

Analytical Note SC/AN/TDP/AG/5 Original: English

# SOUTH CENTRE COMMENTS ON THE REVISED DRAFT MODALITIES FOR AGRICULTURE (TN/AG/W/4 REV. 1 OF 8TH FEBRUARY 2008)

#### **SYNOPSIS**

This note comments on various specific sections of the Revised Draft Modalities for Agriculture (TN/AG/W/4 rev. 1 of 8th February 2008). It highlights elements that were revised and pending contentious issues. A useful table summarizing the treatment of WTO Members with respect to tariff reduction modalities is also included.

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## SOUTH CENTRE COMMENTS ON THE REVISED DRAFT MODALITIES FOR AGRICULTURE (TN/AG/W/4 REV. 1 OF 8TH FEBRUARY 2008)

#### Introduction

- 1. The Chairman of the Committee on Agriculture, in Special Session, circulated, on 8th February 2008, his Revised Draft Modalities for Agriculture. These Draft Modalities build upon the previous Draft Modalities, circulated in August 2007 and upon Working Papers on some of the issues contained in the modalities, circulated in November 2007<sup>1</sup>, December 2007<sup>2</sup> and January 2008<sup>3</sup>.
- 2. The importance of modalities lies on the fact that, as a result of their adoption, the Agreement on Agriculture is expected to be modified. Thus, modalities are not binding per se but are key in shaping the future Agreement and the schedules of members, which will be binding.
- 3. As per the previous drafts, modalities concerning Export Competition and Domestic Support appear in a more finalized form than the market access pillar, where more technical issues remain outstanding.
- 4. In this sense, the current text adds more precision in certain elements such as: base and implementation periods for commitments on domestic support, specific formulae to address tariff escalation, provisions on in-quota tariffs, on Special Safeguard Mechanism (SSM), tariff simplification and tariff-rate quota (TRQ) administration.
- 5. The text also establishes an order of priority in relation with approaches that might apply concurrently to certain products, in addition to the core elements of the modalities (formula-Sensitive products-Special products). For example: (a) the treatment for sensitive products would have precedence over tariff escalation and tropical products and (b) tropical products and tariff escalation would have priority

<sup>1</sup> On export finance (credit, credit guarantees and insurance), State Trading Enterprises (STEs), food aid and export subsidies.

<sup>&</sup>lt;sup>2</sup> On blue box, *de minimis*, Tiered formula for Final Bound AMS and Tiered formula for Overall Trade-Distorting Support (OTDS)

<sup>&</sup>lt;sup>3</sup> On Recently-Acceded Members (RAMs), Special Products (SPs), Special Agricultural Safeguard (SSG), tariff quotas, tariff simplification, tariff escalation, Sensitive Products (SePs) and tiered formula for tariff reduction.



over the treatment of products affected by preference erosion and over specific provisions on commodities.

- 6. In spite of these additions, the text remains incomplete and it contains many brackets. Some of these require political decision relating to the level of ambition (for instance numbers in the formulas for reductions of tariffs and domestic support). However, others (such as SSM, preference erosion vs. tropical products) could entail additional technical work, prior to adoption of modalities.
- 7. The process ahead, with a view to eliminate existing gaps and brackets, in parallel with achievement of decisions in other negotiating areas of the Round, remains unclear at this stage. The WTO Director General has repeatedly called for a the finalization of the negotiation of modalities and drafting of schedules prior to the end of 2008, elevating to senior level officials all decisions on outstanding issues reflected in these modalities.

#### I. DOMESTIC SUPPORT

- 8. The reduction figures applicable to Overall Trade Distorting Support (OTDS) remains unchanged from the previous modalities text<sup>4</sup>. In relation to this, the Chairman highlighted that members have barely discussed these figures since the latest draft modalities were circulated.
- 9. In this sense, the text indicates that the EU would have to cut its cap on overall spending by 75 or 85 per cent. The US would have to do so by 66 or 73 per cent, which would bring its spending entitlement to between 13 and 16.4 billion USD. It is worth noting that G-20 has noted that the reduction of OTDS by the US should be higher.
- 10. The following changes can be noted with respect to previous modalities texts:
  - More precision regarding base and implementation periods, as these had not been addressed before.
  - A down payment for the reduction of OTDS and AMS, in the sense the EU and the US would be required to cut: (a) OTDS by one third on the first day of implementation and (b) AMS, by a figure that remains in brackets (25 per cent)

Draft\_Modalities.pdf

<sup>&</sup>lt;sup>4</sup> See South Centre comments on the Draft Modalities Text http://www.southcentre.org/publications/AnalyticalNotes/Agriculture/2007Aug\_Comments\_



11. The current text falls short with respect to expected reduction on product-specific support (which would only be capped) and overall blue box support. In addition, monitoring and surveillance provisions remain weak. Such provisions contain previously drafted language suggesting (a) consideration and adoption of new notification procedures and (b) Special and Differential Treatment (SDT), in terms of a longer period for meeting notification requirements, only for Least-Developed Countries (LDCs).

#### II. MARKET ACCESS

#### A. Tiered Formula for Tariff reduction<sup>5</sup>

- 12. In comparison with the elements of the formula contained in the latest texts<sup>6</sup>, the current text introduces the following elements.
  - A minimum average cut of [54per cent] was introduced in the formula for developed countries. In addition, if the application of the formula, inclusive of the treatment of Sensitive Products (SePs) result in a cut below 54 per cent, an additional cut should be made proportionately across all bands
  - The range for maximum average reduction in the <u>formula for developing</u> <u>countries</u> was limited to one figure: 36 per cent. In previous texts another figure was also suggested (40 per cent)
  - Several elements were introduced in the <u>formula for Recently Acceded Members (RAMs)</u>. For instance, previous drafts included a difference of 10 percentage points with the formula for developing countries. In this paper, the Chairman proposes a 7.5 ad valorem difference. In addition, this text proposes: "very Recently-Acceded Members<sup>7</sup> and small income RAMs<sup>8</sup> with economies in transition shall not be required to undertake reductions". These categories were not mentioned in previous texts.
  - The concept of Special Products has been included in the <u>formula for Small and Vulnerable Economies (SVEs)</u>. In this sense, for countries exceeding an overall average cut of 24 per cent, would be allowed to deviate from the

 $^{\rm 5}$  For a graphic representation of the Chairman's proposal for reduction of Agricultural Tariffs, see Annex 1

<sup>&</sup>lt;sup>6</sup> The previous Draft Modalities (Document No TN/AG/W/4 dated 1August 2007) and Working Document No. 9 dated 4 January 2008

<sup>&</sup>lt;sup>7</sup> Members that have acceded to the WTO most recently: Saudi Arabia, The Former Yugoslav Republic of Macedonia, Vietnam and Tonga

<sup>&</sup>lt;sup>8</sup> Albania, Armenia, Georgia, Kyrgyz Republic and Moldova.



- tiered approach, by designating appropriate number of tariff lines as SPs, as long as they attain an overall maximum 24 per cent average cut.
- Adds provisions on <u>implementation period</u>, indicating that developed countries will reduce their bound tariffs in equal installments over five years and developing countries over eight years. In contrast, during the Uruguay Round the implementation period for developed countries' commitments was six years for and ten years, in the case of developing countries.
- 13. It is worth noting that the possibility of being exempted from the tiered approach has been eliminated in this text. In the previous modalities text of August 2007, the concept of "small and vulnerable members (a) with ceiling bindings, (b) with homogenous low bindings or (c) who would face an unsustainable burden due to the application of the tiered approach" were not expected to apply the tiered approach and would undergo an average reduction of 24 per cent only.

#### B. Sensitive Products (SePs)

- 14. This text included small modifications which would suggest a certain movement towards more ambition on SePs. For instance:
- The fact that the minimum average cut under the formula applicable for developed countries shall take into account tariff reduction undertaken on SePs<sup>9</sup>.
- The first installment of implementation of commitments related to SePs shall occur on the first day of the implementation.
- Use of consumption data as a basis for the expansion of quotas.
- 15. This text does not add new elements with respect to the numbers and treatment of SePs for developed and developing countries. Hence, developed countries will have the possibility to select [4-6] of [dutiable] lines and they will be allowed to:
  - a) Deviate by one third of the reduction required by the tiered formula, with increased market access opportunities (through tariff quota expansion) equivalent of [4-6per cent] of domestic consumption
  - b) Deviate by two thirds of the reduction required by the tiered formula with increased market access opportunities (through tariff quota expansion) equivalent of [3-5per cent] of domestic consumption
  - c) Deviate by one half of the reduction required by the tiered formula with increased market access opportunities (through tariff quota expansion) equivalent of [3.5-5.5per cent] of domestic consumption

<sup>&</sup>lt;sup>9</sup> See Developed country column in matrix included in Annex 1



- 16. On the other hand developing countries shall have the right to designate up to one-third more tariff lines (i.e.: [5-8] of [dutiable] lines) and shall expand quotas by two thirds of the amount for developed, excluding consumption of subsistence production.
- 17. The following unresolved issues remain with respect of SePs:
  - The maximum number of tariff lines that can be designated as SePs under the "normal entitlement" scenario and the "additional entitlement" scenario.
  - The level of detail at which products can be designated. The text lists two options: (a) some but not all, tariff lines within a product category -at the more specific 8-digit HS level<sup>10</sup> or (b) at the 6-digit HS level<sup>11</sup>. This issue has a bearing in the way consumption shall be calculated in order to expand Tariff Rate Quotas (TRQs).
  - Whether the selection of SePs should be made over dutiable or total lines. The use of total lines could expand the product coverage.
  - The percentage of domestic consumption by which quotas will have to be expanded to keep up with the mandate of improved market access opportunities
- 18. In terms of developing country interests, it is worth highlighting that the treatment of SePs for countries that do not have TRQ commitments is not mentioned in the current text. In this sense, there is a need to clarify whether they will be entitled to designate SePs or whether they will be allowed to create TRQs.

#### C. Tariff escalation

- 19. In the latest draft modalities dated August 2007, the Chairman only exposed some preliminary ideas, pointing out to the divergences in different proposals to address this issue. Since then, his thinking has evolved towards dealing with it through a list approach and through an adjustment to the formula.
- 20. The Chairman added in this text, a list of products that would be subject to adjustment through a formula. It is worth noting that there is a certain degree of overlap between the provisional list of potential products affected by tariff escalation

<sup>&</sup>lt;sup>10</sup> Partial designation approach, supported by the EU and G-10

<sup>10</sup> 

<sup>&</sup>lt;sup>11</sup> Product approach, supported by G-20 and CAIRNS group. They oppose the partial designation approach as it could (a) substantially reduce the consumption base upon which tariff quota expansion would otherwise have occurred; (b) decrease level of ambition in new access opportunities for processed products; (c) lead to lack of transparency in the scheduling process and (d) would lead a TRQ allocation unrepresentative of consumption patterns.



(Annex D), the one on tropical and alternative products (Annex G) and the list of preference erosion products (Annex H).

- 21. According to the Chair, if a product is declared as sensitive the tariff escalation treatment shall not apply. However if there is an overlap between the treatment of tariff escalation treatment and for tropical products, the greater reduction will apply.
- 22. The Chairman notes that this treatment will be applied by developed countries and by "developing countries in a position to do so". It is not clear whether this will be voluntary or whether there will be specific criteria to assess if a country is in position to provide such treatment. This element is relevant in terms of understanding how the scheduling phase will happen.

#### D. Commodities

- 23. Most of the elements contained in this section were already included in the previous modalities draft dated August 2007. In this sense, it contains elements aimed at addressing non-tariff barriers and tariff escalation affecting commodity-dependent developing countries and indicates that such countries will need to submit a list of products affected by these problems.
- 24. The only addition to this text refers to specific provisions on GATT rules<sup>12</sup> that will need to be reviewed, clarified and improved. However, the text does not clarify how this will be done and the current draft would suggest that the results of this review exercise will not be part of commitments in the context of the Doha Round.
- 25. The following elements will need to be clarified with respect to this section:
  - The number of percentage points that will remain as a difference between the tariff applicable to the primary and to the processed product. This number has not been suggested.
  - The binding, in ad valorem terms, of non-ad valorem tariffs affecting these products.

#### E. Tariff simplication

<sup>&</sup>lt;sup>12</sup> Provisions of Article XXXVII of GATT in the chapter on Trade and Development of GATT 1994.



- 26. This issue has advanced significantly since the latest modalities text. Provisions on this issue provide now a more ambitious treatment which includes a stand still (i.e. no more complexity added) and a commitment to simplify tariffs in this round. The text also mentions that the simplification shall be effective on the first day of implementation.
- 27. In spite of this, the following elements remain in brackets, signaling the lack of effective agreement at this stage:
  - The percentage of bound tariffs that shall be expressed in simple ad valorem terms in each member's schedule
  - The percentage of non-ad valorem tariff that members should convert into simple ad valorem terms
  - The schedule for the progressive conversion into ad valorem tariffs for members with more than [40 per cent] of its tariffs currently bound in non-ad valorem terms

#### F. Tariff quotas

- 28. More details have been provided on *bound-in quota tariffs* in relation with the previous modalities text. According to the proposed provision, the starting point would not be the elimination (as supported by the CAIRNS and G-20) but reduction of in-quota tariffs. Elimination is contemplated for low tariffs (those below 10 per cent ad valorem). The text makes a distinction between existing bound in quota tariffs and those new or resulting from the current negotiations and suggests a time frame for implementation of five years.
- 29. Most of elements related to modalities under this issue remain within brackets for instance:
  - Reduction rate applicable for in-bound quota duties
  - Implementation period and staging over 5 years.
  - Level of binding applicable for binding of new Doha Round tariff quota access opportunities.
  - Non-elimination of in-bound quota tariffs for developing countries, as an SDT provision.
- 30. On *Tariff-quota administration*, the new provisions proposed will (a) affect existing (Uruguay Round) and new (Doha Round) TRQs and (b) the Agreement on Import Licensing procedures will be subject to the Agriculture Agreement, thus providing more legal clarity in terms of the precedence for interpreting and implementing obligations derived from both Agreements.



31. In addition the Chairman proposes new notification obligations and a monitoring mechanism in relation with quota fill rates as well as a re-allocation obligation with respect to under-filled quotas. However, the annex detailing the tariff quota under fill mechanism is completely bracketed. Brackets can be noted with respect to the level of the fill rates that could entail modifications to the administration of the tariff quota and the possibility to maintain country-specific allocation of quotas.

#### G. Special Agricultural Safeguard (SSG)

- 32. The current draft reflects two contradicting options with respect to the future of SSG. The first one suggests maintenance of the SSG, reducing its scope (as suggested by the European Union and the G-10).
- 33. Within this first option, the number of tariff lines eligible for SSG could be reduced to 1.5 of scheduled tariff lines. Developing countries with access to the SSG should also reduce the number of lines eligible for SSG but the exact amount is not specified.
- 34. The second option states that SSG should be eliminated and two alternatives are listed within brackets:
  - Elimination of SSG on the first day of the implementation period (as suggested by CAIRNS and the APU¹³ Group) or
  - Phase out of SSG over a period of 4 years, restricting the conditions related triggers and remedy measures for developed countries

#### H. Special Products (SPs)

- 35. The Chairman's thinking in relation has evolved significantly in this last year. The 2007 modalities text provided for the verification of information derived from indicators as a prerequisite for the designation of all SPs. In contrast, the Working Document of January 2008 suggested an approach that would not require compliance with indicators in the case of a minimum entitlement of SPs.
- 36. In this text, the Chairman borrows elements from the G-33 proposal and suggests a "graded approach" for all developing countries, according to which the treatment for Special products will correspond with three differentiated layers of reduction commitments, which shall be more flexible than the treatment applicable

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<sup>&</sup>lt;sup>13</sup> Argentina, Paraguay and Uruguay.



to SePs. However, divergences remain with respect of the specific treatment corresponding to each of the layers of the "graded approach".

- 37. In addition, the Chairman's thinking has also evolved with respect to the possibility of using unused allowances of SePs and exchanging them to SPs. In text the Chairman has proposed certain conditions (listed in footnote 15) for such an exchange mechanism. In this sense he notes that the overall ceiling of SPs would not have to be exceeded and that 0 reduction treatment would not be granted "sensitive product transfers".
- 38. The Chairman has progressively taken on board the concerns of certain coalitions of developing countries, increasingly linking SP provisions to tariff reduction commitments. In this sense, he proposed a special treatment for SVEs in his Working document, suggesting two alternatives for the designation of SPs by SVEs: (a) either the graded approach proposed for developing countries or (b) using the formula proposed for SVEs and guaranteeing a 24 per cent overall average reduction<sup>14</sup>. In this revised Modalities text, the Chairman has introduced special flexibilities for RAMs<sup>15</sup> (larger minimum entitlement -without guidance from indicators- and maximum number of SPs and lesser cuts).
- 39. The following issues are currently mentioned in brackets at this stage and hence reflect divergences of opinion at this stage:
  - The exemption from tariff reduction for lines designated as SPs
  - The maximum number of tariff lines that could be designated as SPs. The two current options are: 12 per cent or 20 per cent of tariff lines
  - The use of indicators to designate the minimum entitlement of SPs (footnote 14)
  - The treatment for SPs in the 8 per cent minimum entitlement.
  - The percentage reduction of tariffs applicable to SPs. Current options in the graded approach include: 8 per cent or 6 per cent reduction and 12 per cent and 25 per cent
- 40. In addition, the current draft is not clear on the following issues:
  - The operation of the exchange mechanism between SePs and SPs. In this sense, the previous working paper provided alternative and complex scenarios in relation to the "transfer rate", tariff reduction and deviation from the formula.
  - Whether SPs will be exempted from TRQ commitments.

<sup>&</sup>lt;sup>14</sup> See SVE column in graphic matrix included in Annex 1

<sup>&</sup>lt;sup>15</sup> See RAMs column in graphic matrix included in Annex 1



#### I. Special Safeguard Mechanism (SSM)

- 41. The latest modalities text only outlined some elements of divergence on the exact design and operationalization of the mechanism in the future and was hence, not drafted in modalities language. On the other hand, no working document was produced on SSM nor was this subject dealt extensively in Room E discussions.
- 42. The current text on SSM has been drafted in the form of modalities. However, most of the key provisions to understand the implementation of the future SSM (i.e. level of triggers and additional duties) are bracketed and remain controversial.
- 43. It can be noted that certain elements could constrain significantly the possibility to resort to SSM in the future, for instance:
  - The product scope, as SSM will be available for all agricultural products but (a) could not be invoked for more than 3 or 8 products in any given period and (b) a "product" is defined as 4 or 8 tariff lines at the 6 digit level. In contrast, the architecture for the revised SSG indicates its applicability to percentage of tariff lines (1.5per cent)
  - Additional duties should be limited to a partial difference between pre-Doha (Uruguay Round bound rates) and post-Doha rates and the ability to impose remedies beyond pre-Doha bound rates is reserved for SVEs and LDCs only.
  - Requiring a 30 per cent price fall before activating the price-based SSM
  - Preconditions attached to impose a remedy under volume-based SSM
  - Expiration of SSM at the end of Doha implementation period. It can be argued that once tariffs have been reduced the need for the mechanism may be higher not lower. In addition, members with access to SSG have made use of it during the implementation period plus seven additional years and an additional period for the implementation is being discussed.

#### J. Fullest liberalization of trade in tropical products and diversification products

- 44. Two lists are attached to identify these products: the indicative list used during the Uruguay Round and the list proposed by the CAIRNS group. Thus reflecting divergences of members in relation with the level of aggregation of product groups and number of tariff lines that should be included in the final list.
- 45. The following issues remain within brackets.
  - Treatment. Two options are provided:
    - (a) Tariffs at or below 25 per cent to be reduced to zero and tariffs above 25 per cent the cut would be 85 per cent



- (b) Tariffs above 10 per cent shall be reduced by 66 or 73 per cent, except for tariffs in the top band which shall be reduced by the tariff escalation tariff cut for that band increased by 2 per cent and tariffs below 10per cent shall b reduced to 0.
- Products from the list shall not be designated as SePs
- Implementation of the cuts shall be in four equal annual installments

#### K. Long-standing preferences and preference erosion

- 46. The Chairman has recognized the possibility of an overlap between provisions related to preference erosion, tariff escalation and tropical products. In this text, he suggests an approach to follow in the case such overlap occurs: the tariff escalation and tropical products will take precedence over preference erosion.
- 47. With respect to the definition of these products, he suggests that products from Annex H may be selected only in the case of the following concurring conditions:
  - (a) Where pre-Doha MFN bound tariff is greater than 10 per cent ad valorem,
  - (b) A certain value of trade is exceeded, over the most recent three-year period and a certain percentage of agricultural trade of (the beneficiary) in the market concerned is reached and
  - (c) There is unlimited long-standing preference eligibility in the market concerned.
- 48. At this stage, the following outstanding issues remain:
  - How the issue of overlap will be addressed remains unclear, as the precedence scenario described in paragraph 46 above is overridden by exceptions for specific products, which have not been identified.
  - Implementation period. Two options are currently bracketed: (a) delaying tariff cuts for ten years and then implementing cuts over five years and (b) implementation, in equal annual installments, over a period of two years longer than for developing countries under the tiered formula.
  - The parameters referred to in paragraph 47 (b) above to identify products affected by erosion of long-standing preferences. The current value of trade suggested (50.000 USD) and two percentages (3 and 5 per cent) of total agricultural trade to the market concerned remain in brackets.



#### II. EXPORT COMPETITION

- 49. The text on this pillar has not changed much since the latest modalities text. The following changes have been added:
  - A cut-off date by which developing countries must eliminate their schedule export subsidies, which should be achieved by 2016. Provisions on elimination of export subsidies by end of 2013 are maintained for developed countries.
  - NFIDCs and LDC-specific provisions in relation with export credits and similar programmes. They will benefit from a longer repayment period for basic foodstuffs. This period could be extended more in the case of countries facing exceptional circumstances.
  - Best endeavor clause in relation to cash-only food aid, by encouraging members to refrain from providing in-kind food aid in certain situations and requesting members to making their best efforts towards more cash-based food aid.
  - Recognition of regional international organizations and NGOs for launching the emergency appeal, but not for the needs assessment which is limited to relevant UN agencies.
  - Monetization for non-emergency food aid is limited to LDCs.
- 50. Under this pillar, the following outstanding issues remain:
  - Self-financing of export credit and insurance programme,
  - Different schedules for elimination of export subsidies in terms of budgetary outlays and quantities. The latter have only a stand still commitment.
  - The elimination of monopoly powers of State Trading Enterprises (STEs).
  - There is no specified time for concluding access to the food aid "safe box" although reference is made to relevant UN agencies for carrying out assessments of continued need for food aid.
  - Brackets remain in relation to monetization for food aid outside of the safe box and on provisions to limit monetization to LDCs and NFIDCs.



Annex 1: Chairman's Proposal for reduction of agricultural tariffs<sup>16</sup>

Developed countries		Developing countries-general		Recently Acceded Members (RAMs)		Small and Vulnerable Economies (SVEs) <sup>17</sup>		Least Developed Countries (LDCs)
Thresholds	Reduction	Thresholds	Reduction	Thresholds	Reduction	Thresholds	Reduction	
> 75%	[66%-73%]	> 130%	[44%-48%]	> 130%	[36,5-40,5]	> 130%	[34%-38%]	
75% <u>&gt;</u> X > 50%	[62%-65%]	130% ≥ X > 80%	[41%-43%]	130% <u>&gt;</u> X > 80%	[33,5-35,5]	130% <u>&gt;</u> X > 80%	[31%-33%]	
50% <u>&gt;</u> X > 20%	[55%-60%]	80% <u>&gt;</u> X > 30%	[37%-40%]	80% <u>&gt;</u> X > 30%	[29,5-32,5]	80% <u>&gt;</u> X > 30%	[27%-30%]	
20% ≥ X > 0%	[48%-52%]	30% ≥ X > 0%	[32%-35%]	30% <u>&gt;</u> X > 10%	[24,5-27,5]	30% ≥ X > 0%	[22%-25%]	
<ul> <li>Minimum average cut: [54 %]</li> <li>If application of the tiered formula, inclusive of the treatment of Sensitive Products result in cut below [54 %], an additional should be made proportionately across all bands to reach that target</li> </ul>		<ul> <li>Maximum average reduction:         [36%]</li> <li>If overall average reduction is higher than [36%], members would apply lesser reductions, in a proportionate manner across tiers to keep within such an average level</li> </ul>		<ul> <li>Bound duties below 10% shall be exempt from tariff reduction</li> <li>Implementation of Doha Round commitments start 1 year after implementation of accession commitments</li> <li>Implementation period: 2 more years</li> <li>"Very" RAMs<sup>18</sup> and small-income RAMs<sup>19</sup> with economies in transition shall not be required to undertake reductions</li> </ul>		<ul> <li>If overall average cut is higher than [24] %, members may self-designate as Special Products (and self-select the treatment for) any such number of tariff lines that it determines would be sufficient to attain an overall maximum 24 % average cut.</li> <li>No minimum cut or guidance with indicators is required on SPs in this scenario</li> </ul>		No tariff reduction

 $<sup>^{16}</sup>$  As contained in Draft Modalities for Agriculture (TN/AG/W/4/Rev. 1, dated 8 February 2008)

<sup>&</sup>lt;sup>17</sup> Defined (in Annex I of Draft Modalities for Agriculture - TN/AG/W/4/Rev. 1, dated 8 February 2008-) as members "whose average share for the period 1999-2004 (a) of world merchandise trade does not exceed 0.16 per cent and (b) of world NAMA trade does not exceed 0.10 per cent and (c) of world agricultural trade does not exceed 0.40 per cent". Republic of Congo, Cote d'Ivoire and Nigeria (plus other Members that can provide data that show they meet the criteria above) are considered eligible for this treatment as, according the Chairman, the SVE treatment is considered being "comparably appropriate".

<sup>&</sup>lt;sup>18</sup> Saudi Arabia, The Former Yugoslav Republic of Macedonia, Vietnam and Tonga

<sup>&</sup>lt;sup>19</sup> Albania, Armenia, Georgia, Kyrgyz Republic and Moldova



#### CHAIRMAN'S PROPOSAL FOR REDUCTION OF AGRICULTURAL TARIFFS<sup>20</sup>

	Developing countries- general	Recently Acceded Members (RAMs)	Small and Vulnerable Economies (SVEs)	Least Developed Countries (LDCs)
Examples:	Argentina, Brazil, India, Indonesia, Malaisia, Philippines, Thailand, Venezuela	China, Chinese Taipei, Croatia, Jordan, Lithuania, Oman, Saudi Arabia, The Former Yugoslav Republic of Macedonia, Vietnam, Tonga, Albania, Armenia, Georgia, Kyrgyz Republic and Moldova	Albania, Antigua and Barbuda, Armenia, Barbados, Belize, Bolivia, Botswana, Brunei Darussalam, Cameroon, Cote d'Ivoire, Cuba, Dominica, Dominican Republic, Ecuador, El Salvador, Fiji, FYR Macedonia, Gabon, Georgia, Ghana, Grenada, Guatemala, Guyana, Honduras, Jamaica, Jordan, Kenya, Kyrgyzstan, Macao – China, Mauritius, Moldova, Mongolia, Namibia, Nicaragua, Nigeria, Panama, Papua New Guinea, Paraguay, Republic of Congo, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Sri Lanka, Suriname, Swaziland, Trinidad and Tobago, Uruguay and Zimbabwe.	Angola, Bangladesh, Benin, Burkina Faso, Burundi, Cambodia, Central African Republic, Chad, Congo (Democratic Republic), Djibouti, Gambia, Guinea, Guinea Bissau, Haiti, Lesotho, Madagascar, Malawi, Maldives, Mali, Mauritania, Mozambique, Myanmar, Nepal, Niger, Rwanda, Senegal, Sierra Leone, Solomon Islands, Tanzania, Togo, Uganda, Zambia

<sup>&</sup>lt;sup>20</sup> As contained in Draft Modalities for Agriculture (TN/AG/W/4/Rev. 1, dated 8 February 2008)



### READERSHIP SURVEY QUESTIONNAIRE South Centre Analytical Note

## South Centre comments on the Revised Draft Modalities for Agriculture (TN/AG/W/4 Rev. 1 of 8th February 2008)

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South Centre Feedback
Chemin du Champ d'Anier 17
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Chemin du Champ d'Anier 17 Case postale 228, 1211 Geneva 19 Switzerland

Telephone: (41 22) 791 8050 Fax: (41 22) 798 8531 Email: south@southcentre.org

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