

# **NAMA STATE OF PLAY COUNTRIES NEGOTIATING POSITIONS**

## **SYNOPSIS**

This note presents, in a schematic form, the negotiating positions of selected WTO Members or Groups of Members in the WTO Negotiations on Non-Agricultural Market Access (NAMA).

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## NAMA STATE OF PLAY

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*Introduction*

This note presents, in a schematic form, the negotiating positions of selected WTO Members or Groups of Members.

Information is provided concerning the negotiating position of each Member or Group of Members regarding the six most prominent or contentious areas of negotiations (columns):

- a. the formula (its structure and possible coefficients),
- b. flexibilities available for developing countries (Paragraphs 6, 8 and 9 of the NAMA Framework),
- c. treatment of unbound duties,
- d. sectoral initiatives,
- e. non-tariff barriers (NTBs), and
- f. preference erosion.

A last column presents any other information of interest regarding the position or situation of a Member or Group (g).

The information contained in the table is drawn from conversations with some, but not all, delegations, reports by the Chairman of the Negotiating Group, and information circulated in the press. In no case does the table purport to constitute a comprehensive reflection of each delegation's positions.

### NAMA STATE OF PLAY

| Member / Group     | a. Formula  | b. Flexibilities  | c. Unbound  | d. Sectorals   | e. NTBs  | f. Preferences  | g. Other  |
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| <i>All Members</i> | <ul style="list-style-type: none"> <li>▪ A non-linear (Swiss) formula will be used for tariff reductions, HKD<sup>1</sup> (excludes linear cuts or Uruguay Round approach).</li> <li>▪ Reductions will start from the bound rate after full implementation of concessions.</li> <li>▪ The formula will be applied on a line by line basis, without a priori exceptions.</li> <li>▪ For the Swiss formula, the range of coefficients being discussed (and used for simulations) is of 5</li> </ul> | <ul style="list-style-type: none"> <li>▪ Developing countries should benefit of flexibilities (less than full reciprocity in reduction commitments), but there are major divergences about how to operationalise that principle in the modalities.</li> <li>▪ The current thresholds of \$8 are disputed as being either the bare minimum values or too high.</li> <li>▪ Some argue for “transparency” (knowing in advance which</li> </ul> | <ul style="list-style-type: none"> <li>▪ Full binding is a desirable outcome of the Round for all Members.</li> <li>▪ Members generally agree that reductions will be applied on bound lines as well as on unbound lines.</li> <li>▪ There is agreement to use a “non-linear constant mark-up” to unbound rates for the establishment of base rates.</li> <li>▪ A range between 5 and 30 absolute percentage points has been</li> </ul> | <ul style="list-style-type: none"> <li>▪ Discussions for the reduction or elimination for some sectors are conducted among interested delegations.</li> <li>▪ Initiatives will be pursued based on a critical mass approach (a minimum of 90% of world trade has been suggested).</li> <li>▪ Participation to these initiatives will be non-mandatory.</li> <li>▪ Several sectors were proposed: automobile and parts, bicycles and parts, chemicals, electronics and</li> </ul> | <ul style="list-style-type: none"> <li>▪ Are an integral part of the mandate and should be negotiated at par with the rest of modalities.</li> <li>▪ Work is divided among the NG on Market Access and other negotiating groups that have a specific separate mandate on certain types of barriers.</li> <li>▪ Negotiations will continue on a vertical (sectors) or horizontal (type</li> </ul> | <ul style="list-style-type: none"> <li>▪ An adequate mechanism will have to be agreed upon to assist preference beneficiary countries to cope with preference erosion</li> <li>▪ Only non-reciprocal preferences are being considered (excludes reciprocal concessions).</li> <li>▪ Members need to better understand the scope of the problem faced by beneficiary countries.</li> </ul> | <ul style="list-style-type: none"> <li>▪ The three core elements must be negotiated together (coefficient of the formula, flexibilities and unbound duties).</li> <li>▪ Most, if not all, Members agree that there is a link between Agriculture and NAMA negotiations, which is formalized in §24 HKD.</li> <li>▪ Product coverage: there is an agreement except on only 8 tariff lines, where a solution is still pending.</li> <li>▪ The mechanism for the conversion of non ad-valorem duties detailed in JOB(05)/166/Rev.1. Members will be</li> </ul> |

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|  | <p>to 15 for developed and 10 to 35/40 for developing countries.</p> | <p>products would be excluded).</p> <ul style="list-style-type: none"> <li>▪ Technical elements regarding the Para were agreed to: interpretation of “HS Chapter”, “national tariff lines” and “non-agricultural imports”).</li> <li>▪ There is agreement that LDCs and Para 6 (&lt;35% binding coverage) countries will be exempted from undertaking tariff reductions through the formula, but some details are still pending.</li> <li>▪ There is overall agreement that Small, Vulnerable Economies and Newly Acceded Members will benefit from additional</li> </ul> | <p>mentioned, but there has been no agreement yet.</p> | <p>electrical goods, Fish and fish products, Forest and wood products, Pharmaceutical and medical devices, Gems and Jewellery, Hand tools.</p> <ul style="list-style-type: none"> <li>▪ Turkey suggested harmonisation for Textiles and Clothing.</li> </ul> | <p>of barrier) basis.</p> <ul style="list-style-type: none"> <li>▪ Negotiations are being conducted among a limited number of interested members (plurilateral or bilateral).</li> <li>▪ Periodic updates are provided to the whole Negotiating Group.</li> </ul> | <p>given an opportunity to react to the preliminary results of the conversion.</p> <ul style="list-style-type: none"> <li>▪ The first results of converted duties have been submitted to the Group.</li> </ul> |
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|     |  | flexibilities, but details are still pending.   |  |   |  |   |  |
| USA | <ul style="list-style-type: none"> <li>▪ Advocates for comprehensive and substantial tariff reductions.</li> <li>▪ “Zero Tariff world” proposal aimed at staged elimination of all non-agricultural tariffs by 2015 (2002)</li> <li>▪ Prefers a Simple Swiss Formula with two coefficients: with one applied separately to developing countries, but argues that both coefficients must be within view sight of each other.</li> <li>▪ Thinks that the formula should cut into applied rates to provide “real” market access</li> <li>▪ Coefficient</li> </ul> | <ul style="list-style-type: none"> <li>▪ Advocates for comprehensive reductions with as few exceptions as possible</li> <li>▪ Sees the need to make a trade-off between the flexibilities and the coefficient of the formula<sup>ii</sup></li> <li>▪ Favours a measurement of less than full reciprocity that takes into account the fact that developing countries will benefit from a separate coefficient, § 8 less than formula reductions and final tariff rates which will be higher than those of developed</li> </ul> | <ul style="list-style-type: none"> <li>▪ Advocates for: <ul style="list-style-type: none"> <li>▪ full tariff binding (100%) and subsequent reductions.</li> <li>▪ Constant mark-up approach</li> <li>▪ Interested in reducing current high unbound tariffs.</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>▪ Parallel to formula discussions.</li> <li>▪ “Critical mass” must be established.</li> <li>▪ Has mentioned some elements of S&amp;DT: longer implementation periods and “zero for x”.</li> <li>▪ Particular interest on Environmental Goods.</li> <li>▪ Has shown Interest in almost all initiatives.</li> <li>▪ Could have difficulties in participating in some initiatives (position on textiles and apparel is still not known).</li> </ul> | <ul style="list-style-type: none"> <li>▪ Parallel discussions with tariffs</li> <li>▪ Vertical<sup>iii</sup> NTB discussions</li> <li>▪ Plurilateral and bilateral NTB discussions</li> <li>▪ Identification of barriers: TBT, GATT, TRIPS, export restrictions, exchange rate controls, etc.</li> </ul> | <ul style="list-style-type: none"> <li>▪ Preference-giving country</li> <li>▪ Supports measures to address the concerns of non-reciprocal preference beneficiary countries but has not proposed specific modalities.</li> </ul> | <ul style="list-style-type: none"> <li>▪ The Schedule of Concessions of the USA presents few Non Ad-Valorem duties</li> <li>▪ Opposes bound duty and quota free market access for all LDCs (difficulties in some sectors).</li> <li>▪ Is sympathetic to a direct link between Agriculture and NAMA and would wish to increase the level of ambition in both market access negotiations.</li> <li>▪ Has difficulties in granting 100% duty and quota free market access for products originating in LDCs (textiles from Bangladesh, Cambodia, and Nepal)</li> </ul> |

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|    | mentioned (informally) is 15 for developing countries and 10 for developed countries.  | countries.  |   |  |  |   |   |
| EC | <ul style="list-style-type: none"> <li>▪ Advocates for comprehensive and substantial tariff reductions.</li> <li>▪ Simple Swiss formula applied across the board.</li> <li>▪ Prefers a single coefficient of 10 would apply to all countries (2005), with only few exceptions, capped at 15%.</li> <li>▪ Wish harmonization and “equity” in commitments among members.</li> <li>▪ Interested in ‘real market access’ (cuts into applied rates).</li> </ul> | <ul style="list-style-type: none"> <li>▪ Developing countries would have access to § 8 of Annex B but a maximum rate of 15% would apply to all tariff lines exempted from tariff cuts.</li> <li>▪ Trade-off between the flexibilities and the coefficient of the formula</li> <li>▪ Favours a measurement of less than full reciprocity that takes into account the fact that developing countries will benefit from a separate coefficient, § 8 less than formula</li> </ul> | <ul style="list-style-type: none"> <li>▪ Advocates for: <ul style="list-style-type: none"> <li>▪ Full binding and subsequent reductions.</li> <li>▪ Constant mark-up approach.</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>▪ Has not sponsored initiatives but has not opposed them.</li> <li>▪ Particular interest on Environmental Goods.</li> </ul> | <ul style="list-style-type: none"> <li>▪ Advocates for: <ul style="list-style-type: none"> <li>▪ Parallel discussions with tariffs</li> <li>▪ Vertical<sup>ii</sup> NTB discussions</li> <li>▪ Plurilateral and bilateral NTB discussions</li> <li>▪ Particular interest in restricting or disciplining the use of export taxes and restrictions.</li> <li>▪ Identification of barriers: GATT, TRIPS.</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>▪ Preference-giving country</li> <li>▪ Supports measures to address the concerns of non-reciprocal preference beneficiary countries but has not proposed specific modalities.</li> </ul> | <ul style="list-style-type: none"> <li>▪ The Schedule of Concessions of the EC presents some Non Ad-Valorem duties <ul style="list-style-type: none"> <li>▪ The EC is one of the main proponents of the “aid for trade package”</li> <li>▪ Has challenged other developed countries to provide duty and quota free market access to products of LDCs.</li> <li>▪ Refuses the direct and quantifiable link between Agriculture and NAMA market access negotiations.</li> <li>▪ Has conditioned further offers in Agriculture to greater liberalisation in NAMA.</li> </ul> </li> </ul> |

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|              |  | <p>reductions and final tariff rates which will be higher than those of developed countries.</p> <ul style="list-style-type: none"> <li>▪ Is concerned about the use of §8 to shield all commercially important lines. Argues for 'transparency' in the use of the para.</li> <li>▪ Would favour additional guidelines for the use of §8.</li> </ul> |  |   |  |   |   |
| <i>Japan</i> | <ul style="list-style-type: none"> <li>▪ Advocates for comprehensive and substantial tariff reductions.</li> <li>▪ Simple Swiss formula.</li> <li>▪ Interested in 'real market access' (cuts into applied rates).</li> </ul> | <ul style="list-style-type: none"> <li>▪ Favours a measurement of less than full reciprocity that takes into account the fact that developing countries will benefit from a separate coefficient, § 8 less than formula reductions and final tariff rates</li> </ul>   |  | <ul style="list-style-type: none"> <li>▪ Parallel to formula discussions</li> <li>▪ Is interested in most initiatives (e.g. electronics electrical sector; gems, chemicals, sports equipment, bicycles).</li> <li>▪ Could have difficulties in participating in some initiatives</li> </ul> | <ul style="list-style-type: none"> <li>▪ Parallel discussions with tariffs</li> <li>▪ Vertical<sup>ii</sup> NTB discussions.</li> <li>▪ Plurilateral and bilateral NTB.</li> <li>▪ Particular interest in restricting or disciplining the use of export taxes and</li> </ul> | <ul style="list-style-type: none"> <li>▪ Preference-giving country</li> </ul> | <ul style="list-style-type: none"> <li>▪ The Schedule of Concessions of Japan presents some Non Ad-Valorem duties</li> <li>▪ On product coverage (8 outstanding lines), preference for the establishment of guidelines only, but not a definitive list. Is involved with Korea in a dispute on this issue.</li> </ul> |



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|        |  | <p>which will be higher than those of developed countries.</p> <ul style="list-style-type: none"> <li>▪ Is concerned about the use of §8 to shield all commercially important lines. Argues for 'transparency' in the use of the para.</li> </ul>  |  | (e.g. fish)  | <p>restrictions.</p> <ul style="list-style-type: none"> <li>▪ Identification of barriers: TBT, GATT, TRIPS</li> </ul> |  | <ul style="list-style-type: none"> <li>▪ Has problems with (bound) duty and quota free market access for all LDCs.</li> </ul>  |
| Norway | <ul style="list-style-type: none"> <li>▪ Advocates for: Comprehensive and substantial tariff reductions.</li> <li>▪ Has proposed a "non-linear formula with credits"</li> <li>▪ Wishes harmonisation</li> <li>▪ Could consider adopting a coefficient lower than 10 (under certain conditions, such as the adoption of a lower coefficient equally for developing countries).</li> </ul> | <ul style="list-style-type: none"> <li>▪ Supports a trade-off between the flexibilities and the coefficient of the formula (countries who voluntarily give up the flexibilities of §8 could have a higher coefficient in the formula)</li> <li>▪ May wish review the percentages of § 8 downwards.</li> <li>▪ Is concerned about the use of §8 to shield all commercially important lines. Argues for</li> </ul> | <ul style="list-style-type: none"> <li>▪ Favours: <ul style="list-style-type: none"> <li>▪ Binding and reducing unbound duties through a constant mark-up approach.</li> <li>▪ Establishment of base rates: non linear mark up (5 absolute percentage points) then reduction and binding.</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>▪ Parallel to formula discussions</li> <li>▪ Has shown interest for some initiatives (e.g. fish, chemicals).</li> </ul> | <ul style="list-style-type: none"> <li>▪ Identification of barriers: TBT, SPS, GATT.</li> </ul>                       |  | <ul style="list-style-type: none"> <li>▪ The Schedule of Concessions of Norway presents some Non Ad-Valorem duties</li> <li>▪ Supports the elimination of low duties.</li> </ul> |

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|   | <ul style="list-style-type: none"> <li>▪ Interested in 'real market access' (cuts into applied rates)</li> </ul>   | <p>'transparency' in the use of the para.</p> <ul style="list-style-type: none"> <li>▪ Would favour additional guidelines for the use of §8.</li> </ul>   |  |   |  |  |   |
| <p><i>Canada, N. Zealand, Australia, Switzerland + Hong Kong, Singapore</i></p> | <ul style="list-style-type: none"> <li>▪ Advocate for comprehensive and substantial tariff reductions.</li> <li>▪ Simple Swiss formula</li> <li>▪ Could consider adopting a coefficient lower than 10 (under certain conditions, such as the adoption of a lower coefficient equally for developing countries).</li> <li>▪ Interested in 'real market access' (cuts into applied rates)</li> </ul> | <ul style="list-style-type: none"> <li>▪ Support a trade - off between the flexibilities and the coefficient of the formula</li> <li>▪ Have expressed concerns about the use of §8 to shield all commercially important lines. Argues for 'transparency' in the use of the paragraph.</li> <li>▪ Would favour additional guidelines for the use of §8.</li> </ul> | <ul style="list-style-type: none"> <li>▪ For the establishment of base rates for unbound duties, support a non linear mark up (5 percentage points)</li> </ul> | <ul style="list-style-type: none"> <li>▪ Parallel to formula discussions</li> <li>▪ Interested in some initiatives (e.g. fish, forest chemicals - NZ and Canada).</li> <li>▪ Support a critical mass.</li> <li>▪ Oppose strongly sectoral initiatives that would not reduce tariffs (Turkish textiles proposal).</li> </ul> | <ul style="list-style-type: none"> <li>▪ Parallel discussions with tariffs</li> <li>▪ Plurilateral and bilateral NTB.</li> <li>▪ Vertical approach: wood (NZ)</li> </ul> | <p>Preference-giving countries (Canada and Australia).</p> | <ul style="list-style-type: none"> <li>▪ The Schedules of Concessions of these countries present few Non Ad-Valorem duties.</li> <li>▪ The Schedule of Switzerland had to be entirely converted to Ad Valorem Equivalents.</li> <li>▪ Favourable to the elimination of low duties (below 5%)</li> </ul> |
| <p><i>Korea</i></p>   | <ul style="list-style-type: none"> <li>▪ Favour comprehensive and substantial tariff reductions.</li> <li>▪ Supports the Simple Swiss formula</li> </ul>   | <ul style="list-style-type: none"> <li>▪ Recognises the need for flexibilities</li> </ul>   |  | <ul style="list-style-type: none"> <li>▪ Parallel to formula discussions</li> <li>▪ Interest in some initiatives (e.g. Electronics Electrical sector).</li> </ul>   | <ul style="list-style-type: none"> <li>▪ Parallel discussions with tariffs</li> <li>▪ Plurilateral and bilateral NTB.</li> <li>▪ Discussions on</li> </ul>               |  | <ul style="list-style-type: none"> <li>▪ The Schedules of Concessions of Korea presents few Non Ad-Valorem duties</li> <li>▪ On product coverage (8 outstanding lines),</li> </ul>  |

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|  |   |   |   | <ul style="list-style-type: none"> <li>▪ Could have difficulties with some initiatives (e.g. fish)</li> </ul> | Electronics<br>Electrical sector   |  | preference for final list. Is involved in a dispute with Japan on this issue.                                      |
| <i>Chile, Colombia, Mexico + Uruguay</i> | <ul style="list-style-type: none"> <li>▪ Support comprehensive and substantial tariff reductions, but argue for less than full reciprocity and S&amp;D.</li> <li>▪ Concerned with “equity” in commitments among Members.</li> <li>▪ Mexico suggested that countries who voluntarily refrain from using Para 8 would be granted a more favourable coefficient in the formula (5 points higher).</li> </ul> | <ul style="list-style-type: none"> <li>▪ Feel the need to balance overall outcome for all participants and to keep the same level of ambition for all Members: flexibilities are balanced against individual Members’ tariff profile.</li> <li>▪ Some would favour a system of credits for lower reductions for countries voluntarily foregoing the flexibilities of §8.</li> </ul> | <ul style="list-style-type: none"> <li>▪ Favour binding and reduction of unbound duties through a constant mark-up approach.</li> <li>▪ Establishment of base rates (Mexico): “rational approach”: agree on final base rates first and then determining mark ups (2005).</li> </ul> | <ul style="list-style-type: none"> <li>▪ Against mandatory sectoral initiatives.</li> </ul>                   | <ul style="list-style-type: none"> <li>▪ Support horizontal approach.</li> <li>▪ Identification of barriers: GATT, TBT.</li> </ul> |  | <ul style="list-style-type: none"> <li>▪ Not necessarily sympathetic to the mandate on small economies.</li> </ul> |
| <i>Costa Rica, Peru + Colombia</i>       | <ul style="list-style-type: none"> <li>▪ Concerned with “equity” in commitments among members</li> </ul>  |   | For the establishment of base rates for unbound duties, support the Norway proposal   | <ul style="list-style-type: none"> <li>▪ Against mandatory sectoral initiatives.</li> </ul>                   | <ul style="list-style-type: none"> <li>▪ Support horizontal approach.</li> <li>▪ Identification of barriers: GATT, TBT.</li> </ul> | <ul style="list-style-type: none"> <li>▪ Against the maintenance of any type of preferential treatment in the WTO.</li> <li>▪ Oppose separate</li> </ul> | <ul style="list-style-type: none"> <li>▪ Not necessarily sympathetic to the mandate on small economies.</li> </ul> |

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|                                       |  |   |   |   |   | treatment for products affected and would favour financial and technical assistance as a solution.   |  |
| <i>Argentina, Brazil, India (ABI)</i> | <ul style="list-style-type: none"> <li>▪ Accept across the board tariff reductions but are concerned about sensitiveness of certain sectors and overall depth of reductions (coefficient)</li> <li>▪ Have proposed a Swiss-Type of formula (ABI) that incorporates national bound averages.</li> <li>▪ ABI formula remains on the table (Argentina).</li> <li>▪ Have an offensive interest in the reduction of peaks and escalation in developed countries (India).</li> </ul> | <ul style="list-style-type: none"> <li>▪ Against any trade-off between formula and flexibilities</li> <li>▪ § 8 is a stand alone provision and the thresholds in the § are a minimum requirement.</li> <li>▪ Argue that less than full reciprocity should be measured in reduction efforts (on average, no developing country should make more reductions than those made by developed countries)</li> <li>▪ May review the percentages of §8 upwards.</li> </ul> | <ul style="list-style-type: none"> <li>▪ Binding and reduction of unbound duties</li> <li>▪ Mark up approach (multiplication by X times) and binding of an average after reduction through the formula (2005).</li> <li>▪ Concerned about high applied unbound duties, which conceal sensitive or strategic sectors (India).</li> </ul> | <ul style="list-style-type: none"> <li>▪ Political problem: should be only a supplementary approach (discussed after the formula), but have accepted the discussion of these initiatives.</li> <li>▪ Against mandatory sectoral initiatives.</li> <li>▪ Reservations about the critical mass approach.</li> </ul> | <ul style="list-style-type: none"> <li>▪ Support horizontal approach.</li> <li>▪ Identification of barriers: GATT, TBT.</li> <li>▪ Against the negotiation on export taxes (Argentina)</li> </ul> | <ul style="list-style-type: none"> <li>▪ Moderate position on preferences, as a separate treatment for preference-benefiting products could jeopardise commercial interests in NAMA (India) and Agriculture (Argentina and Brazil).</li> </ul> | <ul style="list-style-type: none"> <li>▪ On product coverage (8 outstanding lines), preference for a final list.</li> <li>▪ Linkage with Agriculture is very strong (ABI) and could be quantified (Argentina).</li> <li>▪ Are in favour of gradually granting duty and quota free treatment to products originating in LDCs.</li> <li>▪ Discussions about possible implementation periods are tied to the ambition of the tariff reduction formula.</li> <li>▪ The Schedule of Concessions of India presents some Non Ad-Valorem duties</li> </ul> |

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|                 | <ul style="list-style-type: none"> <li>▪ Some in the Group seem to be able to accommodate their position with a sufficiently higher coefficient and current §8.</li> </ul>                           | <ul style="list-style-type: none"> <li>▪ ‘Transparency’ in the use of the flexibilities is not a mandated requirement and any constraint in the choice of lines to be protected is unacceptable.</li> <li>▪ Favour an interpretation of §8 that would allow developing countries to make lower reductions on an entire HS chapter, except for one single tariff line of that chapter, which would be subject to full formula cuts (<i>strict legal interpretation</i>).</li> </ul> |  |   |  |   |  |
| <i>Pakistan</i> | <ul style="list-style-type: none"> <li>▪ Favours reduction commitments across the board.</li> <li>▪ Has submitted a proposal for tariff reductions based on the Simple Swiss formula with</li> </ul> | <ul style="list-style-type: none"> <li>▪ Against a trade-off between formula and flexibilities.</li> <li>▪ § 8 is a stand alone provision and the percentages of § 8 are minimum</li> </ul>  | <ul style="list-style-type: none"> <li>▪ Binding and reduction of unbound duties through a mark-up approach.</li> <li>▪ Has proposed a mark up approach consisting of the</li> </ul> | <ul style="list-style-type: none"> <li>▪ Against mandatory sectoral initiatives.</li> <li>▪ Reservations about the critical mass approach.</li> </ul> |  | <ul style="list-style-type: none"> <li>▪ Concerned about the issue, as a separate treatment for preference-benefiting products would jeopardise its commercial</li> </ul> |  |

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|                         | 2 coefficients reflecting current average bound rates of developing (27%) and developed (6%) countries: 5 and 30.  | requirements.   | addition of 30 absolute percentage points to unbound duties then application of the formula and binding.   |  |  | interests in NAMA.   |  |
| <i>Malaysia</i>         | <ul style="list-style-type: none"> <li>▪ Accepts the Simple Swiss formula with two coefficients.</li> </ul>  |   | <ul style="list-style-type: none"> <li>▪ No binding and reduction at the same time.</li> <li>▪ Has proposed to bind duties at a target average of 25% with a ceiling of 40% for all newly bound duties (2004).</li> <li>▪ Could accommodate with a constant mark-up approach, but is concerned about low applied rates.</li> </ul> |  |  |  |  |
| 'NAMA 11' <sup>iv</sup> | <ul style="list-style-type: none"> <li>▪ Would preferably use another approach to the Simple Swiss Formula but have not proposed an alternative</li> </ul> | <ul style="list-style-type: none"> <li>▪ Against any trade-off between formula and flexibilities.</li> <li>▪ § 8 is a stand alone provision and the thresholds</li> </ul> | <ul style="list-style-type: none"> <li>▪ Reductions must start from bound, not applied, rates.</li> </ul>  | <ul style="list-style-type: none"> <li>▪ Sectorals should be only a supplementary approach (discussed after the formula)</li> <li>▪ Against</li> </ul> | <ul style="list-style-type: none"> <li>▪ Support horizontal approach.</li> <li>▪ Have identified barriers such as: GATT, TBT.</li> </ul> | <ul style="list-style-type: none"> <li>▪ Sympathetic to the difficulties faced by preference-beneficiary countries.</li> <li>▪ Propose to</li> </ul> | <ul style="list-style-type: none"> <li>▪ South Africa is coordinating the NAMA 11 Group.</li> <li>▪ There should be a direct link between NAMA and Agriculture with</li> </ul> |

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|  | <p>approach.</p> <ul style="list-style-type: none"> <li>▪ Have raised concerns about policy space to advance industrial development policy objectives.</li> <li>▪ Have an offensive interest in the reduction of peaks and escalation in developed countries.</li> <li>▪ Some in the Group seem to be able to accommodate their position with a sufficiently higher coefficient and current §8.</li> </ul> | <p>in the § are a minimum requirement).</p> <ul style="list-style-type: none"> <li>▪ Argue that less than full reciprocity should be measured in reduction efforts (on average, no developing country should make more reductions than those made by developed countries)</li> <li>▪ May review the percentages upwards.</li> <li>▪ ‘Transparency’ in the use of the flexibilities is not a mandated requirement and any constraint in the choice of lines for protection is unacceptable.</li> <li>▪ Favour an interpretation of §8 that would allow developing countries to make</li> </ul> |  | <p>mandatory sectoral initiatives.</p> <ul style="list-style-type: none"> <li>▪ Reservations about critical mass.</li> </ul> | <ul style="list-style-type: none"> <li>▪ Concerned about the negotiation of export taxes and restrictions.</li> </ul> | <p>increase the understanding of the scope of the problem.</p> | <p>comparably high levels of ambition in both market access negotiations.</p> <ul style="list-style-type: none"> <li>▪ Sympathise with the mandate on small economies.</li> <li>▪ Support the aid for trade initiative.</li> <li>▪ Discussions about possible implementation periods are tied to the ambition of the tariff reduction formula.</li> </ul> |
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|  |   | lower reductions on an entire HS chapter, except for one single tariff line of that chapter, which would be subject to full formula cuts ( <i>strict legal interpretation</i> ).  |   |  |   |  |  |
| <i>Indonesia, Philippines, Venezuela</i> | <ul style="list-style-type: none"> <li>▪ Would preferably use another approach to the Simple Swiss Formula but have not proposed an alternative approach.</li> <li>▪ Reservation about Swiss formula (Venezuela)</li> </ul> | <ul style="list-style-type: none"> <li>▪ Against any trade-off between formula and flexibilities</li> <li>▪ § 8 is a stand alone provision.</li> <li>▪ Less than full reciprocity is measured in reduction efforts</li> <li>▪ Argue that the percentages of § 8 are minimum requirements</li> <li>▪ May review the percentages upwards</li> </ul> | <ul style="list-style-type: none"> <li>▪ Have expressed reservations about applying the formula to unbound duties (Philippines).</li> <li>▪ Concerned about mark-up approach of 5-30 percentage points (Philippines)</li> </ul> | <ul style="list-style-type: none"> <li>▪ Against mandatory sectoral initiatives.</li> <li>▪ Are concerned about possible bilateral pressure to join sectoral initiatives in a voluntary participation scenario.</li> </ul> | <ul style="list-style-type: none"> <li>▪ Have expressed interest in negotiating NTBs</li> <li>▪ Have notified NTBs</li> <li>▪ Have taken part in plurilateral, vertical discussions (Philippines).</li> <li>▪ Refuse the negotiation of export taxes and restrictions.</li> </ul> |  |  |
| <i>Caribbean countries</i>               | <ul style="list-style-type: none"> <li>▪ Favour the Uruguay Round Approach.</li> <li>▪ Proposed formula is a Swiss-Type of formula</li> </ul>   | <ul style="list-style-type: none"> <li>▪ Wish to review upwards the percentages of § 8 and remove the conditions of that paragraph.</li> </ul>  | Prefer Annex B approach to establish the base rates: multiply unbound rates by 2.   | <ul style="list-style-type: none"> <li>▪ Sectorals should be only a supplementary approach (i.e. discussed after the formula)</li> </ul>   |   |  | <ul style="list-style-type: none"> <li>▪ Concerned about the loss of government revenue due to tariff reductions.</li> </ul> |



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|   | <p>with a credit system (the coefficient increases as countries qualify for credits under negotiated categories)</p> <ul style="list-style-type: none"> <li>▪ Are also sponsors of the Small, Vulnerable Economies (SVEs) proposal.</li> </ul>  | <ul style="list-style-type: none"> <li>▪ Refuse the trade-off between flexibilities and the formula.</li> </ul>                      |   | <ul style="list-style-type: none"> <li>▪ Against mandatory sectoral initiatives.</li> <li>▪ Concerned about preference erosion due to these initiatives</li> </ul>  |  |  |   |
| <i>Small Economies<sup>v</sup></i>        | <ul style="list-style-type: none"> <li>▪ Have proposed specific treatment for SVEs</li> <li>▪ Linear cuts of 10-15% on a line by line basis.</li> <li>▪ Have raised concerns about the viability of local industries, infant industry protection and loss of revenue</li> <li>▪ Accept to discuss other treatment options.</li> </ul> | <ul style="list-style-type: none"> <li>▪ The Group has not excluded the possibility of having access to §8.</li> </ul>               | <p>Have problems with binding and reducing unbound tariff lines. Propose to bind all tariffs but not reduce them through the formula.</p> | <ul style="list-style-type: none"> <li>▪ Sectorals should be only a supplementary approach (i.e. discussed after the formula)</li> <li>▪ Against mandatory sectoral initiatives.</li> <li>▪ Concerned about preference erosion</li> </ul> | <ul style="list-style-type: none"> <li>▪ Have expressed concern about NTBs but only a few have notified barriers.</li> </ul> | <ul style="list-style-type: none"> <li>▪ Some Small Economies would be affected by preference erosion but the agenda of the Group does not cover the issue.</li> </ul> | <ul style="list-style-type: none"> <li>▪ Concerned about the loss of government revenue due to tariff reductions.</li> <li>▪ Link with mandate of § 35 of the Doha Declaration.</li> <li>▪ Have proposed a 0.10% of world NAMA exports as a criteria to define the membership of the Group</li> </ul> |
| <i>Newly Acceded Members<sup>vi</sup></i> | <ul style="list-style-type: none"> <li>▪ Argue that new reduction commitments should take into account</li> </ul>   | <ul style="list-style-type: none"> <li>▪ Seek additional flexibilities than those available for other developing counties</li> </ul> |   |   |  |  | <ul style="list-style-type: none"> <li>▪ A fundamental (unresolved) question is the exact membership of the Group.</li> </ul>   |

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|   | <p>commitments made during accession.</p> <ul style="list-style-type: none"> <li>▪ Some have argued for full exemptions from the tariff reduction formula.</li> </ul>  | <ul style="list-style-type: none"> <li>▪ Longer implementation periods or a grace period as options.</li> </ul> |  |  |  |   |   |
| <p><i>Paragraph 6 countries<sup>vii</sup></i></p> | <ul style="list-style-type: none"> <li>▪ Have argued for policy space for the implementation of industrial policies.</li> <li>▪ Are concerned about de-industrialisation and loss of employment.</li> <li>▪</li> </ul> | <ul style="list-style-type: none"> <li>▪ Are exempted from making formula reductions.</li> </ul>                | <ul style="list-style-type: none"> <li>▪ Accept to increase their binding coverage but question the 100% mandatory target.</li> <li>▪ Argue to bind new tariff lines at a level they judge convenient, and not at the 27% target of \$6 (i.e. they wish to remove at least one of the conditions of the paragraph). That target rate could also be increased.</li> </ul> | <ul style="list-style-type: none"> <li>▪ Serious concern about sectoral initiatives because of preference erosion</li> <li>▪ Sectorals should be discussed after finalization of the formula.</li> </ul> | <ul style="list-style-type: none"> <li>▪ Several have raised concerns about NTBs as being the single issue of most interest to them.</li> <li>▪ Identification of barriers (only few African countries have notified the barriers of their interest): TBT, SPS, GATT</li> <li>▪ Against the negotiation on export taxes (Nigeria)</li> </ul> | <ul style="list-style-type: none"> <li>▪ Preference beneficiaries</li> <li>▪ Main interest</li> <li>▪ Have proposed a vulnerability index to identify products that will be affected by preference erosion.</li> <li>▪ Presented a list of products (approx. 97 HS 8-digit lines).</li> <li>▪ Have argued for (1) lesser reductions and (2) longer implementation periods for the products identified.</li> <li>▪ Refuse to discuss preferences on</li> </ul> | <ul style="list-style-type: none"> <li>▪ Have also submitted proposals on behalf of the ACP (Mauritius) and African Group (Kenya).</li> </ul> |

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|             |   |  |  |  |  | <p>the basis of utilisation rates.</p> <ul style="list-style-type: none"> <li>▪ Presented a list of most preference-sensitive products (HS Chapters 03, 61, and 62 mostly).</li> </ul> |   |
| <i>LDCs</i> | <ul style="list-style-type: none"> <li>▪ Exempt from formula tariff reductions</li> </ul> |  | <ul style="list-style-type: none"> <li>▪ Will have to increase their bidding coverage in 'good faith', but without any quantitative benchmark.</li> <li>▪ Have proposed text to ensure that the extent of any new concession will be decided solely by LDC Governments.</li> </ul> | <ul style="list-style-type: none"> <li>▪ Concerned about preference erosion due to sectoral initiatives</li> </ul> | <ul style="list-style-type: none"> <li>▪ Very few have notified NTBs (Senegal, Bangladesh) but several affirm that NTBs are a priority.</li> </ul> | <ul style="list-style-type: none"> <li>▪ Concerned about preference erosion but have not submitted modalities separate from the ACP or African Group.</li> </ul>                       | <ul style="list-style-type: none"> <li>▪ Main interest is Duty and Quota Free market access for their products in developed countries (bound, or at least in a lasting and predictable manner, HKD).</li> <li>▪ Have also argued that developing countries in a position to do so should also grant preferential access.</li> <li>▪ One question is whether to negotiate and record agreements in the NGMA (and NAMA modalities) or elsewhere (e.g. CTD).</li> <li>▪ Have obtained</li> </ul> |



<sup>i</sup> As in the WTO Hong Kong Declaration.

<sup>ii</sup> A trade-off between the flexibilities provided for in paragraph 8 of Annex B and the coefficient of the formula has been proposed by some members. The trade-off would mean that the deeper the tariff cuts undertaken, the greater the flexibilities that would be available. In other words, according to some members, the percentage thresholds of paragraph 8 are not final and could be revised downwards depending on the level of the coefficient of the formula.

<sup>iii</sup> Vertical NTB negotiations refer to negotiations on barriers that affect specifically identified sectors (e.g. electrical and electronic equipment).

<sup>iv</sup> Signatories of the letter of 13 December 2005 to the Chairman of the 6<sup>th</sup> Ministerial Conference: Argentina, Brazil, Egypt, India, Indonesia, Namibia, Philippines, South Africa, Tunisia and Venezuela.

<sup>v</sup> Proponents of TN/MA/W/66: Antigua and Barbuda, Barbados, Bolivia, Dominica, Dominican Republic, El Salvador, Fiji, Guatemala, Grenada, Honduras, Mongolia, Nicaragua, Papua New Guinea, Paraguay, St Kitts and Nevis, St Lucia, St Vincent and the Grenadines, Trinidad and Tobago.

<sup>vi</sup> Proponents of TN/MA/W56/Rev.1: Armenia, Georgia, Kyrgyz Republic, and Moldova.

<sup>vii</sup> WTO Members whose binding coverage is below 35% of their tariff lines: Cameroon, Congo, Cote d'Ivoire, Cuba, Ghana, Kenya, Macao (China), Mauritius, Nigeria, Sri Lanka, Suriname, Zimbabwe.



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