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A FORMULA FOR TARIFF CUTS: SOME CONSIDERATIONS WITH RESPECT TO DEVELOPING COUNTRIES' TARIFF PROFILES

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I. INTRODUCTION

1. One of the most important elements of the mandate contained in Paragraph 16 of the Doha Ministerial Declaration, and one that has attracted the foremost attention of negotiators after the adoption of the Declaration, concerns the reduction or, as appropriate, the elimination of tariffs. As members approach the Hong Kong Ministerial Conference in December, some options of formula have been discussed by the Negotiating Group on Market Access. Nonetheless, one cannot discern convergence towards any of the options proposed yet. As a matter of fact, divergences have actually widened over the past weeks, with many members increasingly uncomfortable with the options under the discussion.[1]

2. This note briefly presents some considerations concerning NAMA tariff reductions and the formulae proposed to that end. First, it presents some arguments against undertaking tariff reductions in the WTO and possible negative impacts on developing countries (I). It then presents some of the elements contained in the current framework modalities (II). Finally, the note presents and compares the effects of the US Simple Swiss formula and the Argentina, Brazil and India (ABI) Girard-type formula (III).

3. This note concerns the reduction of tariff lines that have already been bound under the GATT/WTO and does not tackle the issue treatment of unbound tariffs.

4. Annexes at the end of this note contain tables (1) presenting examples of adjustment costs, (2) showing the effect of simulations using the US and ABI formulae on national bound averages, and (3) on national maximum rates. Finally, (4) a categorisation of countries under current Annex B conditions is presented in a last table.

II. SOME OF THE ARGUMENTS AGAINST TARIFF REDUCTIONS IN THE WTO

5. Reducing tariffs in the WTO implies *binding* reduced rates in country schedules of commitments. Each of these *bound* rates thereby becomes the permanent maxim tariff ceiling that a member commits to charge for a given product. Members can apply tariffs that are lower than the bound rates without infringing their WTO commitments, but any rate higher than the bound rate constitutes an infringement of its obligations. To increase the margin within which changes can happen, many developing countries have bound their tariffs at relatively high

[1] The fact that differences among members have actually widened recently was recognised, by instance, in the Comment prepared by the Chairman of the Negotiating Group on Market Access: "*I am troubled by the apparent hardening of differences over a number of elements of the proposed modalities that have become more pronounced this week. It should be obvious to all of you that it is impossible for me as Chairman to issue any text that would be capable of bridging such differences and attracting consensus.*" The comment further recognised that developing countries are still uncomfortable with the options on the table: "*At the last NAMA session at which time the sixth formula option was presented, it was made clear by those developing Members that their reason for submitting this option was that their concerns about the impact of the formula had not been met by the proposals on the table.*" (JOB(05)/147 of 08 July 2005).

rates, but often apply rates at much lower levels.[2]

6. When developing countries bind their tariffs they (1) renounce their right to raise tariffs beyond bound levels. When developing countries subsequently reduce their bound rates, they (2) reduce the margin between the applied and bound rates, thereby limiting their ability to freely change their tariffs and (3) accept levels of tariff that may be too low and therefore prove to be ineffective as instruments of industrial policy.

7. In fact, tariffs are common and easy-to-implement instruments that most governments have used to promote domestic production and industrialisation. All major industrialised nations have used tariffs to promote their process of industrialisation. For developing nations, the importance of tariffs as instruments of public policy is all the more prominent today since the use of many other instruments has already been restricted by other rules of the GATT/WTO, such as those contained in the Subsidies Agreement, TRIMs and TRIPs. Lowering tariffs now may very seriously jeopardise the future ability of poor countries to promote their industrialisation, diversification away from primary commodities and products with little value added, and ultimately, their development.

8. Moreover, for developing countries that have succeeded in promoting some industries, premature tariff reduction may trigger de-industrialisation. That would lead to loss of industrial production and employment. Analyses using different NAMA formula scenarios show that a number of developing countries may in fact experience loss of output and employment as a result of the current negotiations.[3]

9. Even in cases where developing countries stand to gain from tariff liberalisation in other markets, the expected gains may not materialise for a variety of reasons. For instance, developed countries may be the ones to reap the benefits of further liberalisation because of their greater physical integration to the multilateral trading system. Alternatively, developing countries may be unable to increase their market shares because of sophisticated protectionist instruments used by developed countries such as technical barriers to trade and safeguard and anti-dumping measures. Finally, developing countries may be unable to increase exports because of lack of knowledge of market opportunities, supply side constraints, etc.

10. As a matter of fact, many specialists have argued that trade liberalisation in the context of a South-only mechanism, such as the *General System of Trade Preferences among developing countries* (GSTP), would ensure that it is developing countries who take advantage of any new market access opportunities.

11. Finally, tariff reductions also represent significant challenges, even when, on the

[2] The difference between the applied rates (lower) and the bound rates (higher) is referred to as "water in tariffs".
[3] "*Now what? Searching for a Solution to the WTO Industrial Tariff Negotiations*", Santiago Fernandez de Cordoba and David Vanzetti, paper presented at "*Coping with Trade Reforms: Implications of the WTO Industrial Tariff Negotiations for Developing Countries*", seminar organised by the Trade Analysis Branch of UNCTAD on 18 and 19 January 2005 in Geneva.

longer run, they are expected to be beneficial. Some of these challenges have been recognised in paragraph 16 of Annex B of the July Framework and relate mostly to short term adjustment problems. These difficulties include the loss of government fiscal revenue[4] and the erosion of preferences[5].[6]

12. For these reasons, impact assessment had been a priority at the time of the Doha Ministerial Conference and was reaffirmed in paragraph 15 of Annex B of the July Framework[7]. The crucial feature of meaningful assessment is that it has to take place before the adoption and implementation of possible modalities for tariff reductions, not after. Developing countries can only accept modalities with full knowledge of their implications and the mechanisms that will be in place to mitigate possible detrimental impacts. To this date, no thorough impact assessment has been undertaken for the bulk of developing countries.

III. ELEMENTS FOR TARIFF REDUCTIONS

13. There is a wide range of options to negotiate tariff reductions. Modalities, or the approach chosen, are made of a variety of elements, which each have bearings on the final reductions that will be required.

14. Beyond the steepness of reductions (the "level of ambition") other elements of agreed modalities are also relevant and directly influence the impact that the modalities will have. Some of these elements relate, for instance, to the scope of reductions (e.g. wide product coverage, sectoral tariff reduction or exclusion of individual lines) and the extent of reductions (e.g. reduction on a line by line basis or on the whole to meet agreed target average cuts).[8]

15. From the wide range of options available, a few elements for establishing modalities concerning tariff reductions were included in Annex B of the July Framework[9]. Some of them are:

    a. reductions will be undertaken across the board or, in principle, on all non-

[4] Revenue generated through the collection of customs rights can be a major source of government revenue in many developing countries. The share of import duties in tax revenue is as high as 54.7% in developing countries (Table 5.6, *World Development Indicators*, World Bank, 2003).
[5] The erosion of preferential margins of market access as a result of MFN tariff reductions will affect a large number of developing countries and can be particularly challenging for countries whose exports are heavily concentrated on only a few products and a few markets and who largely utilise such schemes.
[6] A table is presented at the end of this note showing, in a schematic manner, some of the adjustment costs that countries will face as a result of liberalisation in industrial tariffs.
[7] "*We recognize that appropriate studies and capacity building measures shall be an integral part of the modalities to be agreed*" (paragraph 15 of the July Framework).
[8] "*Formula approaches to tariff negotiations*" (TN/MA/S/3/Rev.2 of 11 April 2003). The note prepared by the WTO Secretariat focuses only on formula approaches, that is, it excludes modalities that do not utilise a formula, such as Request and Offer.
[9] Paragraphs 4 and 5 of Annex B of the Decision of the General Council of 01 August 2004.

agricultural tariff lines[10];

b. reductions will start from bound rates, as enumerated in the various national schedules of tariff concessions;

c. reductions will be undertaken for each individual tariff line, that is, on a line by line basis;

d. reductions will be made through a formula (and not, for instance, through request and offer);

e. reductions will be progressive, that is, higher tariffs will undergo proportionately higher cuts (in order to discharge the mandate to reduce tariff peaks, high tariffs and tariff escalation).

16. Each of these elements has both individual and aggregate bearings for developing countries. Very generally, the combined consequence of the elements contained in Annex B is that developing countries will have to undertake considerable tariff reductions, particularly because the formula will be applied across the board, on a line by line basis, making it impossible to accommodate national sectoral sensitivities. Furthermore, this means that in most cases, developing countries will be required to undertake larger reductions than developed countries.

17. Alternatively, modalities that require meeting an average reduction objective (e.g. countries must undertake overall average reductions of 30%), avoiding line by line cuts, would be much more flexible for developing countries.[11] Under this approach, countries would have to meet an overall average reduction while maintaining discretion about where to allocate the steepest reductions. This would allow for greater tariff cuts on specific lines, where the industry is more competitive and can face greater competition while maintaining higher rates on selected lines, where industries are incipient or where there are prospects of future domestic development.

18. This option has not been formally submitted to the Negotiating Group on Market Access. It has however been evoked as a preferable option by a group of Caribbean countries that have submitted a proposal for a weighted Swiss-type of formula.[12]

19. However, when applied to developed countries, such an approach would be inefficient in eliminating tariff peaks and tariff escalation that are commonly applied on many products of export interest to developing countries. To correct

[10] To date, the issue of product coverage in NAMA negotiations is still being discussed, but no product or sector has for the moment been set aside or exempted from formula cuts.
[11] This option was used during the Uruguay Round and became known as the *Uruguay Round approach*. All countries were then required to undertake an average reduction of all their tariff lines, with minimum commitments on individual lines. Developed countries had to reduce their tariffs by an average of 36%, with a minimum reduction of 15% on individual lines. Developing countries were asked to undertake two thirds of developed countries' efforts and therefore reduced their tariffs by 24% with minimum reductions of 10% on individual lines.
[12] The Caribbean proposal was circulated as an informal paper to the NGMA.

that, ceilings could be agreed or different modalities altogether could be applied to those countries.

IV. THE US AND ABI FORMULAE AND SOME SIMULATIONS

20. There seems to be at least two approaches to the "structure" of formula on the negotiating table which conform to the parameters of the approach retained in Annex B and which have gained attention from delegations. However, both options have in common the fact that they are based on a Swiss formula. Hereunder, both structures are analysed and compared.[13]

A. The US simple Swiss Formula

21. The first, proposed by the United States, is to use a simple Swiss formula with a negotiated coefficient. The US informally elaborated that there could be two coefficients, one separately applied by developing countries and another one applied by developed countries[14]. However, the US has insisted that both coefficients would have to be within 'view sight of each other', meaning, not distant from each other.

22. The simple Swiss formula is expressed as follows:

$$\text{Final Tariff} = \frac{\text{Coefficient x Initial Tariff}}{\text{Coefficient + Initial Tariff}}$$

where:

the *initial tariff* is the bound rate, as listed in national schedules, and;

the *coefficient* is a figure to be negotiated.

23. It is clear that the most important element of this formula is the coefficient, which, in practice, operates as the maximum tariff (ceiling) after application of the formula. For a given coefficient, whatever the initial tariff, the resulting rate is always lower than the coefficient (**a**). The lower the coefficient, the lower the resulting tariff (**b**).

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[13] The Chairman of the Negotiating Group on Market Access has clearly stated recently that the debate in the run-up to Hong Kong will need to move away from the structure only of the formula and move towards actual numbers (mainly coefficients): "*We cannot continue endlessly to debate structure alone. It is becoming more clear that the basic divisions relate less to the actual structure than they do to the balance Members are seeking between ambition and flexibility. In the end, we will only find that balance by going more deeply into a numbers-based negotiations, one that addresses both the actual levels of the coefficients and the final numbers to be used in paragraph 8. For this kind of process to succeed, Members will need to engage in a give-and-take with one another on possible coefficients with all sides protecting their rights to withhold final agreement on each proposal until everything is agreed.*" ("Supplement to the commentary" JOB(05)/147/Add.1 of 27 July 2005).

[14] JOB(05)/36

a) Final Tariff = $\frac{15 \times \mathbf{45}}{15 + \mathbf{45}} = 11.25\%$ → Final Tariff = $\frac{15 \times \mathbf{200}}{15 + \mathbf{200}} = 13.95\%$

b) Final Tariff = $\frac{\mathbf{25} \times 45}{\mathbf{25} + 45} = 16.07\%$ → Final Tariff = $\frac{\mathbf{10} \times 45}{\mathbf{10} + 45} = 8.18\%$

24. Because the coefficient operates as a ceiling, however high the initial tariff, the Simple Swiss formula triggers a very pronounced compression of all rates towards the chosen coefficient. Since all countries would apply the same coefficient (or same two coefficients), the formula would result in all countries having a similar tariff structure, irrespective of their level of development. In other words, there is *harmonisation* of all tariffs within one country (the rate of all lines will be situated around the coefficient), and across all countries (all countries have similar resulting tariff structures).

25. That is not a casual consequence. In fact, some members have clearly stated that harmonisation (*flat* resulting tariffs within and across countries) is a desirable outcome for the negotiations. That should in no case be so. Not only was that objective never part of the Ministerial mandate, but it would also contradict the mandate to take into account the needs and interest of developing countries. Whatever the coefficient chosen, it would always be arbitrary, without any real or effective connection to developing countries needs.

26. Moreover, the simple Swiss formula approach can very hardly be compatible with the need to operationalise less than full reciprocity. In fact, since it results in relatively much higher reductions for higher tariffs, and since developing countries have tariff averages that are higher to those of developed countries, it is developing countries who would make the bulk of reductions in the negotiations.

27. Finally, it is worth mentioning that the stated level of ambition for that formula is in fact very high and countries such as the United States have now been saying that the NAMA outcome must create "significant commercial benefits". This means that the formula would have to be "aggressive" enough so as to reduce current applied rates. In fact, a coefficient of 8, discussed informally, would yield final tariffs below the current applied levels for almost all countries, with very few exceptions.[15]

28. It is also worthwhile mentioning that in the last mini-ministerial meeting held in Dalian, China[16], Pakistan put forward a proposal to bridge the difference between the supporters of the Simple Swiss formula and the supporters of the Swiss-type of formula (see below). The "compromise" proposed by Pakistan recognises the

[15] Please see Annex II for precise numbers. The only countries for which a coefficient of 8 does not produce reductions in the current applied average are Brunei, Costa Rica, El Salvador, Fiji, Israel, Oman, Singapore, South Africa, Swaziland and Turkey.
[16] Held on 12-13 July 2005.

fact that, in a Simple-Swiss formula, only two coefficients that are distant enough from each other are likely to accommodate developing countries' specific concerns about their industrial development. The coefficients proposed by Pakistan would be of around 6 for developed countries and around 30 for developing countries.[17]

B. The ABI Swiss-type formula

29. The second proposal has been presented by Argentina, Brazil and India ("ABI proposal"[18]) and concerns a modified Swiss-type of formula, which incorporates national tariff averages into the formula, reducing the impact of the coefficient and establishing a linkage between tariff reductions and a country's current tariff levels.[19]

30. The formula is in fact very similar to the formula that had been proposed by the first chairman of the Negotiating Group on Market Access, Ambassador Girard. The difference between both formulae is that the ABI formula would only apply on bound duties whereas the Girard formula applied on both bound and unbound duties.

31. The ABI formula can be expressed as follows:

$$\text{Final Tariff} = \frac{(\text{Coefficient} \times \text{National Average of Bound rates}) \times \text{Initial Tariff}}{(\text{Coefficient} \times \text{National Average of Bound rates}) + \text{Initial Tariff}}$$

where,

the *initial tariff* is the bound rate, as listed in national schedules, and;

the *coefficient* is a figure to be negotiated, and;

the *national average of bound rates* is calculated using all non-agricultural bound duties.

32. In the ABI formula, the presence of the national average for all bound lines ensures that each country has, in practice, a different, unique coefficient, corrected to reflect is current tariff structure. However, it is also a progressive formula and also requires higher tariffs to undergo proportionately higher

[17] The Pakistani coefficients are equivalent to the current overall tariff averages of all developed and all developing countries applying the formula respectively. By choosing such coefficients, the formula would trigger a tariff harmonisation towards the current tariff average of all developing countries. That would be considerably more flexible for most developing countries with only some exceptions. This option would however imply reductions to all tariff lines where rates are higher than the coefficient (line by line effect). The Pakistani submission also contained a proposed methodology for the treatment of unbound tariff lines. That aspect of the proposal is not commented in this note. (TN/MA/W/60).

[18] The ABI submission also contained a proposed methodology for the treatment of unbound tariff lines. That aspect of the proposal is not commented in this note.

[19] TN/MA/W/54

reductions. The proposal by the three countries also mentions that there could be more than one coefficient applied ("*value(s)"* in the text of the proposal).

33. The formula is also an attempt to operationalise less than full reciprocity. Because developing countries have higher tariff averages than developed countries, the tariffs after application of the formula are higher than with the Simple Swiss formula. On the contrary, developed countries have lower averages and therefore the ABI formula would result in greater tariff cuts in developed countries. Because they would also have to significantly reduce their tariffs, developed countries would be less inclined to push for very low coefficients.

34. When applied to countries with lower average tariffs, such as developed countries the formula is also efficient in reducing or eliminating tariff peaks and escalation. The table contained in Annex II reveals that the average reductions in developed countries are more pronounced under the ABI formula than under the Simple Swiss formula. Even if the difference in the figures in this Annex seem rather insignificant, the ABI would actually be very efficient in eliminating tariff peaks and escalation in developed countries.[20]

35. Finally, it is worthwhile mentioning that a group of Caribbean countries has submitted a proposal in early July 2005 that builds on the Swiss-type formula. According to this proposal, a set of criteria would be identified and agreed upon and credits would be attached to each of these criteria. Then, developing countries that qualify under the criteria would be granted credits added to the coefficient, leading to a higher coefficient. For example, a coefficient of "1" could be established for all developing countries. Then, a credit of "1" could be attached to adjustment costs related to the erosion of preferences. Developing countries that are likely to be affected by preference erosion would then be allowed to use a coefficient of "2" in the formula.

36. This option is certainly very favourable for developing countries in so far as it modulates the tariff reductions that they are required to make with their actual capacity to undertake those cuts. However, its most obvious drawback is the difficulty related to its operationalisation. It will most likely prove to be politically difficult to agree on a set of criteria (or characteristics) and to apportion the corresponding credits to different developing countries.

V. BRIEF COMPARISON AND CONSIDERATIONS

37. However, similarly to the simple Swiss formula, the ABI formula also depends very much on the coefficient chosen. In fact, both formulae can have similar effects depending on the figures chosen for the coefficient. For very low coefficients, both formulae would result in very low final rates.

38. For instance, the average bound rate for all developing countries applying the

[20] Annex III at the end of this note presents the results of the formula on national maximum rates. See also paragraph 44 below.

formula under Annex B[21] is 29.12%. For such an average, using a coefficient of 1 in the ABI formula (**a**) would be roughly equivalent to using a coefficient of 28 in the US proposal (**b**).

ABI Girard Formula: $$\text{Final Tariff} = \frac{(29.12 \times \mathbf{1}) \times 29.12}{(29.12 \times \mathbf{1}) + 29.12} = 14.56\%$$

US Swiss Formula: $$\text{Final Tariff} = \frac{\mathbf{28} \times 29.12}{\mathbf{28} + 29.12} = 14.27\%$$

39. In comparison, the US Swiss formula requires much higher coefficients in order to produce final tariffs that are not drastically low (for instance, that would not affect current applied rates). Negotiating higher coefficients may result in considerable political difficulties within the Negotiating Group. In fact, the values that were informally circulated for the coefficient of the Swiss formula are very low: around 8, 10 or 12.

40. As a result, the ABI formula makes it easier to negotiate higher coefficients and therefore protect developing countries' ability - and right - to use tariffs as a policy instrument. As a bottom line, however, developing countries could aim to protect, at least, their current applied tariffs. That would maintain the status quo of whatever protection countries may be applying currently. Nevertheless, reducing bound tariffs to the applied levels will still have a very serious impact on policy space, through the elimination, or reduction, in the current margin between bound and applied tariffs.

41. The average bound rate for developing countries that will have to apply the formula is 29.12%[22]. However, the actual applied rate in those countries is considerably lower, at 9.74%[23]. In order to preserve that average applied rate, the lowest coefficient for a US simple Swiss formula should be 15, and the lowest possible coefficient in an ABI formula, 0.5. Under both scenarios, the average applied rate of developing countries, 9.74%, is preserved.

US Swiss Formula: $$\text{Final Tariff} = \frac{\mathbf{15} \times 29.12}{\mathbf{15} + 29.12} = 9.09\%$$

ABI Girard Formula: $$\text{Final Tariff} = \frac{(29.12 \times \mathbf{0.5}) \times 29.12}{} = 9.71\%$$

[21] An annex at the end of this note contains a list of countries applying the formula according to Annex B. It excludes countries under paragraph 9 (LDCs) and paragraph 6 (countries with a binding coverage of less than 35%).
[22] The over all average of bound rates will depend on the precise list of members considered under this group. There could be some variations depending on "developing" or "developed" country self-designation.
[23] Please refer to Annex IV for a list of countries applying the formula and their respective averages.

(29.12 x **0.5**) + 29.12

42. It is worth recalling however, that these numbers refer to averages only. Hence, this does not apply, for instance, to countries that apply rates significantly above developing countries average.[24] Similarly, it does not apply to countries that have bound averages significantly lower than developing countries average.

43. Finally, simulations with both formulae on tariff peaks and escalation also give an advantage to the ABI formula. Applying both formulae to the peaks maintained by the US, EC and Japan, the results are as follow[25]:

	National Bound Average	Peak (Initial tariff)[26]		**Simple Swiss Formula C = 10**	**ABI Formula C = 0.5**
US	3.2%	48%	→	8.27%	**1.54%**
Japan	2.3%	30%	→	7.5%	**1.11%**
EC	3.9%	26%	→	7.2%	**1.81%**

44. The figures above reveal that the ABI formula has a much more effective impact on tariff peaks, and thus tariff escalation, in developed countries (because of their lower average rates). Since developed country tariff averages are already very low, the elimination of peaks and escalation are the main areas in which developing countries can gain real improved market access opportunities. Because the reduction of maximum tariffs in developed countries is much more pronounced under the ABI formula, it can lead to market access gains for developing countries.

VI. CONCLUSION

45. In sum, the ABI formula can have a much milder impact on developing countries' tariff structures, particularly if the coefficient agreed is not extremely low and preserves at least current applied levels. Negotiating a higher coefficient in the context of the ABI proposal would seem politically easier. An additional benefit

[24] A coefficient of 0.5 in the ABI formula would still trigger cuts in the applied average rate for a number of developing countries, such as Argentina, China, Ecuador, Egypt, India, Jordan, Korea, Malaysia, Mexico, Mongolia, Pakistan, Paraguay, Thailand, Tunisia, Uruguay and Venezuela. These reductions are however always less steep than under an ambitious scenario as in the US simple Swiss formula.
[25] Please refer to Annex III for a complete list of national maximum averages and the effect on them after the application of the formulae.
[26] Maximum bound rates (*peaks*) for the US, EC and Japan, from TN/MA/S/4/Rev.1/Corr.1

is that such a formula would in general require lower cuts, thus having lesser detrimental effects on loss of government revenue.

46. Nonetheless, such a formula would still restrict government's policy space by significantly reducing countries' bound rates. Even considerably higher coefficients would trigger a meaningful reduction of the bound rate[27]. Moreover, since the formula leads to less ambitious cuts, developing countries will have to stand united against pressure, particularly by the United States, to adopt supplementary modalities, such as sectoral initiatives.

47. Similarly, developing countries will still need to make sure that the flexibilities and special and differential treatment (such as in paragraph 8 or any other form) are maintained and available together with the built-in flexibilities of whatever formula. Moreover, the fact that an ABI formula could require softer cuts from developing countries will probably lead developed countries to increase the pressure for sectoral initiatives and for lesser flexibilities. Even in a moderate tariff reduction scenario, it will be crucial to have adequate implementation periods[28] and adequate mechanisms to assist members in sequencing policies to cope with possible resulting losses of fiscal revenue.

48. However, since the ABI formula would trigger proportionately higher cuts in developed countries, that formula may have a greater impact on preference erosion. As a result, members will have to be all the more careful in designing mechanisms to assist the countries that may be affected by that erosion to cope with related adjustment challenges.

49. Finally, it is worthwhile recalling the issue of unbound tariffs and the treatment that will be given to them. Even assuming that unbound tariffs will not be subject to the formula (e.g. as many developing countries have argued or according to paragraph 6 and 9 of Annex B), binding could still result in tariff reductions if the rate at which lines are bound is below applied rates currently used on those lines.

[27] Please refer to Annex II for the precise figures.
[28] Full implementation of all current commitments by all members will only finish in 2011. TN/MA/S/4

ANNEX I: ADJUSTMENT COSTS ARISING FROM TRADE LIBERALISATION

Private sector	Labour:	Opportunity costs of unemployed labour
		Obsolescence of skills and skill specificity
		Lower wage levels
		Re-training costs
		Personal costs such as psychological suffering
		Other costs: (e.g. rent seeking)
	Capital	Opportunity costs of underutilized or unemployed capital
		Cost of capital rendered obsolete (Capital write-offs)
		Transition costs of shifting capital from one activity to another
Public sector		Loss in tax revenue
		Social safety net spending (e.g., unemployment benefits)
		Erosion of benefits from preferential treatment
		Efforts to ensure macroeconomic stability
		Implementation costs of trade reforms
		Non Trade Concerns: food security, support to rural areas, environmental concerns

Source: Figure 1: of "*Trade liberalisation and adjustment costs*", Santiago Fernandez de Cordoba, Sam Laird and Jose Maria Serena. Paper presented at a workshop session entitled "*Coping with Trade Reforms: Implications of the WTO Industrial Tariff Negotiations for Developing Countries*", organised by the Trade Analysis Branch of UNCTAD on 18 and 19 January 2005 in Geneva.

ANNEX II: FINAL TARIFFS AFTER APPLICATION OF THE SIMPLE SWISS AND SWISS-TYPE FORMULAE: IMPACT ON NATIONAL AVERAGES

National Averages

Developing Countries (only those applying the Formula according to Annex B)										
Member	Bound Lines		Simple Swiss				ABI			
	Average rate (bound)	MFN Applied Average	C:08	C:12	C:20	C:50	C:0.5	C:01	C:02	C:03
Albania	6.6	7.2	3.62	4.26	4.96	5.83	2.20	3.30	4.40	4.95
Antigua and Barbuda	51.4	8.6	6.92	9.73	14.40	25.35	17.13	25.70	34.27	38.55
Argentina	31.8	15.3	6.39	8.71	12.28	19.44	10.60	15.90	21.20	23.85
Armenia	7.5	...	3.87	4.62	5.45	6.52	2.50	3.75	5.00	5.63
Bahrain	35.1	8.1	6.52	8.94	12.74	20.62	11.70	17.55	23.40	26.33
Barbados	73	9.2	7.21	10.31	15.70	29.67	24.33	36.50	48.67	54.75

Member	Bound Lines		Simple Swiss				ABI			
	Average rate (bound)	MFN Applied Average	C:08	C:12	C:20	C:50	C:0.5	C:01	C:02	C:03
Belize *	51.5	9	6.92	9.73	14.41	25.37	17.17	25.75	34.33	38.63
Bolivia	40	9.3	6.67	9.23	13.33	22.22	13.33	20.00	26.67	30.00
Botswana	15.8	5.2	5.31	6.82	8.83	12.01	5.27	7.90	10.53	11.85
Brazil	30.8	15	6.35	8.64	12.13	19.06	10.27	15.40	20.53	23.10
Brunei Darussalam	24.5	2.5	6.03	8.05	11.01	16.44	8.17	12.25	16.33	18.38
Bulgaria	23	10.1	5.94	7.89	10.70	15.75	7.67	11.50	15.33	17.25
Chile	25	7.9	6.06	8.11	11.11	16.67	8.33	12.50	16.67	18.75
China	9.1	14.5	4.26	5.18	6.25	7.70	3.03	4.55	6.07	6.83
Colombia	35.4	11.8	6.53	8.96	12.78	20.73	11.80	17.70	23.60	26.55
Costa Rica	42.9	4.6	6.74	9.38	13.64	23.09	14.30	21.45	28.60	32.18
Croatia	5.5	5.7	3.26	3.77	4.31	4.95	1.83	2.75	3.67	4.13
Dominica	50	7.3	6.90	9.68	14.29	25.00	16.67	25.00	33.33	37.50
Dominican Republic	34.2	7.8	6.48	8.88	12.62	20.31	11.40	17.10	22.80	25.65
Ecuador	21.1	11.5	5.80	7.65	10.27	14.84	7.03	10.55	14.07	15.83
Egypt	28.3	21.2	6.24	8.43	11.72	18.07	9.43	14.15	18.87	21.23
El Salvador	35.7	6.6	6.54	8.98	12.82	20.83	11.90	17.85	23.80	26.78
Fiji (2004)	40	6.4	6.67	9.23	13.33	22.22	13.33	20.00	26.67	30.00
FYR of Macedonia	6.2	11.7	3.49	4.09	4.73	5.52	2.07	3.10	4.13	4.65
Gabon	15.5	...	5.28	6.76	8.73	11.83	5.17	7.75	10.33	11.63
Georgia	6.5	10.3	3.59	4.22	4.91	5.75	2.17	3.25	4.33	4.88
Grenada	50	9.2	6.90	9.68	14.29	25.00	16.67	25.00	33.33	37.50
Guatemala	40.8	...	6.69	9.27	13.42	22.47	13.60	20.40	27.20	30.60
Guyana	50	9.6	6.90	9.68	14.29	25.00	16.67	25.00	33.33	37.50
Honduras	32.6	6.5	6.42	8.77	12.40	19.73	10.87	16.30	21.73	24.45
Hong Kong	0	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
India	34.3	28.7	6.49	8.89	12.63	20.34	11.43	17.15	22.87	25.73
Indonesia	35.6	6.6	6.53	8.97	12.81	20.79	11.87	17.80	23.73	26.70
Israel (1999)	9.2	3.7	4.28	5.21	6.30	7.77	3.07	4.60	6.13	6.90
Jamaica	42.5	...	6.73	9.36	13.60	22.97	14.17	21.25	28.33	31.88
Jordan	15.2	13.8	5.24	6.71	8.64	11.66	5.07	7.60	10.13	11.40
Korea, Rep. of	10.2	7.3	4.48	5.51	6.75	8.47	3.40	5.10	6.80	7.65
Kuwait	100	...	7.41	10.71	16.67	33.33	33.33	50.00	66.67	75.00
Kyrgyz Rep.	6.7	4.6	3.65	4.30	5.02	5.91	2.23	3.35	4.47	5.03
Malaysia	14.9	8.6	5.21	6.65	8.54	11.48	4.97	7.45	9.93	11.18
Mexico	34.9	17.1	6.51	8.93	12.71	20.55	11.63	17.45	23.27	26.18
Moldova *	6	4.1	3.43	4.00	4.62	5.36	2.00	3.00	4.00	4.50
Mongolia	17.3	6.9	5.47	7.09	9.28	12.85	5.77	8.65	11.53	12.98
Morocco *	39.2	28.1	6.64	9.19	13.24	21.97	13.07	19.60	26.13	29.40
Namibia	15.8	5.2	5.31	6.82	8.83	12.01	5.27	7.90	10.53	11.85
Nicaragua	41.5	4.1	6.71	9.31	13.50	22.68	13.83	20.75	27.67	31.13
Oman	11.6	5	4.73	5.90	7.34	9.42	3.87	5.80	7.73	8.70
Pakistan	35.2	20.2	6.52	8.96	12.77	20.69	11.77	17.65	23.53	26.48
Panama [2]	22.9	...	5.93	7.87	10.68	15.71	7.63	11.45	15.27	17.18
Papua New Guinea	30.1	...	6.32	8.58	12.02	18.79	10.03	15.05	20.07	22.58

Member	Bound Lines		Simple Swiss				ABI			
	Average rate (bound)	MFN Applied Average	C:08	C:12	C:20	C:50	C:0.5	C:01	C:02	C:03
Paraguay	33.6	13.2	6.46	8.84	12.54	20.10	11.20	16.80	22.40	25.20
Peru	30	...	6.32	8.57	12.00	18.75	10.00	15.00	20.00	22.50
Philippines	23.4	6.3	5.96	7.93	10.78	15.94	7.80	11.70	15.60	17.55
Qatar	14.5	...	5.16	6.57	8.41	11.24	4.83	7.25	9.67	10.88
Romania (1999)	31.6	16.2	6.38	8.70	12.25	19.36	10.53	15.80	21.07	23.70
Saint Kitts	70.8	8.7	7.19	10.26	15.59	29.30	23.60	35.40	47.20	53.10
Saint Lucia	53.9	7.8	6.97	9.81	14.59	25.94	17.97	26.95	35.93	40.43
St Vincent & Grenadines *	54.6	9	6.98	9.84	14.64	26.10	18.20	27.30	36.40	40.95
Singapore	6.3	0	3.52	4.13	4.79	5.60	2.10	3.15	4.20	4.73
South Africa	15.8	5.2	5.31	6.82	8.83	12.01	5.27	7.90	10.53	11.85
Swaziland	15.8	5.2	5.31	6.82	8.83	12.01	5.27	7.90	10.53	11.85
Taipei, Chinese	4.8	6.4	3.00	3.43	3.87	4.38	1.60	2.40	3.20	3.60
Thailand *	24.2	15.3	6.01	8.02	10.95	16.31	8.07	12.10	16.13	18.15
Trinidad and Tobago	50.5	...	6.91	9.70	14.33	25.12	16.83	25.25	33.67	37.88
Tunisia (2000)	40.6	24.9	6.68	9.26	13.40	22.41	13.53	20.30	27.07	30.45
Turkey	17.5	4.3	5.49	7.12	9.33	12.96	5.83	8.75	11.67	13.13
United Arab Emirates	13.1	...	4.97	6.26	7.92	10.38	4.37	6.55	8.73	9.83
Uruguay	31.3	14	6.37	8.67	12.20	19.25	10.43	15.65	20.87	23.48
Venezuela	33.9	12.1	6.47	8.86	12.58	20.20	11.30	16.95	22.60	25.43
Developed Countries										
Member	Average rate (bound)	MFN Applied Average	Simple Swiss				ABI			
			C:08	C:12	C:20	C:50	C:0.5	C:01	C:02	C:03
European Union	3.9	4.3	2.62	2.94	3.26	3.62	1.30	1.95	2.60	2.93
Canada (2000)	5.3	4.4	3.19	3.68	4.19	4.79	1.77	2.65	3.53	3.98
Iceland (2000)	9.6	2.5	4.36	5.33	6.49	8.05	3.20	4.80	6.40	7.20
Japan	2.3	2.7	1.79	1.93	2.06	2.20	0.77	1.15	1.53	1.73
New Zealand (1999)	11	3.5	4.63	5.74	7.10	9.02	3.67	5.50	7.33	8.25
Norway	3.1	2.1	2.23	2.46	2.68	2.92	1.03	1.55	2.07	2.33
Switzerland		--	--	--	--	--	--	--	--	--
United States (2000)	3.2	3.9	2.29	2.53	2.76	3.01	1.07	1.60	2.13	2.40

ANNEX III: FINAL TARIFFS AFTER APPLICATION OF THE SIMPLE SWISS AND SWISS-TYPE FORMULAE: IMPACT ON NATIONAL MAXIMUM RATES

National Peaks

Developing Countries (only those applying the formula according to Annex B												
Member	Simple Bound Average	Maximum Bound Rate	Simple Swiss						ABI			
			C:5	C:8	C:12	C:15	C:20	C:50	C:0.5	C:1	C:2	C:3
Albania	6.6	20	4.00	5.71	7.50	8.57	10.00	14.29	2.83	4.96	7.95	9.95
Antigua and Barbuda	51.4	206	4.88	7.70	11.34	13.98	18.23	40.23	22.85	41.14	68.58	88.19
Argentina	31.8	35	4.38	6.51	8.94	10.50	12.73	20.59	10.93	16.66	22.58	25.61
Bahrain	35.1	100	4.76	7.41	10.71	13.04	16.67	33.33	14.93	25.98	41.25	51.29
Barbados	72.9	247	4.90	7.75	11.44	14.14	18.50	41.58	31.76	56.29	91.68	116.00
Belize	51.5	110	4.78	7.46	10.82	13.20	16.92	34.38	20.87	35.08	53.19	64.25
Bolivia	40	40	4.44	6.67	9.23	10.91	13.33	22.22	13.33	20.00	26.67	30.00
Botswana	15.8	60	4.62	7.06	10.00	12.00	15.00	27.27	6.98	12.51	20.70	26.48
Brazil	30.8	85	4.72	7.31	10.52	12.75	16.19	31.48	13.04	22.61	35.72	44.27
Brunei Darussalam	24.5	50	4.55	6.90	9.68	11.54	14.29	25.00	9.84	16.44	24.75	29.76
Bulgaria	23	40	4.44	6.67	9.23	10.91	13.33	22.22	8.93	14.60	21.40	25.32
Chile	25	25	4.17	6.06	8.11	9.38	11.11	16.67	8.33	12.50	16.67	18.75
China	9.1	50	4.55	6.90	9.68	11.54	14.29	25.00	4.17	7.70	13.34	17.66
Colombia	35.4	104	4.77	7.43	10.76	13.11	16.77	33.77	15.13	26.41	42.12	52.54
Costa Rica	42.9	100	4.76	7.41	10.71	13.04	16.67	33.33	17.66	30.02	46.18	56.27
Croatia	5.5	25	4.17	6.06	8.11	9.38	11.11	16.67	2.48	4.51	7.64	9.94
Dominica	50	50	4.55	6.90	9.68	11.54	14.29	25.00	16.67	25.00	33.33	37.50
Dominican Rep.	34.2	40	4.44	6.67	9.23	10.91	13.33	22.22	11.98	18.44	25.24	28.78
Ecuador	21.1	40	4.44	6.67	9.23	10.91	13.33	22.22	8.35	13.81	20.54	24.51
Egypt	28.3	160	4.85	7.62	11.16	13.71	17.78	38.10	13.00	24.05	41.81	55.47
El Salvador	35.7	80	4.71	7.27	10.43	12.63	16.00	30.77	14.59	24.68	37.73	45.79
Fiji	40	40	4.44	6.67	9.23	10.91	13.33	22.22	13.33	20.00	26.67	30.00
Gabon	15.5	60	4.62	7.06	10.00	12.00	15.00	27.27	6.86	12.32	20.44	26.20
Georgia	6.5	20	4.00	5.71	7.50	8.57	10.00	14.29	2.80	4.91	7.88	9.87
Grenada	50	50	4.55	6.90	9.68	11.54	14.29	25.00	16.67	25.00	33.33	37.50
Guatemala	40.8	75	4.69	7.23	10.34	12.50	15.79	30.00	16.04	26.42	39.08	46.50
Guyana	50	70	4.67	7.18	10.24	12.35	15.56	29.17	18.42	29.17	41.18	47.73
Honduras	32.6	55	4.58	6.98	9.85	11.79	14.67	26.19	12.57	20.47	29.83	35.20
Hong Kong,	0	0	0	0	0	0	0	0	0	0	0	0
India	34.3	150	4.84	7.59	11.11	13.64	17.65	37.50	15.39	27.92	47.07	61.03
Indonesia	35.6	60	4.62	7.06	10.00	12.00	15.00	27.27	13.73	22.34	32.56	38.42
Israel	9.2	170	4.86	7.64	11.21	13.78	17.89	38.64	4.48	8.73	16.60	23.74
Jamaica	42.5	50	4.55	6.90	9.68	11.54	14.29	25.00	14.91	22.97	31.48	35.92
Jordan	15.2	30	4.29	6.32	8.57	10.00	12.00	18.75	6.06	10.09	15.10	18.10

Korea, Rep. of	10.2	80	4.71	7.27	10.43	12.63	16.00	30.77	4.79	9.05	16.25	22.13
Kuwait	100	100	4.76	7.41	10.71	13.04	16.67	33.33	33.33	50.00	66.67	75.00
Kyrgyz Republic	6.7	20	4.00	5.71	7.50	8.57	10.00	14.29	2.87	5.02	8.02	10.02
Malaysia	14.9	40	4.44	6.67	9.23	10.91	13.33	22.22	6.28	10.86	17.08	21.11
Mexico	34.9	50	4.55	6.90	9.68	11.54	14.29	25.00	12.94	20.55	29.13	33.84
Moldova	6	20	4.00	5.71	7.50	8.57	10.00	14.29	2.61	4.62	7.50	9.47
Mongolia	17.3	30	4.29	6.32	8.57	10.00	12.00	18.75	6.71	10.97	16.07	19.01
Morocco	39.2	45	4.50	6.79	9.47	11.25	13.85	23.68	13.65	20.95	28.59	32.55
Namibia	15.8	60	4.62	7.06	10.00	12.00	15.00	27.27	6.98	12.51	20.70	26.48
Nicaragua	41.5	100	4.76	7.41	10.71	13.04	16.67	33.33	17.18	29.33	45.36	55.46
Oman	11.6	20	4.00	5.71	7.50	8.57	10.00	14.29	4.50	7.34	10.74	12.70
Pakistan	35.3	100	4.76	7.41	10.71	13.04	16.67	33.33	15.00	26.09	41.38	51.43
Panama	22.9	81	4.71	7.28	10.45	12.66	16.04	30.92	10.03	17.85	29.26	37.17
Papua New Guinea	30	100	4.76	7.41	10.71	13.04	16.67	33.33	13.04	23.08	37.50	47.37
Paraguay	33.6	35	4.38	6.51	8.94	10.50	12.73	20.59	11.35	17.14	23.01	25.98
Peru	30	30	4.29	6.32	8.57	10.00	12.00	18.75	10.00	15.00	20.00	22.50
Philippines	23.4	50	4.55	6.90	9.68	11.54	14.29	25.00	9.48	15.94	24.17	29.20
Poland	9.7	38	4.42	6.61	9.12	10.75	13.10	21.59	4.30	7.73	12.84	16.48
Qatar	14.5	30	4.29	6.32	8.57	10.00	12.00	18.75	5.84	9.78	14.75	17.76
Romania	31.6	42	4.47	6.72	9.33	11.05	13.55	22.83	11.48	18.03	25.23	29.11
Taiwan	4.8	90	4.74	7.35	10.59	12.86	16.36	32.14	2.34	4.56	8.67	12.41
Singapore	6.3	10	3.33	4.44	5.45	6.00	6.67	8.33	2.40	3.87	5.58	6.54
South Africa	15.8	60	4.62	7.06	10.00	12.00	15.00	27.27	6.98	12.51	20.70	26.48
St. Kitts and Nevis	70.8	170	4.86	7.64	11.21	13.78	17.89	38.64	29.30	49.98	77.25	94.42
St. Lucia	53.9	206	4.88	7.70	11.34	13.98	18.23	40.23	23.83	42.72	70.77	90.59
St. Vincent and the Grenadines	54.4	206	4.88	7.70	11.34	13.98	18.23	40.23	24.03	43.04	71.20	91.06
Swaziland	15.8	60	4.62	7.06	10.00	12.00	15.00	27.27	6.98	12.51	20.70	26.48
Thailand	24.2	80	4.71	7.27	10.43	12.63	16.00	30.77	10.51	18.58	30.16	38.06
Trinidad and Tobago	50.5	70	4.67	7.18	10.24	12.35	15.56	29.17	18.56	29.34	41.35	47.88
Tunisia	40.6	180	4.86	7.66	11.25	13.85	18.00	39.13	18.24	33.13	55.96	72.64
Turkey	17.4	92.4	4.74	7.36	10.62	12.91	16.44	32.44	7.95	14.64	25.28	33.36
United Arab Emirates	13.1	15	3.75	5.22	6.67	7.50	8.57	11.54	4.56	6.99	9.54	10.86
Uruguay	31.3	35	4.38	6.51	8.94	10.50	12.73	20.59	10.81	16.52	22.45	25.50
Venezuela	33.1	40	4.44	6.67	9.23	10.91	13.33	22.22	11.71	18.11	24.93	28.51

Developed Countries												
Member	Simple Bound Average	Maximum Bound Rate	Simple Swiss						ABI			
			C:5	C:8	C:12	C:15	C:20	C:50	C:0.5	C:1	C:2	C:3
Australia	11	55	4.58	6.98	9.85	11.79	14.67	26.19	5.00	9.17	15.71	20.63
Canada	5.3	20	4.00	5.71	7.50	8.57	10.00	14.29	2.34	4.19	6.93	8.86
European Union	3.9	26	4.19	6.12	8.21	9.51	11.30	17.11	1.81	3.39	6.00	8.07
Iceland	9.6	175	4.86	7.65	11.23	13.82	17.95	38.89	4.67	9.10	17.30	24.73
Japan	2.3	30	4.29	6.32	8.57	10.00	12.00	18.75	1.11	2.14	3.99	5.61

New Zealand	11	55	4.58	6.98	9.85	11.79	14.67	26.19	5.00	9.17	15.71	20.63
Norway	3.1	14	3.68	5.09	6.46	7.24	8.24	10.94	1.40	2.54	4.30	5.59
Switzerland	-	-	-	-	-	-	-	-	-	-	-	-
United States	3.2	48	4.53	6.86	9.60	11.43	14.12	24.49	1.55	3.00	5.65	8.00

ANNEX IV: WTO MEMBERS TARIFF PROFILES AND CATEGORISATION ACCORDING TO ANNEX B OF THE JULY FRAMEWORK[29]

Members categorised according to Annex B

Annex B- Paragraph 9 Countries: LDCs (exempt from the formula)			
Member	**Binding coverage in %**	**Final bound duties Average**	**MFN applied duties Average**
Angola	100	60.1	...
Bangladesh (1999)	3	35.7	12.9
Benin *	30.1	11.4	11.8
Burkina Faso *	29.9	13.2	11.9
Burundi (2003)	9.9	26.8	34.4
Central African Republic *	56.8	37.9	14.7
Chad *	0.3	75.4	25.0
Dem. Rep. of Congo	100	95.9	...
Djibouti	100	39.9	...
Gambia[30]	0.5	58.3	...
Guinea [30]	29.6	10.0	...
Guinea-Bissau *	97.4	50.0	11.8
Haiti	87.6	16.9	...
Lesotho	100	60.0	...
Madagascar *	18.9	25.3	1.9
Malawi (2000)	20.7	42.4	6.9
Maldives *	96.7	35.1	20.3
Mali *	31.6	14.2	12.1
Mauritania	30.1	10.5	11.1
Mozambique *	0.5	11.3	6.2
Myanmar *	4.7	22.3	3.4
Nepal (2002)	99.3	23.7	13.4
Niger *	96.3	38.1	11.7
Rwanda	100	91.8	...
Senegal	100	30.0	...
Sierra Leone	100	48.5	...
Solomon Islands	100	80.0	...
Tanzania (2003)	0.1	120.0	11.7
Togo	0.9	80.0	12.0
Uganda	3	50.8	6.9

[29] Data taken from Table 3 of TN/MA/S/14: "*Some comparative indicators for bound and unbound tariff lines*" (MFN applied duties refer to 2001 unless indicated otherwise). Concerns non-agricultural lines only. Concerns bound lines only.

[30] Data on applied duties are available in the IDB but in a different nomenclature than the one used in the CTS.

Zambia	4.1	42.7	5.1

Annex B - Paragraph 6 Countries: >35% Binding Coverage (exempt from the formula)			
Member	**Binding coverage in %**	**Final bound duties Average**	**MFN applied duties Average**
Cameroon	0.1	57.5	10.0
Congo *	3.2	15.2	14.4
Cote d'Ivoire *	22.9	8.6	11.2
Cuba	20.4	9.5	8.1
Ghana	1.2	35.9	2.5
Kenya	1.6	54.8	10.2
Macao, China	15.6	0.0	0.0
Mauritius	5.3	19.5	9.2
Nigeria *	6.9	48.8	15.2
Sri Lanka	28.3	19.3	6.8
Suriname	15.1	17.0	...
Zimbabwe	9	11.0	14.7

Developed Countries (apply the formula)			
Member	**Binding coverage in %**	**Final bound duties Average**	**MFN applied duties Average**
Australia	96.5	11.0	4.5
European Union	100	3.9	4.3
Canada (2000)	99.7	5.3	4.4
Iceland (2000)	94.2	9.6	2.5
Japan	99.5	2.3	2.7
New Zealand (1999)	99.9	11.0	3.5
Norway	100	3.1	2.1
Switzerland	99.7	--	--
United States (2000)	99.98	3.2	3.9

Developing Countries [31] (apply the formula, could benefit from a separate coefficient)			
Member	**Binding coverage in %**	**Final bound duties Average**	**MFN applied duties - Average**
Albania	100	6.6	7.2
Antigua and Barbuda	97.6	51.4	8.6
Argentina	100	31.8	15.3
Armenia	100	7.5	...
Bahrain	71	35.1	8.1
Barbados	97.6	73.0	9.2
Belize *	97.7	51.5	9.0
Bolivia	100	40.0	9.3
Botswana	96	15.8	5.2
Brazil	100	30.8	15.0
Brunei Darussalam	95	24.5	2.5
Bulgaria	100	23.0	10.1
Chile	100	25.0	7.9
China	100	9.1	14.5
Colombia	100	35.4	11.8

[31] Based on self-designation in the WTO

Member	Binding coverage in %	Final bound duties Average	MFN applied duties - Average
Costa Rica	100	42.9	4.6
Croatia	100	5.5	5.7
Dominica	94	50.0	7.3
Dominican Republic	100	34.2	7.8
Ecuador	99.8	21.1	11.5
Egypt	98.7	28.3	21.2
El Salvador	100	35.7	6.6
Fiji (2004)	45	40.0	6.4
FYR of Macedonia	99.98	6.2	11.7
Gabon	100	15.5	...
Georgia	100	6.5	10.3
Grenada	100	50.0	9.2
Guatemala	100	40.8	...
Guyana	100	50.0	9.6
Honduras	100	32.6	6.5
Hong Kong, China	37.5	0.0	0.0
India	69.8	34.3	28.7
Indonesia	96.1	35.6	6.6
Israel (1999)	73	9.2	3.7
Jamaica	100	42.5	...
Jordan	99.95	15.2	13.8
Korea, Republic of	93.7	10.2	7.3
Kuwait	99.95	100.0	...
Kyrgyz Republic	99.9	6.7	4.6
Malaysia	81.2	14.9	8.6
Mexico	100	34.9	17.1
Moldova *	100	6.0	4.1
Mongolia	100	17.3	6.9
Morocco *	99.98	39.2	28.1
Namibia	96	15.8	5.2
Nicaragua	100	41.5	4.1
Oman	100	11.6	5.0
Pakistan	37.0	35.3	20.2
Panama [30]	99.98	22.9	...
Papua New Guinea	100	30.1	...
Paraguay	100	33.6	13.2
Peru	100	30.0	...
Philippines	61.8	23.4	6.3
Qatar	100	14.5	...
Romania (1999)	99.98	31.6	16.2
Saint Kitts and Nevis *	97.6	70.8	8.7
Saint Lucia	99.5	53.9	7.8
St Vincent and Grenadines *	99.7	54.6	9.0
Singapore	64.5	6.3	0.0
South Africa	96.0	15.8	5.2
Swaziland	96.0	15.8	5.2
Taipei, Chinese	100	4.8	6.4
Thailand *	70.9	24.2	15.3
Trinidad and Tobago	100	50.5	...

Member	Binding coverage in %	Final bound duties Average	MFN applied duties - Average
Tunisia (2000)	51.1	40.6	24.9
Turkey	39.3	17.5	4.3
United Arab Emirates	100	13.1	...
Uruguay	100	31.3	14.0
Venezuela	100	33.9	12.1
Average		**29.1188%**	**9.7362%**

Source: CTS, IDB and ITC/UNCTAD (marked with *).
Note: Tariff averages are simple averages based on *ad valorem* duties, including (for the US only) *ad valorem* equivalents.
... data not available
- not applicable
-- not applicable because tariff contains only non *ad valorem* duties and duty free tariff items

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