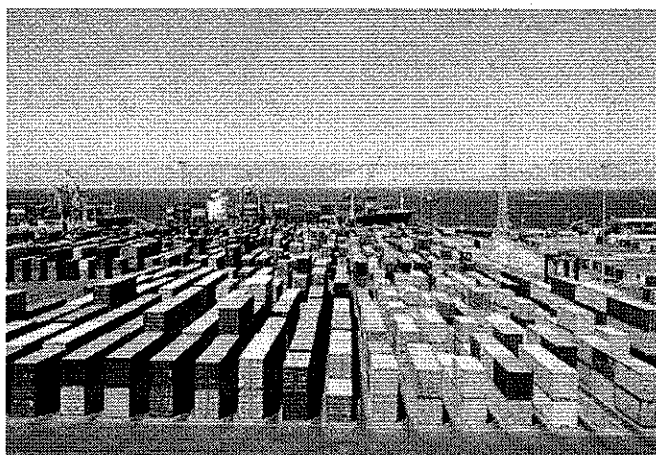


Market Access Related Issues: Some Background

Xiaobing Tang
Market Access Division
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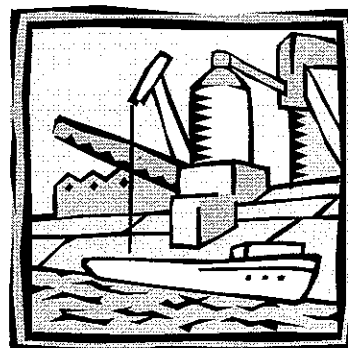


World Trade Organization / Market Access Division / 154 Rue de Lausanne, 1211 Geneva 21, Switzerland / xiaobing.tang@wto.org

Basic framework and definitions

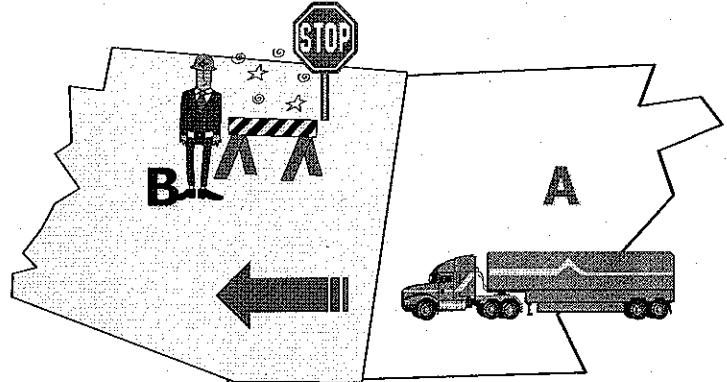
1. What is Market Access?

- In the WTO framework, the term stands for the totality of government-imposed conditions (regulations/measures) under which a product from one country may enter another country under non-discriminatory conditions.
- Market access in the WTO sense is regulated most of the time through border measures including, inter alia, tariffs, tariff rate quotas, quantitative restrictions and other non-tariff measures.



2. Why do we need a legal framework?

- What market access could an exporter from territory A expect to have in territory B?
- How can territory B regulate the access of foreign goods into its territory?



3. GATT/WTO: ensuring market access

- Predictable and growing access to markets for goods and services is one of the goals of the WTO
- **Basic Principles:** Non discrimination (MFN / National Treatment) and transparency
- **Predictable:** binding commitments
- **Growing access:** periodic “rounds” of negotiations



Most Favoured Nation (GATT Article I)

Main idea: any advantage, favour, privilege or immunity granted by a Member to any product for any other country shall be accorded to the like product of all other Members

National Treatment (GATT Article III)

Main idea: internal taxes and laws, regulations and requirements affecting the internal sale, purchase, transportation, etc. should not be used to afford protection to domestic production



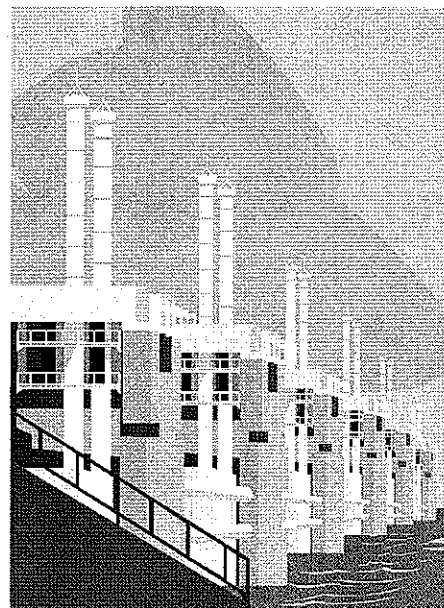
WTO OMC

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4. Types of MA barriers on trade in goods

In the GATT/WTO framework there are 2 basic types of barriers to trade in goods:

1. Tariffs
2. Non-Tariff Barriers



WTO OMC

6



Doha Development Agenda

NAMA Negotiations - An Overview

*Xiaobing Tang
Counsellor
Market Access Division
WTO Secretariat*

DDA – NAMA Negotiations

- **What does NAMA mean?**
- **Why is NAMA so important?**
- **How complicated NAMA negotiations are?**
- **Can NAMA help us out of the crisis?**
- **Can NAMA help the poorest nations in the world?**

What are NAMA products?



- ***Except those that are covered by the Agreement on Agriculture***
- ***manufacturing products, fuels and mining products, fish and fish products, and forestry products.***
- ***Also referred to as industrial products or manufactured goods.***

19/04/2011

Tariff profile

3

Why is NAMA so important?



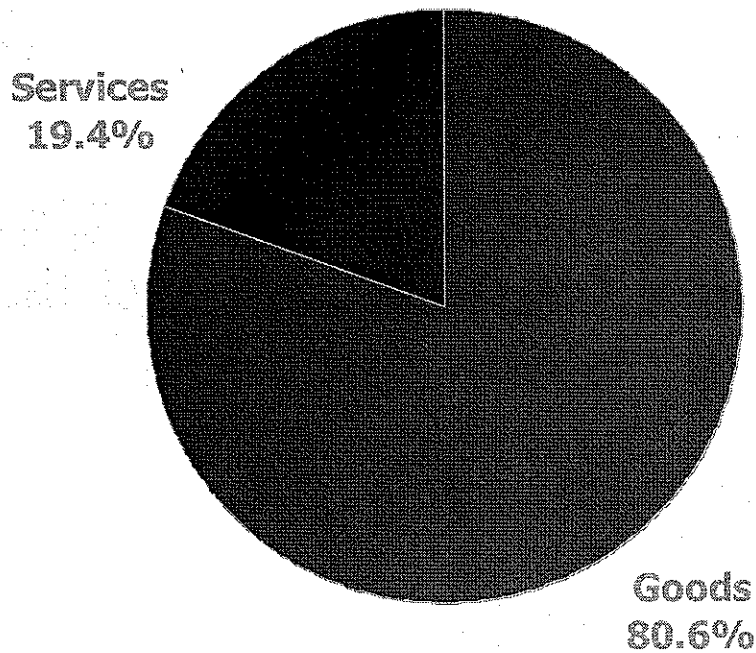
- ***In 2008, the total world exports of NAMA products accounted for 91.5% of total world merchandise exports***
91.5%

19/04/2011

Tariff profile

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Global export of goods and services, 2008



19/04/2011

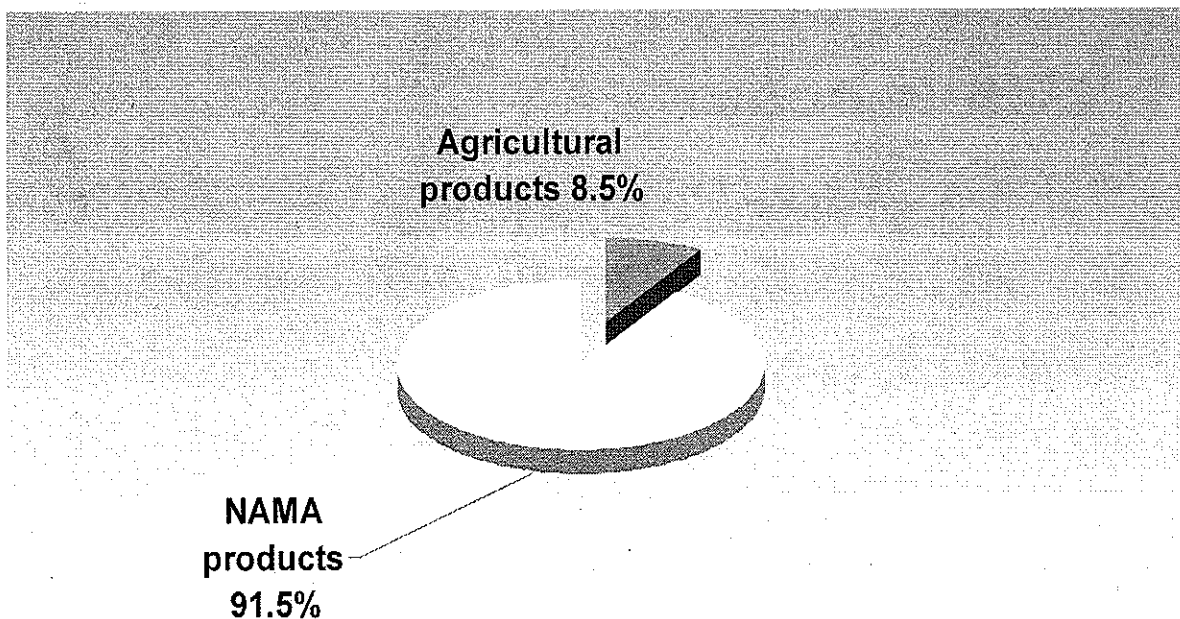
Tariff profile

Source: WTO International Trade Statistics 2009

5



Importance of NAMA products in world merchandise trade



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Tariff profile

6

How complicated NAMA negotiations are?

- **Tariffs continue to be an important source of distortions and economic costs to world trade, as tariff peaks, high tariffs, and tariff escalation remain.**
- **Also, NTBs.**

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Tariff profile

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WTO Members' tariffs are very diverse (TN/MA/S/4/Rev.1)

Differences:

BETWEEN COUNTRIES

Overall tariff average

Tariff Structure

(Peaks)

WITHIN COUNTRIES

Tariff escalation

Peaks (duties much

higher than national

average)

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What did the Uruguay Round achieved on tariffs for NAMA products?

- ***For developed countries, tariff averages were reduced from 6.3% to 3.8%.***
- ***For developing countries, tariff binding was the main form of their concession. Binding coverage increased from 21% to 73%.***

What do tariff bindings mean?

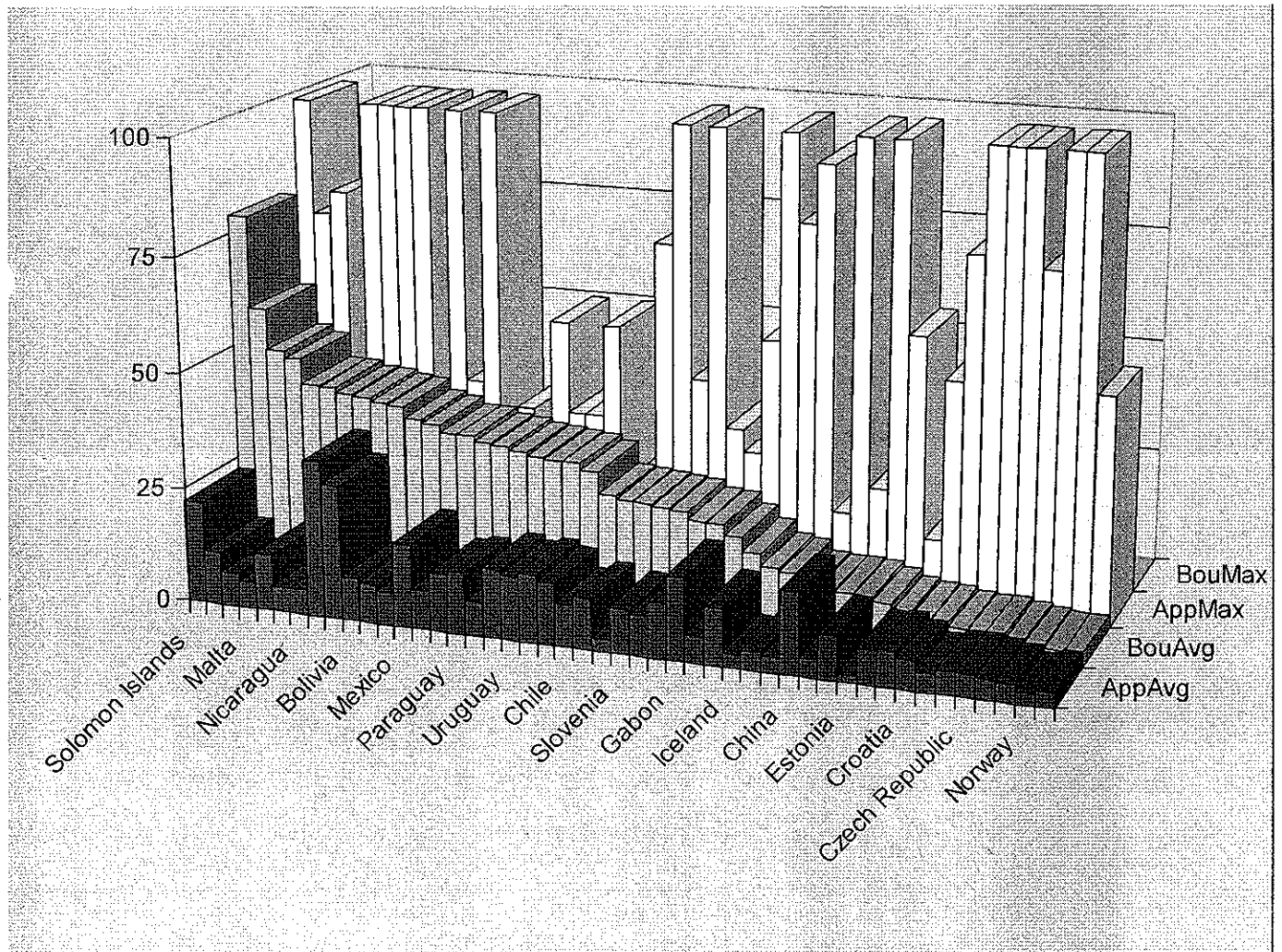
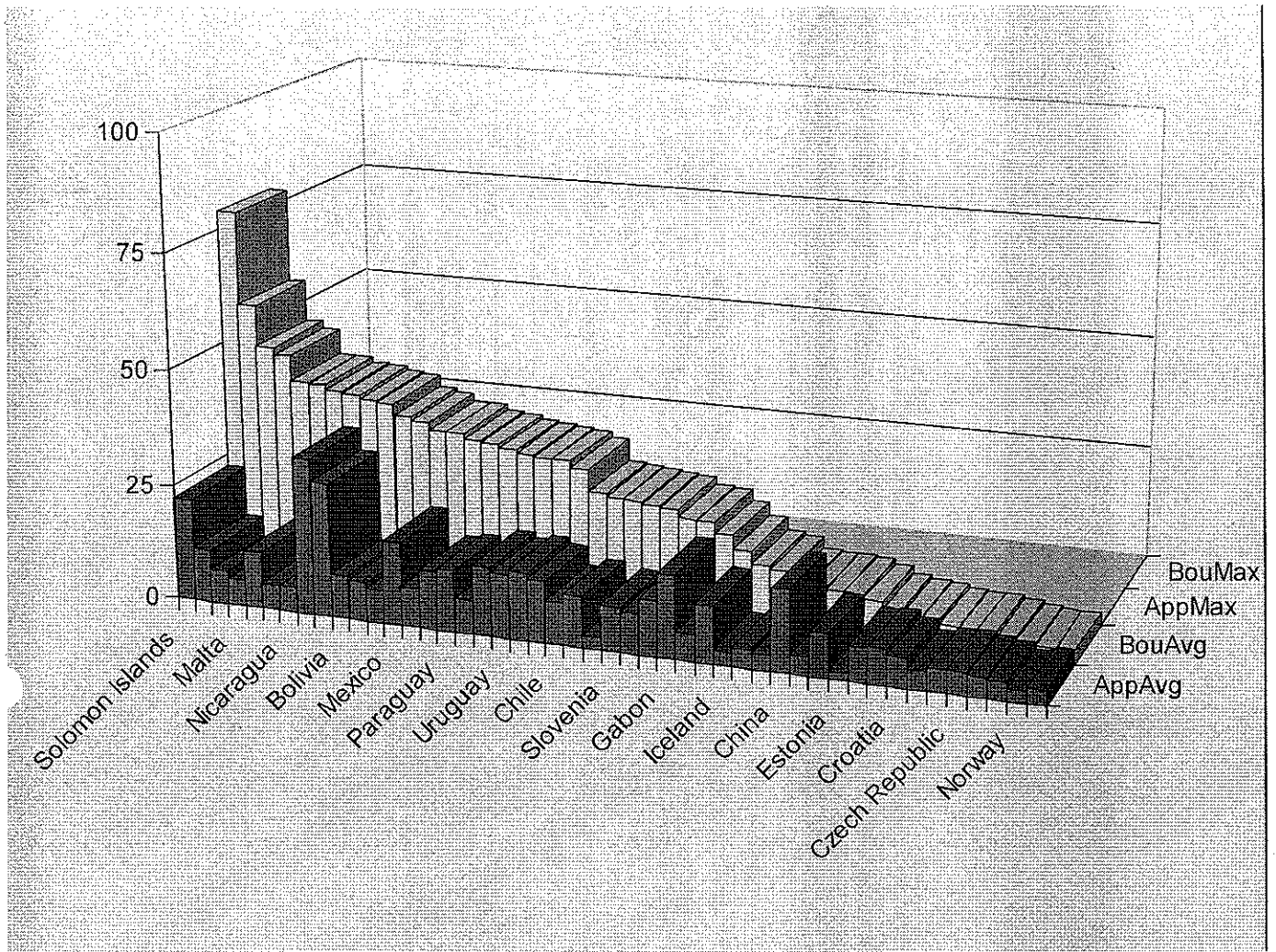
- ***A tariff binding is a ceiling level or the maximum tariff that may be applied by a Member.***

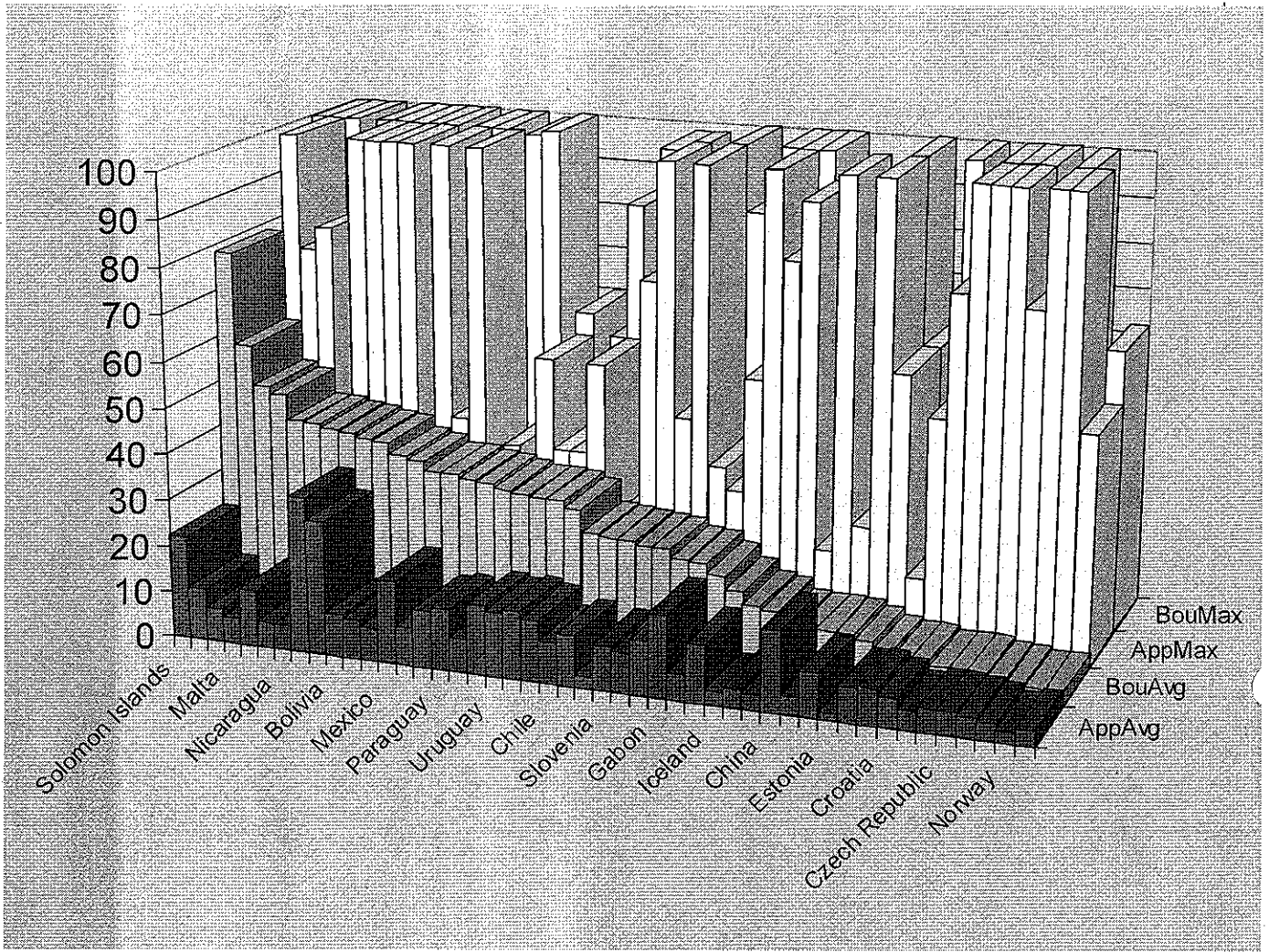
How tariff bindings work?

- ***Normally, such rates can not be increased or withdrawn. Otherwise, compensation should be provided to the affected WTO Members.***

What does the applied tariff mean?

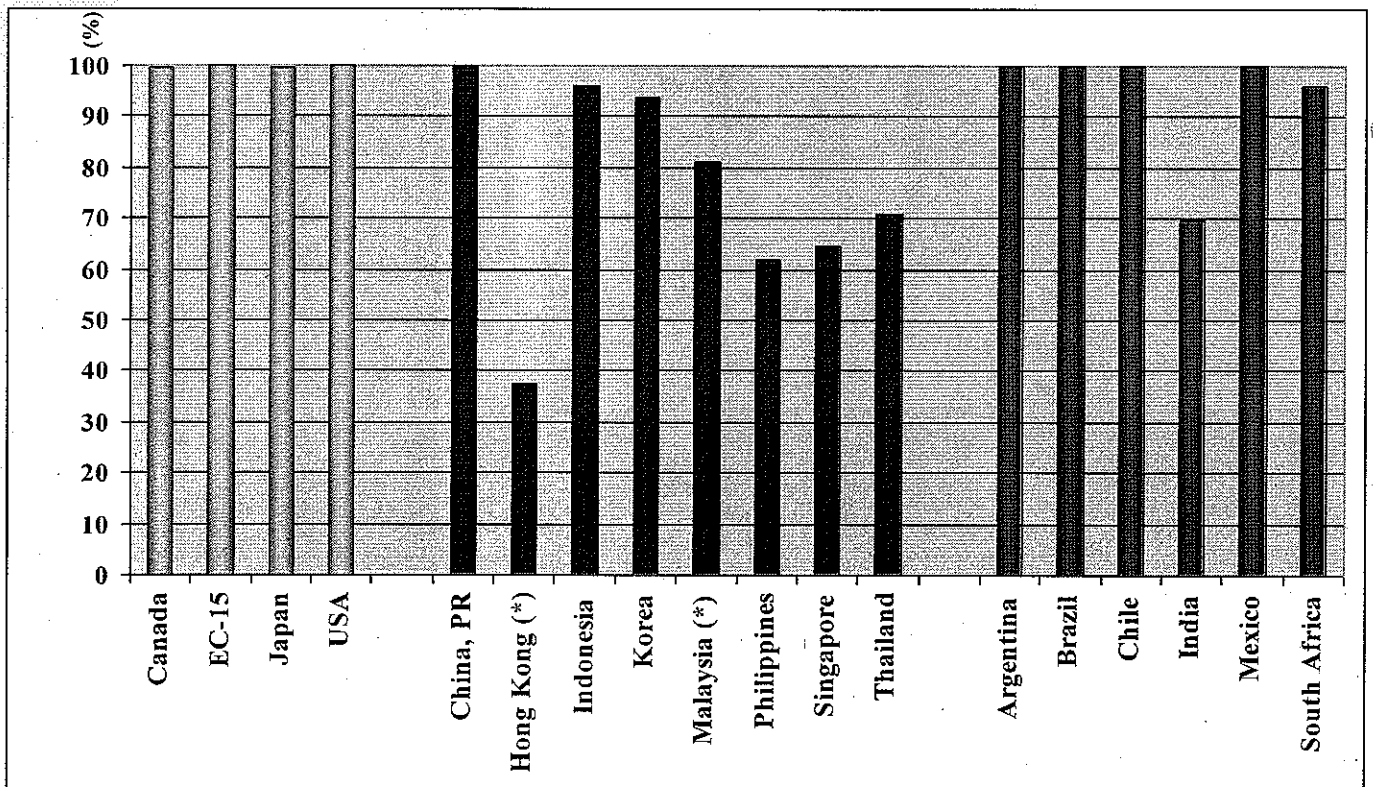
- ***The applied tariff is the tariff effectively applied. It can be lower than the bound rate and the difference has been called "water" or the "binding overhang".***





Binding Coverage

Share of non-agricultural tariff lines bound



Sources: WTO Secretariat.

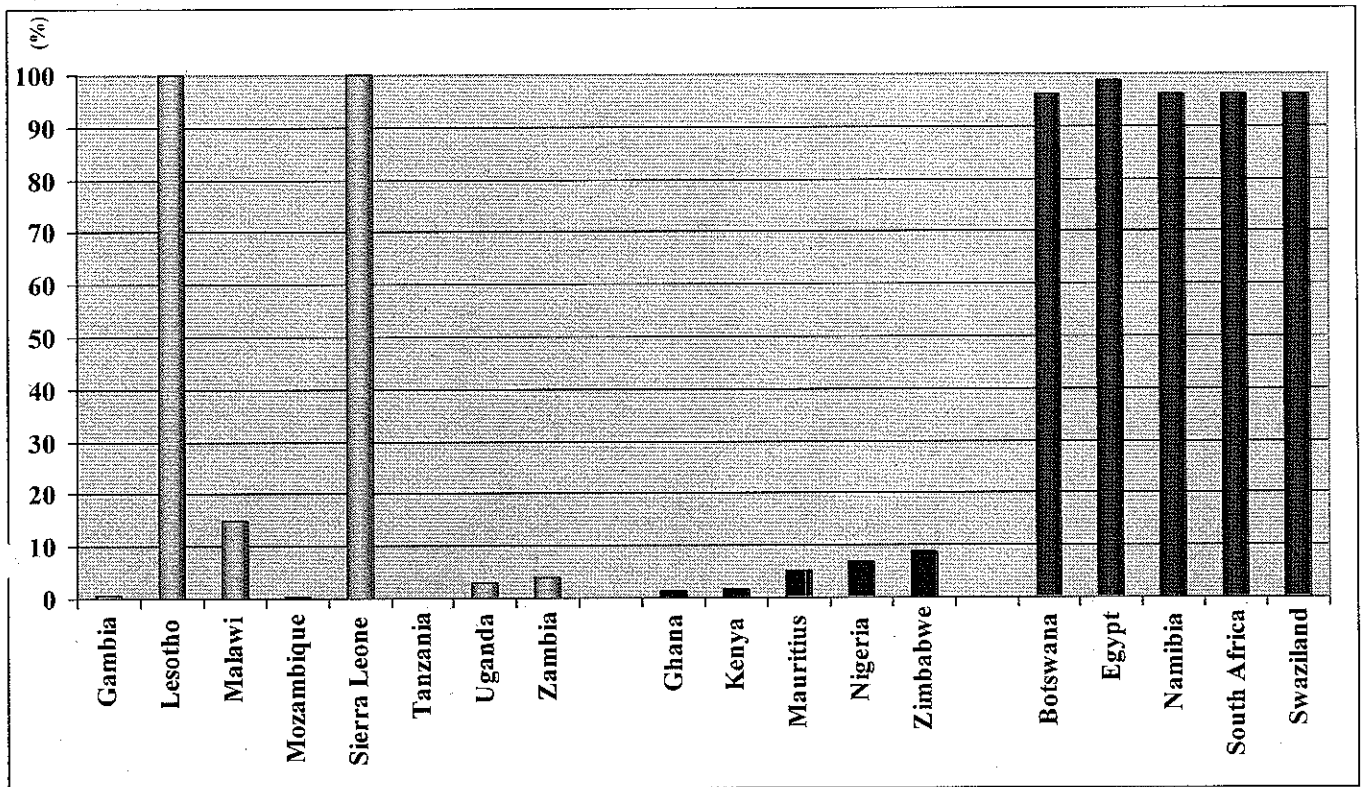
Tariff profile

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(*) Binding coverage could be overestimated due to partial bindings. See TN/MA/S/14.

Binding Coverage

Share of non-agricultural tariff lines bound



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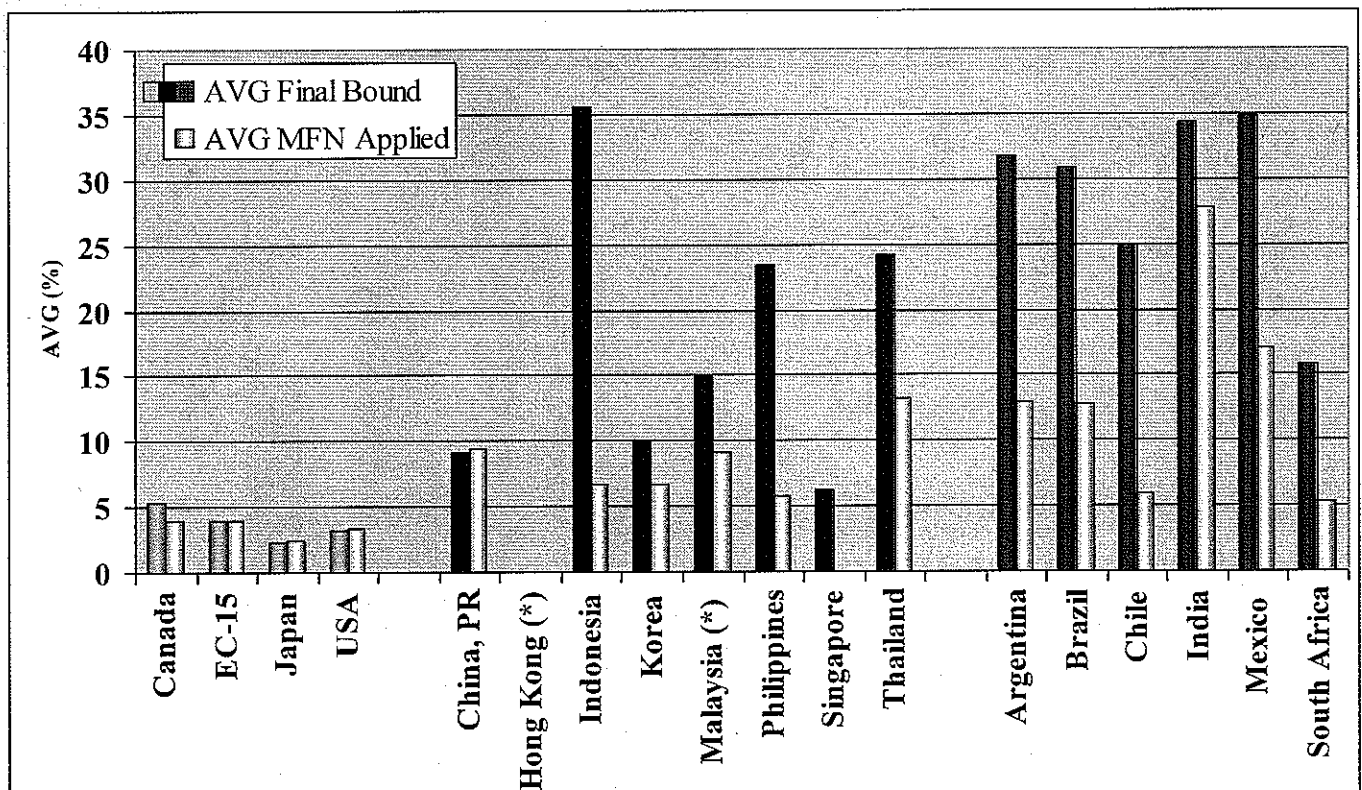
tariff profile

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Source: WTO Secretariat.

Bound vs. Applied rates

Average of non-agricultural tariff lines



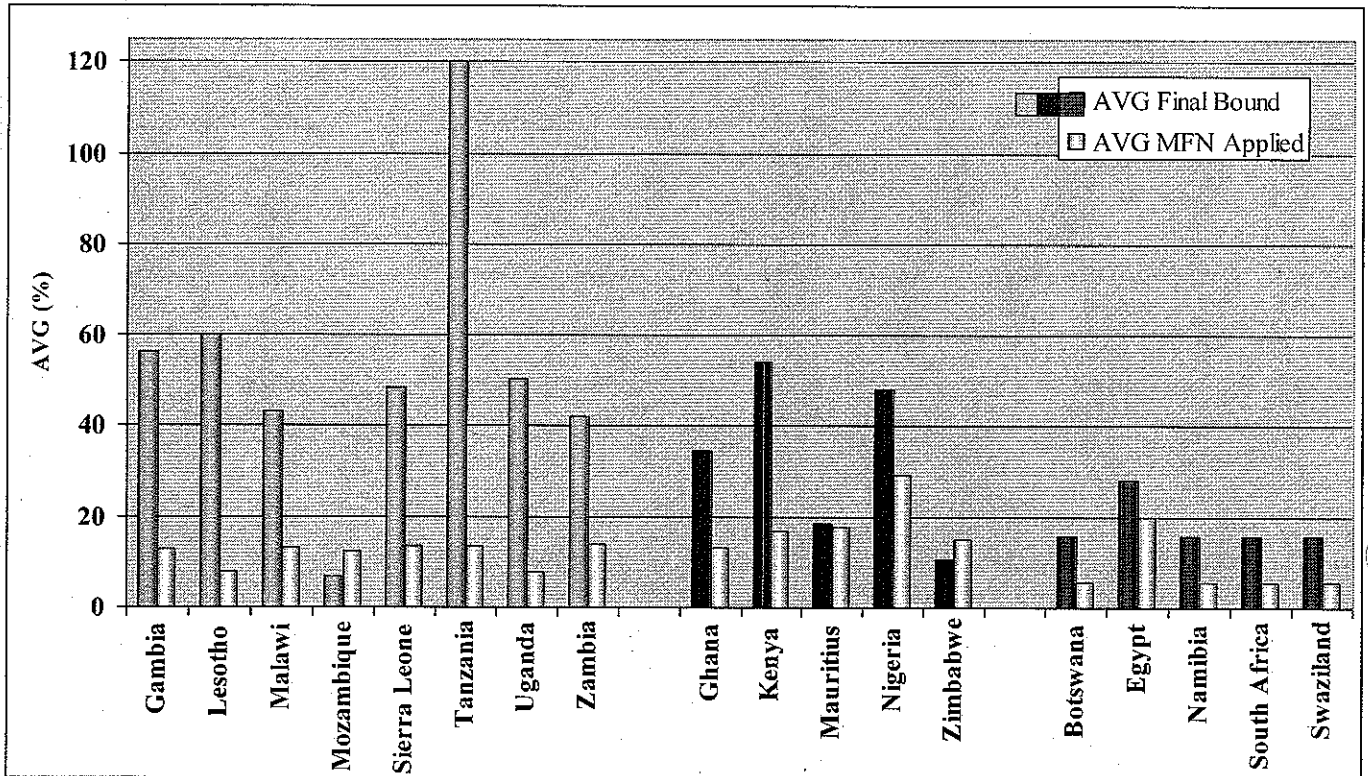
Source: WTO Secretariat based on CTS for the bound rates and ITDS and UNCTAD for the MFN applied rates.

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(*) Binding coverage could be overestimated due to partial bindings. See TN/MA/S/14.

Bound vs. Applied rates

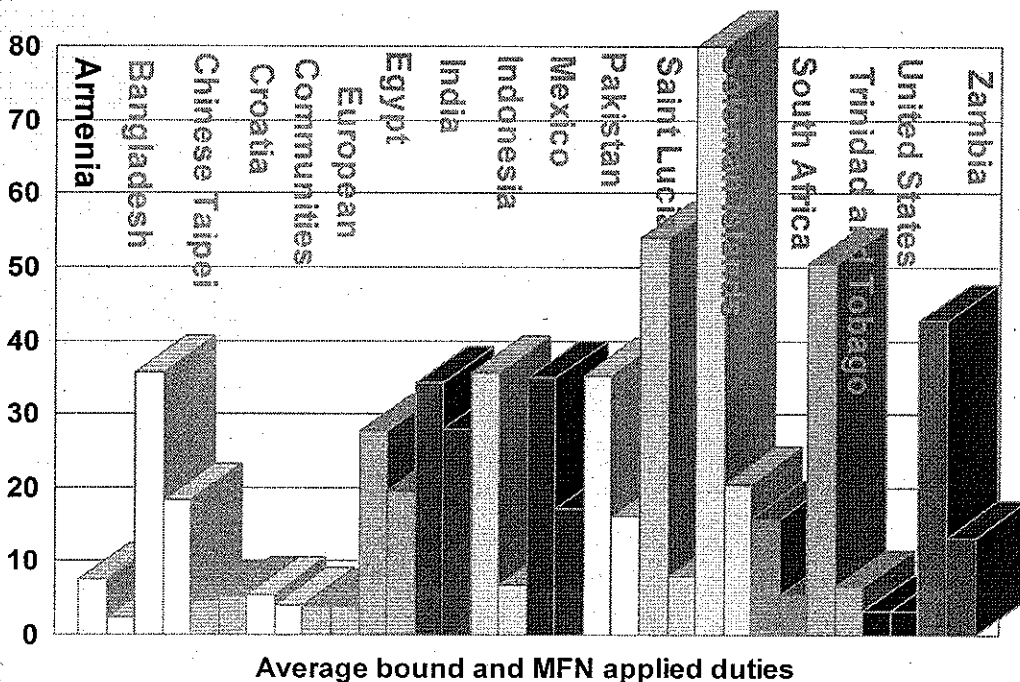
Average of non-agricultural tariff lines



19/04/2011 Tariff profile
 Source: WTO Secretariat based on CTS for the bound rates and IDB and UNCTAD for the MFN applied rates.



AVERAGE BOUND AND MFN APPLIED DUTIES



Average bound and MFN applied duties

Where are the higher tariffs ?

Textiles and clothing

Leather, rubber, footwear and travel goods

Transport equipment

Fish and fish products

Issues on tariffs:

- Very disperse ***binding coverage*** across the membership
- Very diverse ***tariff commitments***