WTO ANALYTICAL INDEX Agreement on Agriculture — Annex 5 (Practice)

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1 ANNEX 5 OF THE AGREEMENT ON AGRICULTURE

1.1 Text of Annex 5

Annex 5

Special Treatment with Respect to Paragraph 2 of Article 4

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2. At the beginning of any year of the implementation peri od a Member may special treatment in respect of the designated products by complying with the provisio

paragraph 6. In such a case, the Member concerned shall maintain the minimum opportunities already in effect at such time and increase the minimum access opportunities.

0.4% of corresponding domestic consumption in the base period per year for the rem of the implementation period. Thereafter, the level of minimum access opportunities resu

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as to cease applying special treatment, with an explanation of calculation of tariff equivalents.

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draft was approved , effective 22 June 2007.

¹⁸ The

1.3 Price gap methodology for calculating tariff equivalents provided for in the Attachment to Annex 5

6. In connection with a waiver decision of 14 November 2001 for the EC - ACP Partnership Agreement, the European Communities agreed to reform its banana regime so as to replace its then WTO-inconsistent measures with a tariff -only regime for banana imports. In 2005, the European Communities proposed a plan to implement a tariff -only regime, and pursuant to procedures provided in the waiver decision, eight banana -exporting countries requested arbitration regarding whether the envisaged rebinding of the EC tariff would result in at least maintaining total market access for MFN banana suppliers, taking into account all EC WTO market -access commitments relating to bananas. The Arbitrator found:

"The European Communities has used the price gap methodology that was used in the Uruguay Round agriculture negotiations for the conversion of non -tariff measures to tariff equivalents. Using the correct prices, this methodology would produce an estimate of the tariff equivalent that, all other things being equal, would confer the same level of protection to domestic producers as the border measures being replaced by the tariff equivalent. Correctly applied, the price gap methodology would be broadly neutra I in its effects on domestic producers and on total imports. Thus the price gap methodology would accurately