

1. The evolution of market access over 16 years of “WTO D 7 f1 -6.w1D 7 f1 -43.4 (.60D51 TJO -1



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1.1 Share of MFN duty free tariff lines

The share of MFN duty-free products also indicates the degree of trade opening. Duty-free tariff lines can reduce trade costs beyond the fact that no tariffs need to be paid since they can also reduce administrative costs. This can have particularly positive implications for LDCs, which are often affected by high fixed costs for relatively small volumes.

The share of duty-free tariff lines has been increasing steadily for agriculture and non-agriculture products (see Figure 5). Agriculture products have a lower share of duty-free products and have also been liberalized less compared to non-agriculture products.

Between 2006 and 2021, the share of duty-free non-agriculture products increased by more than 7 percentage points while the share of duty-free agriculture products increased by less than 4 percentage points.

The share of duty-free products has gradually increased in all regions although the shares in 2021 vary significantly (see Figure 6). Africa has the lowest share of duty-free products, followed by the Americas and Asia. In Africa, only about one product in five is duty-free. Europe and Oceania have the highest share of duty-free products, approximately one-third.

By geographical region and product group, agriculture in Oceania and non-agriculture products in Europe have the highest share of MFN duty-free lines (see Figure 7). Europe also experienced the highest level of liberalization over time, with over 40 per cent of products currently duty-free. Significant liberalization also took place in non-agriculture products in the Americas and product group, agriculture in Oceania and non-agriculture products in Europe.



1.3 Maximum tariffs

A high maximum tariff is an indication of one or more very sensitive sectors. Tariffs can be prohibitively high, especially in agriculture.

Developed economies have the highest maximum tariffs, above 300 per cent over the 16-year period, and LDCs the lowest, below 100 per cent (see Figure 10).

Developing economies fall between these two groups. Maximum tariffs are often AVE estimates and vary with the unit values of the products.

1.4 Trade opening patterns

The reduction in average MFN applied tariffs (see Figure 1) and the decrease in the average share of tariff peaks (see Figure 8) both point to modest trade opening for WTO members as a whole. Figure 11 shows the change in the national average MFN tariff in per cent and the change in the national share of international tariff peaks for all 130 economies covered in this study for agriculture products.

The majority of countries and customs territories in the bottom left quarter reduced both their national average

tariff and the share of their peaks. A second group (top right) raised both the national average MFN tariff and the share of their peaks. Only very few members increased one category and decreased the other. For example, one member reduced its average MFN tariff by about 20 per cent while keeping the share of its tariff peaks constant.

Several LDCs increased both the average MFN tariff rates and the share of international peaks. Developed economies often reduced the average MFN tariff rates more significantly than

they reduced their share of tariff peaks. Most economies are very close to the zero line, meaning only small changes in agriculture products over the 16 years.

The pattern for non-agriculture products is similar (see Figure 12). However, more economies reduced both their average MFN tariff and their share of tariff peaks, at least marginally.

Figure 13 depicts economies in four categories: those that increased or decreased tariffs in both agriculture and non-agriculture sectors between 2006 and 2021.

There have been more instances