additional costs	V-B	GATT, Article III	
		Import licences	Additional costs and delays in importation	IV-A	Agreement on Import licensing	
		Complex tariff structure that leads to different ways of calculation	Unpredictability and risk of discrimination	II-B, II-C		
		Excessive technical certification (quality control) requirements and difficult, costly marking and labelling requirements	Impedes or prevent market access	III-C, IV-K	GATT, TBT	
		Specific packaging requirements	Causes extra costs and thus impedes or complicates market access	IV-K	TBT	
		Authorisation requirements/import ban for certain products	Impedes or complicates market access	IV-A, IV-B	GATT, TBT	
		Preshipment inspection required	Different threshold levels, systematic inspection for all products if the value is higher than a certain threshold	II-G	Agreement on preshipment inspection	
		Price controls	Same effects as under preshipment inspection	IV-H	GATT, Article III	
		Import prohibition in case of retail sale or in the absence of a specific authorisation	Impedes or complicates market access	IV-B	GATT	

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
1	2	3	4	5	6	7
	silk cloth with less than 85% of silk	authorisation from the Bank and import association of textiles	Great difficulties to get the authorization, prevents or impedes market access	IV-B	GATT	
	Watches	Luxury tax	Cumulative effect because levied on each marketing level	V-B	GATT, Article III	
		Unclear import licensing requirements which can change without prior notice	Additional costs and delays and late delivery	IV-A	Agreement on Import licensing	
		<i>ad valorem</i> fees	Additional costs and does not correspond to the approximate costs of services rendered	V-B	GATT Article VIII	
		Excessive customs documentation requirements and burdensome import procedures	Exports impeded or difficult by the extra compliance costs, additional delays	II-G	GATT Article VIII	
		Preshipment inspection required	Different threshold levels, systematic inspection for all products if the value is higher than a certain threshold	II-G	Agreement on preshipment inspection	
		Anticipated Profit tax	Importers must pay a certain percentage of the value of the goods which is a anticipated profit tax and acts as a prior import deposit	V-A	GATT Article III	
		Various surcharges, statistical taxes	Additional costs	V-B	GATT	

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
1	2	3	4	5	6	7
		Foreign currency bank credit facilities suspended to limit imports	Prevents or impedes market access	IV-B	GATT, Article III	
		Excessive marking requirements	Additional costs	IV-K	GATT, TBT	
	Cosmetics, shampoos and soaps	Excessive technical certification (quality control) requirements and difficult, costly marking and labelling requirements	Additional costs up to 20-35% of the export value /prevents or impedes market access	III-C, IV-K	GATT, TBT	
	Machines	Customs reclassification's attempt in a higher dutiable category	Additional costs	II-C		
		Cumbersome certification requirements and non recognition of internationally agreed standards	Very long delays up to several months and high additional costs which prevents or impedes market access	III-B, III-C	TBT	
		High import customs clearance costs and lengthy customs clearance procedure	Additional costs and delays in importation	II-G	GATT Article VIII	
		Constantly changing import tariffs depending on the point of customs entry, on the port of entry, on the customers in the importing country	Additional costs, unpredictability, discrimination	II-C	GATT Article I	
		Credit given to customers if they by the machine of the country of import	Discriminates among providers	IV-F	GATT Article III	

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
1	2	3	4	5	6	7
	Arbitrary import formalities in particular in the field of replacement's part delivery guaranties	Interruption of the production because the machine could not be repaired on time and serious injury for the producer following the interruption of the production	II-G	GATT		
	Import restrictions for textile spinning machines	Additional costs, limits market access	IV-A	GATT		
	Non efficient patent protection	Very long delays to get a patent registered - piracy by domestic producers and impossibility to have the patent rights respected in absence of registration of the patent	TRIPS			
	Very early registration deadlines at the customs for cargo vessels	Delay in trade and Additional costs	II-G			
	Excessive detailed information required for security reasons	Additional costs, delays and data and business secret protection concerns	III-A	TBT		
	Currency restrictions	Additional costs or losses in income payment	IV-D			
	Import licenses	Difficulties to obtain a license because requirements change very often in some cases, causes additional costs and delays	IV-A	Agreement on Import licensing		
	Limitation of customs entry points	Additional costs, limits market access	IV-L	GATT Article VIII		

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
1	2	3 <i>ad valorem</i> fee not included in the final price of the tender High fees required by the customs	4 Additional costs and risk of discrimination Additional costs	5 I-C	6 6	7 7
				II-G	GATT Article VIII	
	Steel products	Import quotas and surveillance system	Additional costs and delay, ev limitations in market access due to application of prohibitive additional duty rates	IV-A, V-F	GATT	
	All products	Several certificates of origin required and legalisation by the chamber of commerce and additional legalisation by consulates	Additional costs and delays, ev limitation in market access, risk of losses in case of failure to comply with all requirements	II-D,F	GATT Article VIII	

V. SEPARATE CUSTOMS TERRITORY OF TAIWAN, PENGHU, KINMEN AND MATSU

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
1	2	3	4	5	6	7
	Vessels	Various subsidies, tax deferments and loan guarantees for shipbuilders.	Protects domestic shipbuilders from competition.	Part I A: Government aids	Agreement on Subsidies and Countervailing Measures	To be addressed in the Committee on Subsidies and Countervailing Measures
	Chemicals	Proposes specific programmes for chemicals. This would create burdens on the chemical trade.	Adds testing costs to a wide range of chemical products.	Part III A: General	Agreement on Technical Barriers to Trade	To be addressed in the Committee on Technical Barriers to Trade
	Textiles, pharmaceuticals, electronic communication equipments, steel and chemical products	Imposes discriminated area TRQ measures.	Discrimination on imported goods.	Part IV J: Tariff quotas	Article I of the GATT 1994 General Most-Favoured-Nation Treatment	To be addressed in the Negotiating Group on Market Access for Non-agricultural Products
	All products	In order to deal with insufficient warehousing, some Members' customs authorities issue a regulation stipulating that imported goods should be cleared of customs and be removed within a regulated number of days or else be confiscated and put up for auction.	Seriously infringes on foreigners' ownership rights over the exported goods.	Part II G: Customs formalities	Article VIII of the GATT 1994 <i>Fees and Formalities Connected with Importation and Exportation</i>	To be addressed in the Negotiating Group on Market Access for Non-agricultural Products

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
1	All products	3 To prevent importers from evading custom duties by lowering the import price, some Members' customs authorities require that imports from certain Members should be accompanied by a customs declaration approved by the receiving Member's authorities. This regulation appears to be discriminatory, and poses as an unnecessary trade barrier.	4 Delays flow of trade.	5 Part II G: Customs formalities	6 Article VIII of the GATT 1994 <i>and</i> <i>Fees Formalties Connected with Importation and Exportation</i>	7 To be addressed in the Negotiating Group on Market Access for Non-agricultural Products
	Vehicles	Unreasonable restrictions. For instance, as per the provisions of a certain Member, it is only those who produce vehicles and have previously exported vehicles from importing Members that are allowed to import vehicles; ordinary importers/exporters are not authorized. However, the manufacturer may not apply to import an amount of vehicles that exceeds the amount of vehicles it exported in previous years.	Causes trade-distorting effects.	Part IV A: Quantitative restrictions Part I D: Restrictive practices tolerated by governments	Article XI of the GATT 1994 <i>General Elimination of Quantitative Restrictions</i> Article III of the GATT 1994 National Treatment on Internal Taxation and Regulation	To be addressed in the Negotiating Group on Market Access for Non-agricultural Products
	All products	Seis minimum import prices by means of domestic administrative orders. If the declared price is lower than the minimum import price, the importer is required to renew its application or provide certification of goods.	Violates the principles of a free market economy and causes trade distortion effects.	Part II B: Valuation	Agreement on Implementation of Article VII of the GATT 1994	To be addressed in the Committee on Customs Valuation

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
1	2 All products	3 Providing exporters with 6% tax refunds to encourage exports.	4 Distorts trade.	5 Part I A: Government aids	6 Agreement on Subsidies and Countervailing Measures	7 To be addressed in the Committee on Subsidies and Countervailing Measures
	Food and drugs	The application and review procedures (including filing applications to importing Member's authority, testing, labeling, and certification, etc.) for imported food and drugs are very long. They are time consuming and costly. Renewal of food and drug import certification is also required on a periodic basis.	The complicated procedure burdens importers.	Part III A: General	Agreement on Technical Barriers to Trade Agreement on Application of Sanitary Phytosanitary Measures	To be addressed in the Committees on Technical Barriers to Trade and Sanitary and Phytosanitary Measures
	Rolled carbon steel, working wire, bar steel, steel model, alloy steel products, hollow steel bars or rods	Prohibits the import of steel bars or rods to protect domestic industries. The issuing import licenses is not expressly stipulated and lacks transparency.	This non-automatic licensing has trade-restrictive effects on imports and is inconsistent with the transparency principle.	Part IV A: Import licensing	Agreement on Import Licensing Procedures	To be addressed in the Committee on Import Licensing
	Food	Onerous quarantine requirement, delayed customs clearance, lack of transparency in administrative procedure.	Increases costs and consumes time.	Part III B: Technical regulation and standards Part II G: Customs formalities	Art. 8 of GATT 1994 TBT	Eliminate unnecessary requirements and increase transparency

Maintaining Participant	Products affected by the barrier	Nature of the barrier	Trade Effects of the barrier	Inventory category	Relevant WTO provision	Treatment of the barrier
1	Steel	3 Customs valuation shall be notarized by specific company. Notarized reports for testing and certification of goods are required and are to be paid by the applicants.	4 Increases cost, delays customs clearance, and consumes time.	5 Part II B: Valuation Part III C: Testing and certification arrangements	6 Art. 8 of GATT 1994 TBT	7 Reduce unnecessary requirements
	Electronic (Information)	Requires a minimum amount of importation for customs valuation. Extra consular documentation required.	Does not allow for small volume of importation. Increases cost.	Part II B: Valuation Part II D: consular formalities and documentation	Art. 11 of GATT 1994 Art. 8 of GATT 1994	Reduce unnecessary and unreasonable requirements

VI. URUGUAY

Maintaining participant	Products affected	Nature of the barrier	Trade effects of the barrier	Inventory category	WTO provisions	Treatment
	Drugs, cosmetics and like products, and the raw materials used in their manufacture; diagnostic reagents and personal hygiene products or toiletries; chemical contraceptive preparations and condoms.	Rules and procedures for the registration and control of natural medicinal products and the establishments where they are manufactured, stored and marketed.	Not available	Specific Limitations: Requirements concerning marking, labelling and packaging (IV K).	Agreement on Technical Barriers to Trade	To be determined
	Biological, chemical and pharmaceutical products for animal use and products intended for animal nutrition.	Official standards issued by the government, establishing the animal health characteristics and specifications of such products. These standards also cover the containers and packaging used, and the animal health information that must appear on labels and in instructions for chemical, pharmaceutical, biological and food products for animal use or consumption, where an animal health risk is involved.	Not available	Specific Limitations: Requirements concerning marking, labelling and packaging (IV K).	Agreement on Technical Barriers to Trade	To be determined
	Alcoholic beverages	The nature of the product, its formula, quality, generic or specific name, and front and back labels must correspond to government-	Not available	Specific Limitations: Requirements concerning marking, labelling and packaging (IV K).	Agreement on Technical Barriers to Trade	To be determined

Maintaining participant	Products affected	Nature of the barrier	Trade effects of the barrier	Inventory category	WTO provisions	Treatment
		approved specifications, in accordance with the applicable provisions, and may not be modified.				
	Drugs, cosmetics and like products, and the raw materials used in their manufacture; diagnostic reagents and personal hygiene products or toiletries; chemical contraceptive preparations and condoms.	The manufacture, marketing and export of such products is subject to sanitary registration, sales authorization and sanitary control.	Not available	Customs and Administrative Entry Procedures: Customs formalities (II G)	Agreement on Technical Barriers to Trade	To be determined
	Fertilizers and agrochemicals	Compulsory registration of plant protection products for marketing in a Member's territory. The process is long, expensive and ineffective.	Not available	General (III A) or Testing and certification arrangements (III C)	Agreement on Technical Barriers to Trade	To be determined
	Footwear	Eco-labelling. The eco-labelling of footwear is subject to the fulfilment of certain criteria. Such a label is granted after a series of tests which prove that recognized environmental management systems have been incorporated in the manufacturing process.	Not available	Testing and certification arrangements (III C) and requirements concerning marking, labelling and packaging (IV K)	Agreement on Technical Barriers to Trade	To be determined
	Drugs for retail sale containing penicillins, streptomycin or derivatives thereof, for	Imports of these products must comply with packaging requirements. The packaging must be	Not available	Requirements concerning marking, labelling and packaging (IV K)	Agreement on Technical Barriers to Trade	To be determined

Maintaining participant	Products affected	Nature of the barrier	Trade effects of the barrier	Inventory category	WTO provisions	Treatment
	human use.	labelled in Spanish and indicate the following: composition of the formula; names and addresses of the manufacturer and importer; mode of administration; directions for use; warnings and precautions; approved conditions of sale; and expiry date.				
	Textiles (generic)	Quantitative restrictions: Import quotas. Quotas have generally been under-utilised, mainly because importers prefer to purchase products from countries without export quotas, so as to avoid the formalities involved in applying for the required import licence.	Not available	Quantitative restrictions and import licensing (IV A)	Agreement on Textiles and Clothing	To be determined
	Animal or vegetable fertilizers	Before fertilizers can be introduced into a Member's territory, the economic authority requires import authorization from the departments of the Commission* for the control of the processing and use of such products.	Not available	Quantitative restrictions and import licensing (IV A)	Agreement on Import Licensing Procedures	To be determined

* Ref: "Commission for the Control of the Processing and Use of Pesticides, Fertilizers and Toxic Substances" (CICLOPLAFEST) / Comisión para el Control del Proceso y Uso de plaguicidas, Fertilizantes y Sustancias Tóxicas" – www.ccc.org (North Am. Comm. for Env. Cooperation)

WORLD TRADE ORGANIZATION

TN/MA/W/10/Add.3
10 April 2003

(03-1972)

Negotiating Group on Market Access

Original: English

MARKET ACCESS FOR NON-AGRICULTURAL PRODUCTS

Communication from India

Addendum

The following document, dated 9 April 2003, has been received from the Permanent Mission of India.

1. The Secretariat has circulated a note captioned "Formula approaches to tariff negotiations – Secretariat simulations using members' tariff concessions". The results of simulations have been tabulated to illustrate the impact of different formulae on members' tariff. The note by the Secretariat is contained in document Job(03)/67. It provides a comparison of the final bound rates before and after application of the different formulae. A separate table gives the percentage reduction in tariffs under different formulae.
2. It would be recalled that India, in its proposal contained in document TN/MA/W/10/Add.2, had suggested different reduction coefficients for developed and developing members. As an example, India had suggested reduction coefficients of 0.5 and 0.33 for developed and developing Members respectively. This proposal was made keeping in view the specific provision in the Doha mandate on less than full reciprocity in reduction commitments by developing members.
3. The table circulated by the Secretariat reflects the results of the application of both the reduction coefficients of 0.5 and 0.33 for all members. This gives an incomplete picture, since it was India's intention that developed Members would have to reduce tariffs by 50% while developing Members would have to reduce their tariffs by 33%. It is understood that the Secretariat has given the results of simulations using both the coefficients in respect of all the members since there is no list of developing members, which has been approved by the WTO members.
4. It would be useful to have a comparison of revised tariff levels and percentage reductions in tariff, using the appropriate coefficients proposed by India. This is important since many members would be taking a considered view on the different formulae approaches, based on how these formulae would impact on their own tariffs and their market access opportunities. Accordingly, India has chosen a sample of developing and developed countries to demonstrate correctly the impact of its own formula. Results of this are given in the tables at Annexures 'A' and 'B'. India has used the revised tariff and reduction percentages from the Secretariat's note. Only in respect of the columns reflecting the impact of India's formula, an adjustment has been made to take into account the status of the member – whether developing or developed – and the appropriate coefficient used. We hope the members will find this information useful.

Annexure - A

Table 1: Simple averages of final bound duties before and after application of formulae

Name	Binding coverage (percent)	Non ad valorem duties (percent)	Simple average	New averages by proposal					
				China B = 1	China B = 3	European Communities	India	Korea	USA
Argentina	100.0	0.0	31.8	15.6	16.7	11.1	21.3	19.9	6.3
Australia	96.5	0.1	11.0	4.5	5.5	4.8	5.1	7.6	3.1
Bangladesh	3.0	0.0	35.7	16.1	17.2	11.1	23.0	18.6	5.8
Barbados	97.6	0.0	73.0	36.8	37.8	15.0	48.8	24.8	7.2
Botswana	96.0	0.0	16.1	7.5	8.5	6.7	10.8	11.5	4.3
Brazil	100.0	0.0	30.8	15.1	16.2	10.8	20.6	19.6	6.2
Canada	99.7	0.4	5.3	2.1	3.1	2.8	2.6	3.7	2.3
European Communities	100.0	0.7	3.9	1.7	2.6	2.2	1.9	2.9	1.4
Guinea	29.6	0.0	10.0	4.7	5.7	4.9	6.7	7.7	2.7
Indonesia	96.1	0.0	35.6	17.6	18.6	11.8	23.8	20.2	6.3
Jamaica	100.0	0.0	42.5	20.6	21.6	13.1	28.5	19.7	6.2
Japan	99.6	3.6	2.3	0.9	1.5	1.3	1.1	1.5	0.7
Kenya	1.6	0.0	54.8	26.8	27.8	13.9	36.7	22.6	6.9
Malaysia	81.2	0.2	14.9	7.0	7.9	6.2	10.0	11.1	3.2
Nigeria	6.9	0.0	48.8	24.3	25.3	13.9	32.7	22.4	6.8
Norway	100.0	2.6	3.1	1.1	2.0	1.8	1.4	2.0	1.0
Sri Lanka	28.3	1.1	19.3	8.4	9.5	7.4	12.9	11.6	4.0
Thailand	70.9	21.1	24.2	11.5	12.6	9.1	16.2	17.0	5.5
United States	100.0	5.0	3.2	1.1	2.0	1.7	1.4	2.0	1.0
Venezuela	100.0	0.0	33.1	16.7	17.7	11.4	22.2	20.5	6.4
Zambia	4.1	0.0	42.7	21.3	22.3	13.1	28.6	21.8	6.7

Source: Secretariat calculations based on CTS data

Annexure - B

Table 2: Percentage reductions of simple averages of final bound duties after application of formulae

Name	Reductions in percent					
	China B = 1	China B = 3	European Communities	India	Korea	USA
Argentina	50.9	47.5	65.1	33.0	37.5	80.1
Australia	59.1	49.6	56.4	53.4	30.6	71.7
Bangladesh	54.8	51.8	69.0	35.6	48.0	83.6
Barbados	49.5	48.2	79.4	33.1	66.0	90.1
Botswana	53.1	47.4	58.3	33.2	28.6	73.1
Brazil	50.8	47.4	64.8	33.0	36.5	79.7
Canada	61.3	41.2	47.2	51.9	30.9	57.5
European Communities	57.0	33.9	45.0	51.1	27.2	65.5
Guinea	52.9	42.9	50.7	33.4	22.6	72.5
Indonesia	50.6	47.7	66.9	33.0	43.1	82.2
Jamaica	51.6	49.2	69.2	33.0	53.8	85.3
Japan	62.8	34.1	43.1	53.7	33.7	68.3
Kenya	51.1	49.3	74.6	33.0	58.8	87.5
Malaysia	53.2	47.1	58.3	33.0	25.8	78.2
Nigeria	50.3	48.2	71.5	33.0	54.2	86.0
Norway	64.9	36.9	43.6	55.0	36.7	68.4
Sri Lanka	56.3	50.9	61.7	33.3	39.6	79.1
Thailand	52.5	48.1	62.6	33.2	29.7	77.4
United States	64.4	39.1	45.9	56.5	37.1	68.9
Venezuela	49.6	46.6	65.6	33.0	38.0	80.6
Zambia	50.2	47.8	69.4	33.0	49.0	84.3

Source: Secretariat calculations based on CTS data.

WORLD TRADE ORGANIZATION

TN/MA/W/18/Add.2

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MARKET ACCESS FOR NON-AGRICULTURAL PRODUCTS

Revenue Implications of Trade Liberalization

Communication from the United States

Addendum

The following communication, dated 10 April 2003, has been received from the Permanent Mission of the United States.

Introduction

1. The United States is pleased to transmit this paper on the revenue implications of trade liberalization in order to help clarify the nature and scope of this issue. The International Monetary Fund (IMF) has done extensive work in this area that the Negotiating Group may also find helpful as it considers modalities for addressing tariffs on non-agricultural goods. Several countries have made far-reaching modalities proposals for non-agricultural market access that would substantially reduce tariffs and in some cases eliminate all tariffs over time. Substantial action on tariffs would have significant economic benefits. The World Bank estimates that the elimination of tariffs would result in developing country income gains of \$500 billion and lift more than 300 million people out of poverty by 2015. Three-quarters of this gain would come as a result of developing countries eliminating their own trade barriers.¹

2. A number of developing countries have raised concerns about the revenue implications of trade liberalization during the discussion of modalities in the Negotiating Group on Non-Agricultural Market Access (NAMA). For many developing countries, tariffs have been an important source of government revenue, and they argue that the elimination of tariffs could have serious consequences for their fiscal stability. While the reduction of high tariffs may initially increase revenue as imports grow, aggressive trade liberalization must eventually result in reduced tariff revenue. Many of the modalities proposals recognize this and allow developing countries sufficient time to reform their domestic tax regimes in order to take best advantage of the benefits of free trade by proposing long implementation periods, in some instances through 2015.

3. The purpose of this paper is to share information on the scope of the tariff revenue issue, highlight tariff revenue trends in the context of ongoing programs of fiscal and tax reform, and note some of the programs available to advise and assist developing countries in adjusting to the revenue implications of tariff reduction.

¹ World Bank, Global Economic Prospects (2002).

Overview

4. Trade liberalization, when accompanied by sound macroeconomic and fiscal policies, including reform of domestic tax regimes, provides a significant opportunity for developing countries to stimulate growth and reduce poverty. The IMF has emphasized the importance of implementing and sequencing comprehensive reform of the domestic tax system from the outset of the trade liberalization process. Tariff regimes are neither an equitable nor economically efficient means for developing countries to raise revenues, since tariffs tend to distort resource allocation and shift the tax burden to the poorest segments of the economy. For example, the highest tariffs in both developing countries and developed countries are often concentrated on consumer goods (such as apparel) and agricultural goods. In tandem with the direct benefits of tariff reduction and elimination, replacement of tariffs by efficient tax systems would reap significant additional developmental benefits.

5. Import duties are gradually becoming less important as a source of government revenue for most developing countries. On average, import duties accounted for about 15% of total government revenue in 2000/01 for those developing countries listed in the IMF's Government Financial Statistics Yearbook (GFSY), down from 18% in 1991/92.² This trend reflects the efforts of developing countries to reduce tariffs and to reform their systems for collecting revenue. The major exception is the group of African least-developed countries, where dependence on import duties remains significant and has actually grown over the past decade.

6. The capacity to adjust to the revenue implications of substantial reduction (and eventual elimination) of tariffs is likely to vary from country to country, and from region to region:

- Many developing countries are much less dependent on tariff revenue as a source of government revenue and should have less difficulty adjusting to the revenue implications of significant tariff reduction and elimination. With the proliferation of free trade agreements in all regions, many governments are already facing the revenue issue and are responding positively by eliminating tariffs and improving taxes. Most developing countries in Latin America, the Middle East, and Europe already rely primarily on other revenue sources. Asian countries, which in many cases are more reliant on import duties, have already demonstrated a capacity to expand revenue through non-trade taxes such as value-added taxes, other taxes on goods and services, and income taxes.
- Those countries that may need the most advice and assistance in adjusting to the revenue impact of tariff reduction and elimination over the medium-term appear to be limited to very specific groups – many least-developed countries (LDC), some additional Sub-Saharan African countries, and some island countries in the Caribbean and Pacifica. Even among these groups, there are a number of countries that have already substantially reduced their dependence on import duties.
- Many developing countries are already in the process of implementing ambitious fiscal reform programs to address their fiscal problems. The revenue effects of trade liberalization can be mitigated by building on the domestic tax reforms that are already underway, with the advice and assistance of the international financial institutions. A survey of economic literature on public finance reveals that fiscal policy can play a fundamental role in affecting the long-run growth performance of countries.
- For those countries that need assistance, the international financial institutions, particularly the IMF and World Bank, can provide advice and assistance for countries willing to undertake tax and trade reform efforts in the context of sound economic programs. Of key importance, the IMF has opened or will open regional centers where assistance may be most critical – Pacifica, the

² IMF, Government Finance Statistics Yearbook, 2001 and 2002 editions.

Caribbean, East Africa, and (in the near-term) West Africa. The World Bank offers programs to provide substantial financial support for tax reform in those countries that ask for such help.

- In many instances, tariff reduction may not necessarily have adverse revenue consequences. A number of studies have found that reducing high tariffs may actually increase government revenues by stimulating substantial growth in trade and GDP. Furthermore, the IMF has found that revenue is more likely to be positively affected by trade reform when the initial trade regime is highly restrictive, i.e., with protectionist tariffs, quantitative restrictions, and other protectionist non-tariff barriers.
- Virtually all developing countries already have income tax systems in place, and most developing countries have value-added taxes (VATs), including almost half of the least developed countries. For developing countries as a group, there generally appears to be an inverse relationship between a country's dependence on a value-added tax (VAT) for revenue and its dependence on import duties. This suggests that there may be substantial capacity to shift from import duties to other taxes, even among the least developed countries.
- Well-designed and properly administered tax systems represent more efficient and equitable mechanisms for raising revenues than import duties. The IMF has outlined a number "best practices" for implementing comprehensive tax and tariff reforms. The best tax systems are those that cause a minimum of distortion in the allocation of resources, are equitable, and are relatively easy to administer. The shift from import duties to other sources of revenue will not only help developing countries generate sufficient revenue more equitably, but will improve resource allocation and reinforce their growth prospects.

Role of Import Duties in Government Revenue

7. The capacity to adjust to the revenue implications of the reduction and elimination of tariffs is likely to vary from country to country and from region to region. Each developing country needs to have an accurate picture of the extent to which it is (or is not) dependent on tariff revenue for government revenue. In making this assessment, it is important to distinguish between "import duties" – which would be reduced and then eliminated – and "other taxes collected at the border," such as excise taxes and the value-added tax (VAT) on imports – which will not be reduced by tariff proposals.

8. The table below summarizes the importance of import duties as a source of government revenue (excluding grants).

Import Duties as a Share of Government Revenue (by region)³

Region	Sub-Group	Import Duties as % of Revenue	
		1992-93	1999-2001
Africa	Least-Developed	29%	34%
	Other	26%	22%
Asia	Least-Developed	27%	20%
	Other	18%	11%
Western Hemisphere	Caribbean	27%	23%
	Central America	20%	10%
	Other	8%	6%
Middle East		12%	8%
Europe		7%	4%
Developing Countries		18%	15%

9. Many developing countries may not have much difficulty adjusting to the revenue implications of tariff reduction and eventual elimination. Most developing countries in Latin America, the Middle East, and Europe already rely primarily on other revenue sources. For these countries, import duties now account for 10% or less of government revenue. Several of these countries are currently in the accession process. In many instances, countries in these regions have already undertaken substantial reforms of their domestic tax regimes. Central America in particular has undergone a substantial adjustment in the past decade, with the share of import duties to total revenue dropping from 20% to 10%. Countries in this group could adjust to the loss of import duties from tariff elimination, particularly given a long transition period through 2015.

10. While tariffs play a more important role in many Asian countries (accounting for about 10% to 20% of government revenue), these countries have already demonstrated a capacity to expand revenue through non-trade taxes such as income taxes, value-added taxes, and other taxes on goods and services. Many of these developing countries are already in the process of implementing fiscal reform programs (including tax reform) to address fiscal problems. In addition, for many of these countries, the real growth in non-trade tax revenue during the past decade significantly exceeded their current level of duty collections, thus demonstrating a capacity to adjust revenue collections in the future. These countries have an opportunity to design their fiscal programs to reduce dependence on import duties and expand other more efficient and equitable sources of revenue.

11. A transition period through 2015 should allow these countries sufficient time to adjust to the revenue implications of tariff elimination. A number of countries in the region are already becoming less dependent on import duties.

- Pakistan has already undergone a significant adjustment in its tax system and is now less reliant on import duties for government revenue. Import duties only accounted for 8% of total government revenue in 2002, down from 29% in 1992.
- Similarly in Malaysia, import duties only accounted for 6% of total government revenue in 2001, down from 11% as recently as 1997.

³ This summary is based on statistics on 107 developing countries in the IMF's Government Finance Statistics Yearbook (GFSY), supplemented by information from recent Article IV consultations. The GFSY does not cover all developing countries, including several Sub-Saharan African least developed countries.

- India's reliance on import duties has fallen from 25% of government revenue in 1991 to 19% in 2000. Furthermore, the Kelkar Report, which was commissioned by India's Ministry of Finance and released at the end of December 2002, has called for a major overhaul of India's tax system.⁴ The net effect of the Kelkar recommendations would be to further reduce India's dependence on import duties as a source of revenue.

12. The revenue implications of trade liberalization are most significant for those countries where import duties account for more than 20% of government revenue. Most of these countries fall into very specific groups – the least-developed countries (LDC), some Sub-Saharan African countries, and some island countries in the Caribbean and Pacifica. For many of these countries, current import duties exceed (sometimes significantly) even the nominal growth in non-trade tax collections over the last 5-10 years.

13. Even among these groups, however, there are a number of countries that have already substantially reduced their dependence on import duties. Among Sub-Saharan LDCs, Burundi, Zambia, and Tanzania rely on import duties for about 10-16% of their government revenue. Furthermore, their collections of non-trade tax revenue have grown significantly in recent years, and they appear to have the capacity to absorb the revenue impact of tariff elimination over a reasonable transition period. Although not members of the WTO, Asian LDCs such as Bhutan, Myanmar, and Nepal also seem to have the capacity to replace import revenues because of manageable import duty to revenue ratios. A number of non-LDC African countries also have relatively low or moderate import duty to revenue ratios, including Botswana, Republic of Congo, Kenya, Nigeria, South Africa, and Zimbabwe. Among the Caribbean countries, Barbados, Jamaica, Trinidad and Tobago, and Grenada are not heavily reliant on import duties.

14. Underscoring the change that is already taking place, 49 of the 108 developing countries surveyed have already reduced their dependence on import duties by more than 30 percent over the past 5-10 years. Well over half have reduced their dependence on import duties by more than 20 percent.

Tax Reform

15. Well-designed and properly administered tax systems represent more efficient and equitable mechanisms for raising revenues than import duties and can complement growth strategies. An IMF staff paper entitled Fiscal Policy and Long-run Growth systematically reviewed the existing economic literature on the relationship between the growth of countries' economies and various public finance instruments (including tax policy) and concluded that fiscal policy could play a fundamental role in affecting the long-run growth performance of countries.⁵ Instruments of public finance that can enhance economic growth include the adoption of policies to improve the neutrality of taxation, promote human capital accumulation, and lessen income inequality. The IMF has found, for example, that a properly designed and administered value-added tax retains production efficiency. "Since it is levied on consumption and not on intermediate transactions between firms..., a VAT does not distort the prices that producers face in buying and selling from one another. Accordingly the tax has the desirable feature of not violating production efficiency..."⁶ The two features necessary to ensure that a VAT is only a tax on consumption are (1) at each stage, net tax must be payable only on the difference between sales and purchases, and (2) there must be no breaks in the VAT chain.⁷ By contrast, import duties are highly distortive because they are not uniform, discriminate between

⁴ "Consultation Paper by Task Force on Direct Taxes under Chairmanship of Dr. Vijay Kelkar," presented to India's Ministry of Finance, November 2002.

⁵ Tanzi and Zee, Fiscal Policy and Long-run Growth, IMF Staff Papers, 1997.

⁶ Ebrill, Keen, Bodin, and Summers, The Modern VAT, IMF 2001, p 15.

⁷ Ebrill, Keen, Bodin, and Summers, The Modern VAT, IMF 2001, p 16.

imported and domestic goods, shift the tax burden to the poorest, and undermine efficient resource allocation in an economy.

16. The IMF has outlined a number “best practices” for implementing comprehensive tax and tariff reforms.⁸ The best tax systems are those that cause a minimum of distortion in the allocation of resources, are equitable, and are relatively easy to administer. In practice, comprehensive tax and tariff policy reforms typically include most of the following:

- A broad-based consumption tax, such as a value-added tax (VAT), should be introduced or strengthened. Such taxes should be applied equally to imports and domestic production, preferably with a single rate, minimal exemptions, and a threshold to exclude smaller enterprises from taxation. These taxes may have the greatest potential to replace tariffs as a source of revenue and would envision a continuing role for customs services.
- The income tax system should be simplified. The corporate income tax should be levied at on moderate rate, tax incentives should be avoided, and depreciation allowances should be uniform across sectors. The personal income tax should be characterized by only a few brackets and a moderate top marginal rate, limited personal exemptions and deductions, and extensive use of final withholding.
- Taxes on international trade should play a minimal role. Import tariffs should have a low average rate and a limited dispersion of rates.
- These reforms could be complemented by the introduction of a simplified tax regime for small business and the informal sector.
- Non-tax revenue, such as surpluses from state enterprises and profits from central bank operations, should decline.
- Reforms of tax and customs administrations should include modernization of systems and procedures. Simplification of tariff and tax systems is a prerequisite for administrative reforms.

17. Virtually all developing countries already have income tax systems in place, and many developing countries have VATs, including almost half of the least developed countries. An IMF publication entitled The Modern VAT provides detailed information on the VAT.⁹ For developing countries as a group, there generally appears to be an inverse relationship between a country's dependence on a VAT for revenue and its dependence on import duties. This suggests that there may be substantial capacity to shift from import duties to other taxes, even among the least developed countries.

Advice and Assistance

18. The international financial institutions, particularly the IMF and World Bank, can provide advice and assistance for countries willing to undertake tax and trade reform efforts in the context of sound economic programs. Such reforms will not only help developing countries generate sufficient revenue more equitably, but will improve resource allocation and reinforce their growth prospects.

19. The IMF is already providing substantial advice and assistance to many developing countries undertaking fiscal and tax reforms. IMF mechanisms for providing advice and/or assistance include

⁸ Ebrill, Stotsky, and Gropp, Revenue Implications of Trade Liberalization, IMF Occasional Paper 180, 1999.

⁹ Ebrill, Keen, Bodin, and Summers, The Modern VAT, IMF 2001.

its regular programs, Article IV consultations, technical assistance, staff missions, and its regional centers. Many developing countries are already in the process of implementing ambitious fiscal reform programs (including tax reform) to address fiscal issues. The IMF's Fiscal Affairs Department provides about 30% of the total technical assistance delivered by the IMF. The IMF estimates that its fiscal technical assistance amounts to more than 100 effective person years per year.¹⁰

20. In addition, the IMF established regional centers in East Africa (AFRITAC) in October 2002, the Caribbean (CARTAC) in October 2001, and Pacifica (1993) that can assist countries with these revenue issues. The IMF plans to open a similar regional center in West Africa. These centers are strategically placed to help those countries that must undergo the most substantial fiscal reforms, which in most cases coincides with the countries that are most dependent on tariff revenues. The centers will give priority to improving the capacity of governments to raise revenue, strengthen their institutional framework for tax policy and revenue administration, and manage public resources more efficiently. A key focus is adjustment to the revenue implications of trade liberalization. CARTAC (just opened in 2001) has already undertaken substantial tax reform work for Barbados, Guyana, and the Bahamas and is advising on the preparation of a road map for tax reform in each member country within an agreed sub-regional framework.

21. Other international financial institutions such as the World Bank and the Inter-American Development Bank are actively involved in fiscal/tax reform efforts. For example, the World Bank has provided extensive advice and lending operations focusing on both tax policy and tax administration reform. Of about 120 lending operations in the 1990s with components seeking to strengthen some aspect of the tax system, 43 projects with an outlay of \$3.8 billion had major tax or customs administration reform components and 40 others had important components addressing other aspects of tax systems.¹¹ The availability of assistance from these institutions is demand-driven, i.e., they are willing to provide advice and assistance on fiscal/tax reform issues, but the developing country must ask for it so that it can be mainstreamed in the country assistance strategy. Structural lending by the Bank in this area can provide a bridge while the borrower reforms its tax policies and improves its tax administration, and the Bank has consistently found that the economic/financial return on these operations easily offsets the costs of the loans. In addition, several Members have bilateral programs that can assist developing countries in implementing tax and fiscal reforms. We would invite members that are providing bilateral assistance on revenue issues to share their activities and experiences with the Negotiating Group.

Revenue Impact of Tariff Reduction

22. The revenue implications of tariff reduction may differ from the revenue implications of tariff elimination. A number of studies have found that reducing high tariffs may actually increase government revenues in the short-term by stimulating substantial growth in trade and GDP. The IMF has found that revenue is more likely to be positively affected by trade reform when the initial trade regime is highly restrictive, i.e., with protectionist tariffs, quantitative restrictions, and other protectionist non-tariff barriers. Those countries with the most restrictive trade regimes tend to be the same countries that are most dependent on import duties for government revenue.

23. The IMF's Occasional Paper entitled Revenue Implications of Trade Liberalization, published in 1999, provides the most detailed analysis of the nexus between trade and revenue.¹² While this analysis did not envision a duty-free world, many of its key conclusions are enlightening with respect to the revenue concerns associated with significant trade liberalization. Its major conclusions were:

¹⁰ IMF, Annual Report 2002

¹¹ Barone, Das-Gupta, De Wulf, and Hansson, "Reforming Tax Systems: The World Bank Record in the 1990's," 1999.

¹² Ebrill, Stotsky, and Gropp, Revenue Implications of Trade Liberalization, IMF Occasional Paper 180, 1999.

- Current levels of protection suggest that many countries could liberalize further without adverse consequences for trade tax revenue even in the near term. Evidence from comparative analysis indicates that it is possible to tailor the pattern of trade liberalization to avoid adverse revenue consequences. Over the longer term, the link between trade liberalization and more rapid economic growth will further bolster revenue for a given level of tariffs.
- Implementing comprehensive reform of the domestic tax system from the outset of the liberalization process is a priority, given the long gestation for such reforms.
- Trade liberalization, at least initially, can result in revenue increases, particularly when the initial trade regime is highly restrictive, i.e., with protectionist tariffs, quantitative restrictions, and other protectionist non-tariff barriers.

24. Genuine trade liberalization must nevertheless eventually result in reduced trade tax revenue and hence will raise difficult fiscal issues if appropriate steps have not been taken to strengthen the domestic tax system. A reformed tax system will not only help generate revenue, but also will work to improve resource allocation, potentially contributing to higher rates of sustainable growth. The U.S. delegation can provide further information and contacts for those countries that wish to explore the benefits of a reformed tax system.

WORLD TRADE ORGANIZATION

TN/MA/W/32
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(03-2289)

Negotiating Group on Market Access

Original: English

ANSWERS TO THE QUESTIONS PROVIDED BY THE CHAIRMAN OF NEGOTIATING GROUP ON MARKET ACCESS (JOB(03)/27)

Communication from Latvia

The following communication, dated 15 April 2003, has been received from the Permanent Mission of Latvia.

1. Product Coverage

The Doha Declaration states that "Product coverage shall be comprehensive without *a priori* exclusion". Would Members agree that pending agreement on the modalities, "without *a priori* exclusion" should be the working basis?

Yes.

2. Elimination of Tariffs

Would Members be ready to consider elimination of tariffs in a long-term perspective?

No.

Alternatively would they prefer to proceed with a further reduction in tariffs (without excluding elimination in selected sectors or products)?

Yes.

3. Core Modality

If Members were to decide on further reduction, would they favor an average tariff reduction or a line-by-line cut based on a formula approach?

Line-by-line cut based on a formula approach.

If so how would Members propose to take into account the "Special and Differential Treatment/Less than full reciprocity in reduction commitments" elements?

Different staging/implementation periods.

4. Supplementary approaches

Do Members agree that supplementary approaches (harmonization/ zero for zero, request/offer) would better be dealt with once the Group's position regarding the basic approach has been clarified?

Yes, but not as an alternative approach to the general formula.

Would Members be ready in the meantime to clarify the possible sectors/products to be covered by supplementary approaches as well as the special and differential elements to be taken into account in this respect?

It depends on the outcome of using the general formula.

5. Elimination of low/nuisance duties

What should be understood as "low/nuisance duties"?

Since most of Latvia's duties are very low, we do not consider such terminology. But we support the formula which will differently treat the different tariff levels.

If Members were to work on a formula approach would they be ready to postpone the treatment of the question of elimination of low/nuisance duties until the results of the application of such a formula are clearer?

Yes.

6. Tariff Peaks, Tariff Escalation and High Tariffs

Could Members clarify their views on what they understand as tariffs peaks and high tariffs?

Our initial position is that no tariffs should be above 15%.

In the view of Members, can tariff peaks and high tariffs be tackled on the basis of a formula or do they require specific treatment?

On the basis of the general formula.

Should tariff peaks and high tariffs be treated differently according to products/sectors concerned?

No.

How should tariff escalation be dealt with?

Lowering tariffs generally we can effectively decrease the impact of tariff escalation. Tariffs should be equalized by lowering them to the smallest possible level.

7. Bindings/Binding coverage

Should Members aim to bind all non-agricultural products or to increase the scope of bindings on such Products?

Should bind all non-agricultural products.

What kind of flexibility could be envisaged in terms of special and differential treatment with respect bindings (level of bound rates, exceptions, etc.)?

Different staging/implementation periods.

8. Binding Overhang

Would Members be ready to consider a narrowing of the gap between bound and applied rates through a reduction of the bound rate up to a maximum of a certain percentage between bound and applied rates?

Yes.

What elements of flexibility could be retained for developing countries in this respect?

Different staging/implementation periods.

9. Base rates

Would Members be ready to consider working on the basis of bound rates?

Yes.

What would be the working basis for unbound tariff lines?

It depends on what will be the eventual general formula.

10. Base Year

Do Members share the view that the base year should be the one in which data is available for the majority of Members?

2001 and for applied duties at the launch of DDA.

11. Nomenclature

Would Members be ready to conduct negotiations using HS96 on the assumption that the results of the negotiations would be published in HS2002?

Yes.

12. Implementation and staging

Would Members be ready to consider five years as the basic implementation period?

Depends on ambition of requests.

Should the cuts be implemented in equal or variable annual installments?

Equal, but we consider the possibility of variable installments as well, particularly in the case of S&D treatment.

Could the implementation of the reduction vary according to Members and/or products?

Implementation of the reduction could vary according only to Members – S&D treatment.

13. Credit for autonomous liberalization

In the view of Members, what are the characteristics of an autonomous liberalization measure to be taken into account in order to be given credit: bound/unbound measure, date the measure was taken, etc?

Generally no comment, but the eventual liberalization from autonomous liberalization should not be smaller than the one when applying the general formula.

14. Non *ad valorem* duties

Does the Group have any views regarding the methodology for the calculation of such rates?

Depends on the outcome of applying the general formula.

Can the Group consider returning to this question once modalities have been determined?

Yes.

15. Simplification of tariff structures

Can the Group consider returning to this question once modalities have been determined?

Yes.

16. Export taxes

Can the Group consider returning to this question once modalities have been determined?

Yes.

17. Initial Negotiating Rights (INRs)

Can the Group consider returning to this question once modalities have been determined?

Yes.

18. Erosion of Preferential Margins

What are Members' views regarding erosion of preferential margins?

Need for further discussion of the issue.

19. Newly Acceded Members

Would Members be ready to consider that newly acceded Members should only be making contributions on their own initiative?

No.

Could newly acceded Members clarify the possible scope of such contributions?

No comments.

Would Members be ready to consider credits and longer implementation periods for newly acceded Members?

No.

20. Least Developed Countries

Would Members be ready to exempt in part or in total LDCs from the commitment of tariff reductions?

Yes.

What contribution would Members expect from LDCs for such an exemption, for example in terms of binding?

No comments.

What measure would industrialized Members be ready to consider in favor of LDCs?

No comments.

What measures would other developing Members be ready to consider in favor of LDCs?

No comments.

WORLD TRADE ORGANIZATION

TN/MA/W/36
16 May 2003

(03-2614)

Negotiating Group on Market Access

Original: Spanish

NEGOTIATING GROUP ON MARKET ACCESS REPLIES BY COLOMBIA TO THE QUESTIONS IN JOB (03)/27

The following communication, dated 12 May 2003, has been received from the Permanent Mission of Colombia.

1. Product coverage

The Doha Declaration states that "Product coverage shall be comprehensive without a priori exclusion". Would Members agree that pending agreement on the modalities, "without a priori exclusion" should be the working basis?

Colombia considers that there should not be any a priori exclusions, in other words, the negotiations should cover all non-agricultural products. This does not mean that the same approach or tariff reduction method should be used for all products.

2. Elimination of tariffs

Would Members be ready to consider elimination of tariffs in a long-term perspective?

Alternatively, would they prefer to proceed with a further reduction in tariffs (without excluding elimination in selected sectors or products)?

Colombia considers the tariff elimination process should be gradual and linked to the production structure. Nevertheless, Colombia also believes that developed countries are ready to assume accelerated commitments on dismantling tariffs, especially on the export products of developing countries.

3. Core modality

If Members were to decide on further reduction, would they favour an average tariff reduction or a line-by-line cut based on a formula approach?

If so, how would Members propose to take into account the "Special and Differential Treatment/Less than full reciprocity in reduction commitments" elements?

Taking into account the elements mentioned in the point above, Colombia prefers an average tariff reduction modality.

This does not mean that other countries cannot simultaneously negotiate a line-by-line cut based on a formula approach.

Regarding special and differential treatment, Colombia is in favour of lesser reductions and longer deadlines for implementation, as well as flexibility in the use of supplementary approaches for developing countries.

4. Supplementary approaches

Do Members agree that supplementary approaches (harmonization/zero for zero, request/offer) would better be dealt with once the Group's position regarding the basic approach has been clarified?

Would Members be ready in the meantime to clarify the possible sectors/products to be covered by supplementary approaches, as well as the special and differential elements to be taken into account in this respect?

Colombia considers that the priority should be to define the core modality for the negotiations, which can be complemented by supplementary approaches. Of the supplementary approaches proposed so far, Colombia is in favour of the request/offer approach.

In any event, we believe that it should be determined that use of the supplementary approaches should be optional for all Members of the WTO.

Colombia would be interested in using supplementary approaches so as to ensure the elimination and reduction of tariffs on the exportable offer of products that have traditionally been affected by the imposition of high tariffs, for example, textiles, made-up articles, leather manufactures, glassware, and manufactures of wood, *inter alia*.

Use of the core modality does not necessarily ensure the reduction or elimination of tariffs on products or markets of interest to Colombia. Special and differential treatment should guarantee forms of negotiation that lead to the elimination of tariff peaks for products that make up the exportable offer of developing countries.

5. Elimination of low/nuisance duties

What should be understood as "low/nuisance duties"?

If Members were to work on a formula approach, would they be ready to postpone the treatment of the question of elimination of low/nuisance duties until the results of the application of such a formula are clearer?

Colombia considers that so-called "nuisance" duties are those corresponding to 5 per cent or less so they cannot be the main focus of negotiations.

Colombia is flexible as regards their consideration during the period when the modalities are defined or subsequently when the approaches adopted are implemented. In addition, it considers that the impact of their elimination on effective additional access is not significant, therefore, it should not be viewed as a concession equivalent to reductions in the other tariffs.

6. Tariff peaks, tariff escalation and high tariffs

Could Members clarify their views on what they understand as tariff peaks and high tariffs?

In the view of Members, can tariff peaks and high tariffs be tackled on the basis of a formula or do they require specific treatment?

Should tariff peaks and high tariffs be treated differently according to products/sectors concerned?

How should tariff escalation be dealt with?

Colombia reaffirms the need to lower tariff peaks, high tariffs and tariff escalation. Any definition adopted on high tariffs or tariff peaks should be based on bound tariffs.

A tariff peak should be defined as a percentage above the average of the bound tariff. The definition of high tariffs should take into account special and differential treatment.

A supplementary approach is required to deal with tariff peaks and high tariffs and this should take into account special and differential treatment and be defined according to the corresponding products/sectors.

As far as tariff escalation is concerned, the objective should be to seek a significant reduction in tariffs on products at the end of the production process so as to allow exports effective access, especially those from developing countries.

7. Bindings/binding coverage

Should Members aim to bind all non-agricultural products or to increase the scope of bindings on such products?

What kind of flexibility could be envisaged in terms of special and differential treatment with respect to bindings (level of bound rates, exceptions, etc.)?

For Colombia, one of the objectives of these negotiations is to achieve 100 per cent binding on the part of developed and developing countries. All the Members of the WTO should bind all non-agricultural products.

Flexibility in this regard should only apply to the least-developed countries, which should make a minimum contribution to the objective of increasing the level of bindings in order to enhance transparency and the system's stability.

8. Binding overhang

Would Members be ready to consider a narrowing of the gap between bound and applied rates through a reduction of the bound rate up to a maximum of a certain percentage between bound and applied rates?

What elements of flexibility could be retained for developing countries in this respect?

The core modality and the supplementary approaches should enable progress to be made in narrowing the gap between bound and applied tariffs. The amount by which the gap is to be narrowed should not be pre-judged because it will result from the negotiations.

9. Base rates

Would Members be ready to consider working on the basis of bound rates?

What would be the working basis for unbound tariff lines?

As clearly stated in the mandate, the base rate should be the bound tariff at the end of the Uruguay Round. For countries that have recently acceded to the WTO, it should be the bound tariff at the end of the relevant period for the implementation of its commitments.

For tariff lines that have not been bound, it is suggested that the country in question adopt a rate in accordance with its level of development.

10. Base year

Do Members share the view that the base rate should be the one on which data are available for the majority of Members?

It is proposed that the base year should be chosen according to the volume of information available in the databases.

11. Nomenclature

Would Members be ready to conduct negotiations using HS96 on the assumption that the results of the negotiations would be published in HS2002?

It is recommended that the 2002 Harmonized System be used.

12. Implementation and staging

Would Members be ready to consider five years as the basic implementation period?

Should the cuts be implemented in equal or variable annual instalments?

Could the implementation of the reduction vary according to Members and/or products?

Colombia is in favour of implementing the cuts in equal annual instalments for a given period of time, which could be five years for developed countries and twice that for developing countries.

13. Non *ad valorem* duties

Does the Group have any views regarding the methodology for the calculation of such rates?

Can the Group consider returning to this question once modalities have been determined?

The calculation of non *ad valorem* duties should be based on a chosen base year for which the respective average c.i.f. prices and average volumes have been estimated in order to calculate an equivalent *ad valorem* duty.

This question should be an integral part of the process of defining and adopting negotiating modalities.

14. Simplification of tariff structures

Can the group consider returning to this question once modalities have been determined?

The definition of the structure of bound tariffs depends on the tariff policy in each country. Colombia does not consider that this aspect should be examined as a central element of the negotiations.

15. Export taxes

Can the Group consider returning to this question once modalities have been determined?

Colombia considers that this subject should be discussed once modalities have been determined.

16. Initial Negotiating Rights (INRs)

Can the Group consider returning to this question once modalities have been determined?

Colombia considers that initial negotiating rights are independent of the negotiating modality to be agreed.

17. Erosion of preferential margins

What are Members' views regarding erosion of preferential margins?

Tariff negotiations within the WTO lead to the elimination or reduction of preferential margins. Nevertheless, Colombia could consider specific proposals on this question to attenuate erosion, particularly in the special case of least-developed countries.

18. Newly-acceded Members

Would Members be ready to consider that newly-acceded Members should only be making contributions on their own initiative?

Could newly-acceded Members clarify the possible scope of such contributions?

Would Members be ready to consider credits and longer implementation periods for newly-acceded Members?

The WTO negotiations should include all Members. Nevertheless, in the case of countries that have recently acceded to the WTO, special treatment as regards implementation periods could be considered.

19. Least-developed countries

Would Members be ready to exempt in part or in total LDCs from the commitment of tariff reductions?

What contribution would Members expect from LDCs for such an exemption, for example in terms of binding?

What measure would industrialized Members be ready to consider in favour of LDCs?

What measures would other developing Members be ready to consider in favour of LDCs?

Once again, the WTO negotiations should include all Members. Nevertheless, in the case of least-developed countries, special treatment as regards implementation periods could be considered.

WORLD TRADE ORGANIZATION

TN/TE/W/27
TN/MA/W/33
25 April 2003
(03-2223)

Committee on Trade and Environment Special Session
Negotiating Group on Market Access

Original: English

HARMONIZED SYSTEM (HS) CLASSIFICATION CODES OF GAS-RELATED GOODS

Submission by the State of Qatar

Paragraph 31 (iii)

1. This is a follow-up to the State of Qatar's submission to the Committee on Trade and Environment in Special Session and the Negotiating Group on Market Access (circulated as TN/TE/W/19 and Corr.1 and TN/MA/W/24), regarding the inclusion of natural gas-related products in the OECD list of environmental goods and technologies.
 2. The Harmonized System Codes for the proposed environmental goods and technologies are as follows:
 - A. GAS TURBINES COMBINED CYCLE POWER GENERATION:
 - Liquefied Natural Gas (HS Code 2711.11.00)
 - Natural Gas (HS Code 2711.21.00)
 - Natural Gas Driven Turbines of a power not exceeding 5000 KW (HS Code 8411.81.00)
 - Natural Gas Driven Turbines of a power exceeding 5000 KW (HS Code 8411.82.00)
 - Natural Gas Driven Turbines Associated Parts (HS Code 8411.99.00)
 - B. CHEMICAL GAS TO LIQUID (GTL) FUELS:
 - GTL Propane (HS Code 2711.12.000)
 - GTL Butane (HS Code 2711.13.000)
 - GTL Diesel (HS Code 2710.00.710)
 - GTL Naphtha (HS Code 2710.00.431)
 - GTL Jet Fuel (HS Code 2710.00.510)
 - GTL Lube Oils (HS Code 2710.00.910)
 - GTL Methanol (HS Code 2905.11.000)
 - GTL Dimethyl Ether (HS Code 2909.11.000)
 3. With respect to the Natural Gas Fuel Cell Technologies (e.g. Fuel Cell Power Plants, Residential Fuel Cells, and Commercial Fuel Cells), the State of Qatar has requested the information from the World Customs Organization and is still awaiting a response.
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MARKET ACCESS FOR NON-AGRICULTURAL PRODUCTS

Communication from Morocco

The following communication, dated 15 April 2003, has been received from Morocco.

1. Morocco attaches great importance to the Doha Round negotiations on market access for non-agricultural products.
2. Although various negotiating rounds have led to substantial reductions in tariffs on non-agricultural products, Morocco is convinced that further improvements are needed, in accordance with paragraph 16 of the Doha Declaration which provides, *inter alia*, that Members shall conduct " ... negotiations which shall aim, by modalities to be agreed, to reduce or as appropriate eliminate tariffs, including the reduction or elimination of tariff peaks, high tariffs, and tariff escalation, as well as non-tariff barriers, in particular on products of export interest to developing countries ... ".
3. At Doha, the Ministers also agreed that, "*The negotiations and other aspects of the Work Programme shall take fully into account the principle of special and differential treatment for developing and least-developed countries embodied in: Part IV of the GATT 1994; the Decision of 28 November 1979 on Differential and More Favourable Treatment, Reciprocity and Fuller Participation of Developing Countries; the Uruguay Round Decision on Measures in Favour of Least-Developed Countries; and all other relevant WTO provisions.*" (paragraph 50 of the Doha Declaration).
4. The development component is thus a central element of all the Doha Round negotiations, including those on market access for non-agricultural products.

I. SCOPE OF THE NEGOTIATIONS

5. Morocco considers that the objectives of the negotiations on market access for non-agricultural products should be to enhance competition, promote the development of global trade and strengthen the integration of developing countries in the multilateral trading system.
6. Morocco is of the view that the negotiations should include all non-agricultural products without any a priori exclusions.

II. TARIFF REDUCTIONS

7. Unlike the requests-offers process, a formula-based approach to reductions would save a great deal of time and effort.

8. Nevertheless, pursuant to the Doha Declaration, the needs and interests of developing and least-developed countries must be taken into account in the ongoing negotiations.

9. In this connection, paragraph 16 of the Doha Declaration states that "*The negotiations shall take fully into account the special needs and interests of developing and least-developed country participants, including through less than full reciprocity in reduction commitments, in accordance with the relevant provisions of Article XXVIII bis of GATT 1994 and the provisions cited in paragraph 50 below.*"

10. Consequently, Morocco considers that an approach based on a formula is the most appropriate and that the formula chosen should not be applied in the same way by all the WTO's Members. It should provide different levels of reduction for developing countries.

11. As far as least-developed countries are concerned, Morocco considers that they should be given more flexibility and be able to make reduction offers that are in line with their development objectives.

12. In addition, the supplementary approaches should only be considered after the completion of the Group's negotiations on the core modality for tariff reductions. Participation in the supplementary approaches should be voluntary in order to achieve reductions over and above those obtained through the core modality.

13. Developing countries should be able to retain their lowest tariffs because these duties earn substantial customs revenue and have a negligible impact on market access.

III. PERIOD OF IMPLEMENTATION

14. The commitments to reduce tariffs that will be agreed should be implemented gradually so as not to jeopardize the economic development objectives of Members, especially the least-developed among them.

15. Morocco proposes that Members should put the aforementioned reductions into effect in equal annual instalments over a period of five years as of 1 January 2005. In the context of special and differential treatment, however, developing countries should be given an additional period so that their industrial sectors can be adequately prepared to meet the competition that will result from tariff reductions.

IV. BASIS FOR TARIFF REDUCTION AND AUTONOMOUS LIBERALIZATION MEASURES

16. It should be emphasized that the majority of the WTO's Members have not yet adopted the HS2002. Consequently, Morocco proposes that the negotiations should be based on the schedules of concessions expressed in HS96 until all Members have finished transposing their schedules into the 2002 version of the HS.

17. In addition, Morocco considers that one of the major objectives of these negotiations is to enhance the predictability of global trade in non-agricultural products. In order to achieve that objective, Members need to make efforts to ensure generalized binding of tariffs.

18. In parallel with what was decided by the special session of the Council for Trade in Services, market access modalities for non-agricultural products should be established in respect of autonomous liberalization measures. These liberalization efforts made by Members, particularly developing countries, should be viewed as liberalization credits in favour of those countries on the basis of the bindings made during the Uruguay Round.

19. It is therefore proposed that the reduction bases emerging from these negotiations should be the current bound rates.

V. PREFERENTIAL MARGINS

20. The negotiations on market access for non-agricultural products within the WTO are taking place at the same time as a series of economic integration processes, both at the regional and bilateral levels, whose main objective is to eliminate tariffs and non-tariff barriers.

21. Morocco therefore proposes that the erosion of preferences that would follow the tariff reductions implemented as a result of the negotiations should be taken into account. This erosion will have a negative impact on the regional integration efforts under way. This concern could be met by adapting the tariff reductions and the time-limit for their implementation when they affect preferences for products whose export is of importance to developing countries and least-developed countries benefitting from these preferential regimes.

VI. NON-TARIFF MEASURES

22. After several negotiating rounds in the multilateral trading system, important non-tariff barriers are still applied by Members and lessen the impact of tariff reductions.

23. Morocco attaches considerable importance to the work of the Negotiating Group on Market Access for non-agricultural products in relation to non-tariff barriers which, in accordance with the provisions in paragraph 16 of the Doha Declaration, should lead to " ... *the reduction or elimination of ... non-tariff barriers, in particular on products of export interest to developing countries*".

24. Morocco considers that the enumeration of non-tariff measures is an important first step in fulfilling the relevant mandate in the Doha Declaration, but that it must be followed by substantive work in order to eliminate these barriers.

25. Morocco also believes that it would be useful to take into account the work carried out by other WTO bodies, in particular on trade facilitation.

WORLD TRADE ORGANIZATION

TN/MA/W/19/Add.1
16 May 2003

(03-2615)

Negotiating Group on Market Access

Original: English

MARKET ACCESS FOR NON-AGRICULTURAL PRODUCTS

The Issue of Newly-Accessed Members

*Submission by the Separate Customs Territory of Taiwan,
Penghu, Kinmen and Matsu*

Addendum

The following communication, dated 14 May 2003, has been received from the Permanent Mission of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu.

I. INTRODUCTION

1. The government of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu emphasized in its submission on 20 December 2002 (TN/MA/W/19) the importance that it attaches to providing flexibility to those newly-accessed Members (NAMs) that encounter special problems and thus have special needs with respect to the market access negotiations of non-agricultural products.

2. We support the view that NAMs should participate fully in the Doha Round of negotiations and make contributions to further advancing the liberalization of the multilateral trade system. However, it is also evident that there are difficulties facing the NAMs when it comes to fulfilling Doha conclusions so soon after, or even in the same timeframe as, they implement their WTO accession commitments. In this paper, we wish to share some ideas on the reasons and ways to grant appropriate flexibility to the NAMs, while at the same time enhancing the momentum for their further positive participation in and contribution to the negotiations on market access for non-agricultural products.

II. NATURE OF THE ISSUE AND PURPOSES OF BRINGING THE ISSUE TO THE ATTENTION OF THE MEMBERS

3. The issue we discuss here is not one that would affect many Members. Since it is unique to a limited number of Members, there is a special need to bring it to the other Members' attention. We are of the firm belief that there is sound justification to request Members to give serious consideration to this issue.

4. When acceding to the WTO, an acceded Member needs to implement its commitments in accordance with the schedule set forth in its accession protocol. Some commitments are of a nature that require the acceded Member to carry them out immediately or upon its accession. Some, especially many tariff reduction commitments, will need several years to complete the implementation. It is possible, for instance, that before completing its tariff reduction commitments made in connection with accession, for the Member to be hit by another obligation to reduce tariffs arising from multilateral negotiations on market access. Thus, during the implementation period for

the accession obligations of this NAM, there could be dual reduction obligations, one from its accession, and the other from related multilateral negotiations. Practical and theoretical questions with regard to such a situation are apparent.

5. Practically speaking, it will be extremely difficult for those industries subject to two concurrent sharp tariff reductions to survive. In theory, it would not be fair to them and could be against the very purpose of tariff reductions, which should be made to enable the expansion of trade, not to destroy industries. Industries could be effectually eliminated should double reductions be in place concurrently for their respective sectors.

6. The purpose that we propose in further consideration of the questions in relation to NAMs is to find an appropriate way to cope with the practical problems encountered by them and provide a theoretical basis to deal with their issues. It should not be considered as an attempt to prevent or hinder trade liberalization: As a matter of fact, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu fully supports paragraph 16 of Doha Declaration which sets up the goal of negotiations as to reduce or, as appropriate, eliminate tariffs. We acknowledge the importance of orderly opening up and freeing the markets to the expansion of international trade. We will be making our best endeavors to work together with all Members to find appropriate and reasonable schemata and approaches to achieving freer international trade. Neither are we proposing any *a priori* exclusion of any tariff item from product coverage. Instead, we are here to propose a scheme or an approach to practically coping with this unique situation to avoid difficulties that some Members are facing when a formula of tariff reduction is adopted in the current multilateral negotiations.

III. RATIONALES AND APPROACHES PROPOSED

7. Some might argue that it would be unfair to allow a new Member of the WTO to immediately receive the advantages of over fifty years of various trade concessions and commitments enjoyed by the existing Members, while also permitting the said Member to delay its tariff reductions arising from multilateral negotiations. We agree that this argument is not without merit. The government of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu is also firmly of the view that all NAMs should endeavour to make similar contributions to the Doha Development Agenda so as to increase the momentum for the negotiations.

8. However, it should also be a very practical assumption that, when a country makes a commitment on tariff reduction, especially in conjunction with its accession, usually it is the greatest effort that it could make for other Members. The utmost commitments are reflected in the extent of the tariff reduction, the implementation period and staging of the reduction. In other words, the package of commitments is usually made with deliberately negotiated balance, taking into account the ability of the Member and its industries to adjust. In particular, the accession negotiations on tariffs are usually done through the request-offer process. Reduction commitments on each product should be at the maximum level, with which a domestic industry can cope and still survive. Based on the commitments, the enterprises should be able to reasonably expect that the implementation period and staging arrangement could be the basis for making their business decisions in relation to their investment or other business activities. Suppose, before the completion of the initial implementation period, the relevant tariffs are subject to another substantial reduction from multilateral negotiations, the industries could suffer losses arising from mistrust of the government activities. There is no such question for the non NAMs, which already completed either their accession commitments or Uruguay Round commitments, for the reason that industries should not have the expectation that after completing tariff reductions, the tariffs will always remain the same and not be subject to any further reductions. This is also why we consider it as a unique problem for the NAMs.

9. Also from the perspective of current multilateral negotiations, most Members would agree that the pressures created by the Doha negotiations alone on the national economic and industrial

development of Members are great. If a Member is to carry out the major concessions from multilateral negotiations, in addition to their not-yet-completed substantial commitments made in conjunction with its accession, it would be difficult for the Member to persuade its industries to accept the new concessions. Consequently, it is understandable that these NAMs, in the face of enormous pressure from their local industries, could be hesitant to participate fully in the Doha negotiations. This issue could in turn slow the momentum for further liberalization in the non-agricultural market access negotiations. If the NAMs could be given special consideration, it would enhance the willingness of the NAMs to make positive contributions to the current negotiations.

10. As to the concept of NAMs, we do not have any special stance. However, we consider that a scope that covers those Members yet to complete their tariff reduction commitments arising from accession negotiations should be within the scope for the reason that the situations of these Members are similar.

11. In our view, the most practical way to encourage NAMs to actively participate and make a commensurate contribution to the ongoing negotiations is to grant them longer grace periods. One of the methods of granting such a transition period is to decide the length of time on a Member-by-Member basis. However, it would be very costly and time consuming for Members to decide which Members should enjoy a longer period, and which should enjoy a shorter one.

12. We propose a simpler method: give a single period for those Members, which have not completed their commitments on non-agricultural products, a definite across-the-board grace period, such as a six-year period, to allow them to fulfill their respective accession commitments while agreeing to undertake additional liberalization as part of the Doha Development Agenda.

13. In addition to the above-mentioned reasons, we hereby submit additional rationale for the six-year grace period: According to Article 2 of the Protocol to the General Agreement on Tariff and Trade 1994, tariff reductions agreed upon by each Member shall be implemented in five equal rate reductions, and the final rate shall become effective no later than the date four years after the date of entry into force of the WTO Agreement. In other words, Members (as of 1995) shall complete the fulfillment of their concession commitments made in the Uruguay Round by 1 January 1999. The mandate of the Fourth Ministerial Conference held in Doha is for WTO Members to finish negotiations by 1 January 2005. Existing WTO Members have not been required to fulfill any concession obligations for most non-agricultural products between 1999 and 2005, i.e. their national industries will have enjoyed a grace period of six years before having to adjust to a new round of liberalization concessions. Taking this into account, it is only fair to the NAMs if they are given a similar period to adjust their industries. If Members could give favourable consideration to providing NAMs with a grace period of six years, on a product-specific basis, from the year of completing their accession commitments to the year that implementation of Doha commitments begins, it would both help the industries of NAMs and the successful completion of the current multilateral negotiations on non-agricultural trade by their governments.

WORLD TRADE ORGANIZATION

TN/MA/W/37
20 May 2003

(03-2711)

Negotiating Group on Market Access

Original: English

MARKET ACCESS FOR NON-AGRICULTURAL PRODUCTS

Communication from the United Arab Emirates

The following communication, dated 19 May 2003, has been received from the Permanent Mission of the United Arab Emirates.

Introduction

1. On the basis of the documents presented and the positions expressed in this Negotiating Group by various members, the present communication is intended to set out UAE's position in this process.
2. The first point to be noted is that UAE attaches a great importance to these negotiations. We strongly wish that their outcome will allow the strengthening of our national policy of industrialization and diversifying our exports and the targeted markets.
3. It is necessary to remind that these negotiations are taking place within the setting of the Doha Development Agenda (DDA). We view that it shall be conducted in accordance with the mandate embodied in paragraph 16 of the Doha Ministerial declaration with a view to achieving a substantial and balanced outcome. It shall safeguard the benefits of developing countries through implementing the principle of "less than full reciprocity", so as to ensure the active participation of all the members in the Multilateral Trading System.
4. UAE fully supports the mandate provided by the Ministers at Doha and is committed to engaging constructively in these negotiations. To this end, we would like to present our position on certain key elements as follows.

Modalities of Tariff Reduction

5. Discussions in the Negotiating Group have shown that a formula approach is the preferred one to facilitate the negotiations and meet the requirement of eliminating high tariffs, tariff peaks and tariff escalation. As such, UAE suggests adopting a formula approach for tariff reduction.
6. However, taking into consideration of the imbalance among the development levels of all members, it is proposed that such an approach shall be built on the concept of less than full reciprocity in reduction commitments as far as developing countries are concerned. In this context, UAE supports the adoption of differentiated coefficients for developing and developed country participants.
7. The formula approach could be complemented with supplementary approaches. However, the members shall be free to decide their participation in light of their own needs.

Base Rates and Nomenclature

8. As far as schedules of concessions of each Member are an integral part of the WTO legal instruments, UAE considers that the bound tariffs committed in the Uruguay Round must be the only basis for the negotiations.

9. In addition, tariff reduction could be made on the basis of HS 96 and the final results could be scheduled in HS 2002.

High Tariffs, Tariff Peaks and Tariff Escalation

10. UAE esteems that the inclusion of high tariffs, tariff peaks and tariff escalation in the mandate responds concretely to the development dimension of the multilateral trade negotiations launched at the IV Ministerial Conference, as these are distortions that affect in particular the products of export interest to developing countries.

11. Nevertheless, these terms have not been formally defined. Therefore, it became important to clarify these concepts, for the sake of enhancing mutual and better understanding among members and agreeing of modalities to reduce or eliminate these tariffs.

12. For that purpose, UAE would like to underline that it is about relative concepts. So, when defining high tariffs, tariff peaks and tariff escalation, we must consider the discrepancies in the current tariff levels of all members

Non-Tariff Barriers (NTBs)

13. As a result of the previous rounds of multilateral trade negotiations, the market access for non-agricultural products has been improved substantially. However, it deserves our attention that the existence of Non-Tariff Barriers still affects the effective and balanced development of international trade.

14. Indeed, NTBs remain a significant issue which is difficult to identify and remedy. However, it is an essential integral part of the mandate. UAE follows with great interest the works of the Negotiating Group on Market Access as it is the most appropriate body to discuss and treat NTBs problems.

15. UAE considers that the notification of NTBs by certain members of the WTO is a first important stage in the fulfillment of the mandate of Doha but it must be completed by a thorough work which should result in adoption of multilateral modalities to abolish these obstacles.

16. As is clear in the document (TN/MA/W/25), there are several NTBs which are covered by the various WTO arguments. In this case, it seems more reasonable and useful to leave the corresponding committee dealing with these barriers. Even so, UAE believes that the Negotiating Group shall explore additional horizontal mechanisms in order to reduce or eliminate unnecessary barriers affecting market access. It is evident that a good coordination between these two processes is the *sine qua none* condition to contain the variety and diversity of NTBs and treat them in an effective manner.

Special & Differential Treatment / "Less Than Full Reciprocity"

17. On the topic of Special and Differential Treatment, UAE would like to underline two main concepts as follows:

(a) Less than Full Reciprocity

The concept of “less than full reciprocity” is unequivocal. The Doha Mandate, contained in paragraph 16 of the Ministerial Declaration, is very clear in establishing that “the negotiations shall take fully into account the special needs and interests of developing and least-developed country participants, including through less than full reciprocity in reduction commitments”.

In fact, it needs to be recognized that all the members, in particular, the developing countries have problems or sensitivities in specific sector. In trade negotiations, it is very normal to introduce some tariff reductions gradually so as to soften their impact on the more sensitive sectors. Furthermore, it is legitimate that the developing countries can protect, reasonably and in accordance with the relevant provisions of the WTO agreements – in particular the Article XXVIII *bis* of GATT 1994-, their emerging industries which have a potential for growth.

In view of the above-mentioned factors, UAE considers that the concept in question requires deeper reduction commitments from developed partners than those undertaken by developing countries as well as other modalities which include, *inter alia*, differentiated time frames for implementation and differentiated rates of reduction.

(b) Products of Substantial Export Interest to Developing Countries

To reach an overall balance in the outcome of the market access negotiations and ensure that developing countries secure a share in benefits of trade liberalization, the sectors and products of particular export interest to these countries shall be treated as priorities in the negotiations.

On this basis, UAE proposes the elimination of tariffs and non-tariff barriers for all raw materials and primary products. There is no doubt that this liberalization will be profitable to both developed and developing countries. Duty-free raw materials and primary products are essential for the competitiveness of developed countries manufacturing and semi-manufacturing businesses; while the same products constitute generally strategic exports and emerging industries in developing countries.

It is of strategic importance for UAE that a consensus can be attained for the complete elimination of tariffs and non-tariff barriers on Primary Aluminum and other products of substantial export interest to its economy. In this context, UAE would like to reserve the right to submit a specific proposal during the next stage of negotiations.

附件二、針對非農產品市場進入談判小組主席 Girard 大使提案主要會員立場一覽表

議題	我國	美國	歐盟
降稅公式	<ul style="list-style-type: none"> · 該公式使低關稅會員之關稅降稅幅度高於高關稅會員之降稅幅度，殊不公平。 · 對於敏感性之部門應給予適當彈性。 	<ul style="list-style-type: none"> · 認為主席所提出之降稅模式未能於一定期間內將所有稅項降至零。 · 認為公式本身有其缺陷，如該公式將使低關稅稅率之會員須調降較高幅度之稅率，未能對會員削減關稅提供誘因。 · 應尋求其他參數使該公式可反應會員之發展程度。 	<ul style="list-style-type: none"> · 認為開發中國家之貿易量佔全球貿易量之40%，本回合談判開發中國
部門別談判	<ul style="list-style-type: none"> · 支持以部門別之方式納入核心削減模式，惟自由化之部門項目應由會員談判決定。 · 我反對將漁產品及林產品納入部門別。 	<ul style="list-style-type: none"> · 認為應將化學品、林產品及環境產品應納入部門別談判 	<ul style="list-style-type: none"> · 認為部門別談判應為核心減讓模式之一環，並
基礎稅率及約束水準	<ul style="list-style-type: none"> · 我不同意以會員完成履行現行減讓承諾後之約束稅率作為基礎稅率。 	<ul style="list-style-type: none"> · 認為應消除低關稅。 	<ul style="list-style-type: none"> · 未表示意見
特殊與差別待遇	<ul style="list-style-type: none"> · 無意見。 	<ul style="list-style-type: none"> · 認為開發中國家關稅之約束比率仍應以100%為目標；惟不要求低度開發國家完全約束其關稅。 	<ul style="list-style-type: none"> · 認為主席所提出開發中會員5%之稅
新入會國議題	<ul style="list-style-type: none"> · 應給與與六年之調適期。 	<ul style="list-style-type: none"> · 認為新入會應適用相同之削減幅度；爰不同意透過給予新入會國較高B值，惟同意給予新入會國較長之調適期間。 	<ul style="list-style-type: none"> · 應考慮如何給予新入會國特殊考

議題		瑞士	日本
降稅公式	<ul style="list-style-type: none"> · 家爰亦應提供市場進入機會。 · 支持以逐項(line by line)降稅之模式。 · 認為該公式使低關稅會員之關稅降稅幅度高於高關稅會員之降稅幅度，殊不公平。 	<ul style="list-style-type: none"> · 認為該公式符合透化原則，惟公式之計算方式過於複雜，且無法反映會員之發展程度及調和會員間之稅率。 	<ul style="list-style-type: none"> · 認為G大使所提出之公式使低關稅會員之關稅降稅幅度高於高關稅會員之降稅幅度，殊不公平；另由於開發中國家之關稅稅率水準較
部門別談判	<ul style="list-style-type: none"> · 應適用於所有會員。 · 歐盟並支持主席所提出之三階段調降方式。 	<ul style="list-style-type: none"> · 支持部門別談判納入核心模式，惟尚未決定應納入部門別談判之項目 	<ul style="list-style-type: none"> · 反對將漁產品、皮革、林產品及鞋類品納入對零方案；惟支持將汽車、化學品及玩具等納
基礎稅率及約束水準		<ul style="list-style-type: none"> · 認為G主席所提出會員應將未約束稅率項目約束於最惠國稅率兩倍過高，仍有討論之空間。 	<ul style="list-style-type: none"> · 支持擴大約束稅率之項目比率，惟認為G主席所提出會員應將未約束稅率項目約束
特殊與差別待遇	<ul style="list-style-type: none"> · 項可不予約束乙節，由於許多開發中國家之稅項皆已約束或約束比率逾95%，該項優惠恐無法為開發中國家帶來實質效益。 	<ul style="list-style-type: none"> · 認為會員應約束所有稅項，惟開發中國家可約束於較高之稅率。 · 認為應在自發性的基礎上給予免關稅及免配額之優惠待遇。 	<ul style="list-style-type: none"> · 未表意見。
新入會國議題	量。	<ul style="list-style-type: none"> · 認為入會國仍應負擔相同之關稅減讓義務，惟可同意給予較長之調適期。 	<ul style="list-style-type: none"> · 認為入會國仍應負擔相同之關稅減讓義務。

議題	降稅公式	韓 國	澳 洲
降稅公式	高，該項公式之降稅結果亦不利促進開發中會員間之貿易。	<ul style="list-style-type: none"> 認為主席所提出之公式無法反映會員之發展程度，爰支持日本所提出之降稅公式 對於敏感性之部門應給予適當彈性（如林、漁產品），並建議以個別降稅幅度或平均目標稅率方式給予降稅彈性。 	<ul style="list-style-type: none"> 澳洲傾向以單一之瑞士公式作為核心削減模式，公式之調降結果應帶來實質之市場進入機會，且公式之削減效果應更具企圖心。 另針對主席所提出之公式，澳方認為應採用較低之口值，另各會員國之平均稅率（即口值）應以訂定上限之方式加以調和。
部門別談判	入部門別自由化項目。	<ul style="list-style-type: none"> 認為林、漁產品為敏感產品，不宜納入部門別減讓。 	<ul style="list-style-type: none"> 澳方對紡織品及汽車等產業較為敏感。
基礎稅率及約束水準	於最惠國稅率之兩倍，仍有討論之空間；日方認為該項兩倍稅率將予降低。	<ul style="list-style-type: none"> 應提高約束稅率比率，針對未約束項目，經約束後可不再進一步降稅。 	<ul style="list-style-type: none"> 澳方並認為應提高約束關稅項目之比率，惟針對主席所提出未約束之產品項目應約束於最惠國稅率之兩倍一節，則不表同意，認為應約束於執行稅率。
特殊與差別待遇	未表示意見。	<ul style="list-style-type: none"> 針對開發中及低度開發國家之特殊考量，澳洲仍認為應採用同一公式，且適用相同之參數，惟可給予開發中及低度開發國家較長之執行期間。 	<ul style="list-style-type: none"> 針對開發中及低度開發國家之特殊考量，澳洲仍認為應採用同一公式，且適用相同之參數，惟可給予開發中及低度開發國家較長之執行期間。
新入會國議題	認為入會國仍應負擔相同之關稅減讓義務。	<ul style="list-style-type: none"> 認為入會國仍應負擔相同之關稅減讓義務。 	<ul style="list-style-type: none"> 可同意給予較長之執行期間。

議題	降稅公式	部門別談判	基礎稅率及約束水準	特殊與差別待遇	新入會國議題
加拿大	·認為主席所提出之削減模式企圖心不足。	·認為部門別談判之決定應調和各方之利益。 ·認為環保產品，化學品及金屬應納入談判項目。	·不同意主席所提出未約束之產品項目應約束於最惠國稅率之兩倍。 ·認為應消除低關稅。	·未表示意見。	·可同意給予較長之執行期間。
中國	·認為主席所提公式已將開發中、低度開發國家及入會國之特殊考量，爰可符合杜哈部長宣言之要求，爰同意以該公式為未來談判之基礎。	·應以自願性之方式開放會員參與。	·已開發國家 unbound 部分以 apply rate 為降稅基礎。 ·開發中國家以 MFN 之兩倍稅率為降稅基礎。	·支持不要求低度開發國家履行降稅義務。	·不應要求新入會國作大幅 (substantial) 關稅減讓。
哥倫比亞	·認為該公式之企圖心過高。 ·應予較高敏感性產品較高之 B 值。			·認為開發中國家應百分之百約束。	·不同意以差異之 B 值提供優惠待遇，惟可同意給予較長之執行期間。
印度	·認為主席提出之減讓公式企圖心過高，且未給予會員敏感性產品項目適當之彈性。	·認為應以自願性為基礎開放會員參與。	·對未約束項目，經約束後可不再進一步降稅。	·支持主席提議給予開發中國家 5% 稅項免予約束。	·未表示意見。

議題	降稅公式	部門別談判	基礎稅率及約束水準	特殊與差別待遇	新入會國議題
克羅埃西亞	<ul style="list-style-type: none"> 支持以線性公式訂定關稅上限之方式降稅。 認為主席所提公式對發展程度相當之會員可能要求不同程度之稅率減讓，造成不公平。 	<ul style="list-style-type: none"> 認為應以自願性之基礎開放會員參與。 	<ul style="list-style-type: none"> 認為絕大部分新入會國已約束其所有稅項，主席所提出會員未約束之稅項約束於兩倍最惠國稅率對新入會國造成懲罰 	<ul style="list-style-type: none"> 低度開發國家之約束稅率比率可自訂。 	<ul style="list-style-type: none"> 要求較長之執行期程及較低之降稅幅度。
肯亞	<ul style="list-style-type: none"> 不支持主席所提出之降稅公式。 	<ul style="list-style-type: none"> 認為部門別談判不適用非洲國家。 	<ul style="list-style-type: none"> 認為約束稅率比率應由會員自行決定。 	<ul style="list-style-type: none"> 應比較給予較長之執行期間更實際之作法落實不完全互惠原則 (less than full reciprocity)。 	<ul style="list-style-type: none"> 未表示意見。
其他	<ul style="list-style-type: none"> 以色列：認為逐項降稅公式未能提供適當彈性。 香港：支持以調和公式削減關稅，並認為已開發國家應消除所有關稅，建議B值越低越好。 	<ul style="list-style-type: none"> 以色列：認為自由化之部門項目應由會員談判決定，並開放會員以自願性之方式參與。 		<ul style="list-style-type: none"> 紐西蘭：認為主席未充分反應不完全互惠原則。 烏干達：認為降稅模式應將侵蝕低度開發國家所享優惠之 	

議 題	降稅公式	部 門 別 談 判	基 礎 稅 率 及 約 束 水 準	特 殊 與 差 別 待 遇 問 題 納 入 考 量。	新 入 會 國 議 題
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附件三

Statement on The Issue of Newly-Acceded Members

- Thank you Mr. Chairman for giving me the floor.
- In the submission numbered **TN/MA/W/19/Add.1**, we touch upon the issue facing the Newly Acceding Members in the round of NAMA negotiations.
- As we all noted, the guiding ideas of the GATT and WTO negotiations is to encourage members' full participation into the negotiations by requiring fair contribution, and that is why we give developing and least developed countries the S&D treatment.
- While, in the process of DOHA negotiations, we, among other members, have noted the fair contribution issues facing those Newly-acceded members. For example, the average tariff rates for industrial products of newly-acceded members are between 4% and 9%, with almost all of the tariff lines 100% bound. Bearing in mind that even some developed members do not have their tariff lines close to being fully bound.
- We support the view that NAMs should participate fully in the DOHA negotiations and make contributions to further advancing the liberalization of the multilateral trade system. However, it is also evident that there are difficulties facing the NAMs when it comes to fulfilling Doha conclusions so soon after, or even in the same timeframe as, they implement their WTO accession commitments.
- To address this issue, members suggested that we might consider giving these newly-acceded Members a smaller tariff concession and a longer grace period.
- The idea of granting longer grace period has gain many support from the Members in this session. The next issue facing us is how we decide the length of the grace period. In this regards, we propose a six-year grace period between the year fulfilled their respective accession commitments and the year embark on implementing Doha commitments.
- You may question me: why we propose six-year for the grace period.
- According to Article 2 of the Protocol to the General Agreement on Tariff

and Trade 1994, tariff reductions agreed upon by each Member shall be implemented in five equal rate reductions, and the final rate shall become effective no later than the date four years after the date of entry into force of the WTO Agreement.

- In other words, Members (as of 1995) shall complete the fulfillment of their concession commitments made in the Uruguay Round by 1 January 1999. On the other hand, the mandate of the Fourth Ministerial Conference held in Doha is for WTO Members to finish negotiations by 1 January 2005. Therefore, existing WTO Members have not been required to fulfill any concession obligations for most non-agricultural products between 1999 and 2005; in other words, their national industries will have enjoyed a grace period of six years before having to adjust to a new round of liberalization concessions.
- Taking this into account, it is only fair to the Newly-acceded members if they are given a similar period to adjust their industries. If Members could give favorable consideration to providing Newly-acceded members with a grace period of six years, on a product-specific basis, from the year of completing their accession commitments to the year that implementation of Doha commitments begins, it would both help the industries of Newly-acceded members and the successful completion of the current multilateral negotiations on non-agricultural trade by their governments.
- Mr. Chairman, we do hope that the ideas of deciding grace period for Newly-acceding members can serve as a basis for further discussion.
- Thank you Mr. Chairman.