

WORLD TRADE ORGANIZATION

TN/AG/6
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Committee on Agriculture
Special Session

NEGOTIATIONS ON AGRICULTURE

OVERVIEW

[...]

ANNEX

Tariffs

	Working Hypotheses	Variations/Additions
<i>Harmonisation formula (cont'd)</i>		(v) All tariff lines where a single stage tariff exists to be subject to a formula reduction resulting in a substantial reduction in tariffs and a greater harmonization of tariff levels. In addition:

Tariffs

	Working Hypotheses	Variations/Additions
<i>Request/offer</i>		(i) Taking into account the provisions of paragraph 9 of the Doha Ministerial

Tariffs

	Working Hypotheses	Variations/Additions
<p>Simplification of tariff structures</p>		<p>(i) All bound non-<i>ad valorem</i> duties shall be converted into <i>ad valorem</i> equivalents prior to the application of the tariff reduction modality.</p> <p>(ii) Members shall express their tariff bindings [and their applied tariffs] in the ways that they consider most appropriate</p> <p><u>Variant 1:</u> [...] provided that the level and the incidence of protection does not increase.</p> <p><u>Variant 2:</u> [...] However, for the purposes of these negotiations, and with a view to increasing transparency, draft offers shall reflect the real values of concessions.</p> <p>(iii) All non-<i>ad valorem</i> tariffs to be simplified to <i>ad valorem</i> equivalents. Guidelines will be agreed on a conversion methodology.</p> <p>(iv) Tariff bindings and applied tariffs to be denominated either on a specific or <i>ad valorem</i> basis. There shall be no compound, complex, or technical tariffs.</p> <p>(v) The share of non-<i>ad valorem</i> duties shall not exceed 3 per cent of the total number of agricultural tariff lines in Members' national tariff nomenclatures.</p>
<p>Initial Negotiating Rights (INRs)</p>		<p>(i) The INRs resulting from request-offer procedures between Members shall be registered in the Schedules on a tariff line basis, with a clear indication of the countries involved in the concession and the level of INR at bilateral level.</p> <p>(ii) A review clause shall apply to historical INRs as well as to INRs resulting from the present negotiations. This clause will allow Members to adapt the final bound rates on a periodical basis, with a view to preserving the economic value of the INRs in question.</p>
<p>Geographical indications</p>		<p>(i) Geographical indications to be addressed in other fora, including the TRIPS Council.</p> <p>(ii) A mechanism to be put in place (a) to guarantee effective protection against usurpation of names for agricultural products and foodstuffs; (b) to protect the right to use geographical indications or designations of origin; and (c) to guarantee consumer protection and fair competition according to the following lines:</p> <p><u>Coverage:</u> All agriculture and foodstuffs products that are designated by geographical names already protected on a national basis in the WTO Member countries as geographical indications. These products and names should be significant in terms of trade.</p>

Tariffs

	Working Hypotheses	Variations/Additions
Geographical indications (cont'd)		<u>Nature of protection:</u> Members to notify a list containing geographical

Tariffs

	Working Hypotheses	Variations/Additions
<p><i>Reduction formula</i></p>	<ul style="list-style-type: none"> (i) Least-developed countries to be exempt from undertaking reduction commitments. (ii) Developing countries to undertake lower reduction commitments implemented over longer timeframes than developed countries. 	<ul style="list-style-type: none"> (i) The [net food-importing developing countries] [countries with subsistence farming] shall be exempt from further reduction commitments [during a transitional period .] (ii) Tariff reductions for developing countries shall be implemented from final bound tariffs in equal annual instalments over a 9-year period according to the following schedule: <ul style="list-style-type: none"> (a) initial tariffs falling in the range of 0-50 per cent inclusive shall be reduced using the Swiss formula with a coefficient of 50; (b) initial tariffs falling in the range 50-250 per cent shall be reduced by 50 per cent; (c) initial tariffs that exceed 250 per cent shall be reduced to 125 per cent. (iii) Uruguay Round formula: Lower simple average cuts and lower minimum average cut per product shall apply in the case of developing countries, in equal annual instalments.

Tariffs

Working Hypotheses		Variations/Additions
<i>Simplification of tariff structures</i>		(i) Developing countries shall be encouraged to convert their non- <i>ad valorem</i> tariffs into <i>ad valorem</i> equivalents and shall be given an adequate timeframe for this purpose. (ii) Developing countries shall not be required to convert their non- <i>ad valorem</i> duties into <i>ad valorem</i> equivalents.
<i>Tropical products</i>	Developed country Members to take fully into account the particular needs and conditions of developing country Members by providing the fullest liberalisation of trade in tropical products.	(i) [Developed country] Members shall immediately grant duty-free and quota-free MFN access to tropical products [whether in raw or in processed form] originating in developing countries. To this effect: Variant 1: a list of tropical products shall be estabr63.1(09]4 013.i4rod)1323.1(s)-3.1(ta)13.1(

Tariff quotas

Working Hypotheses		Variations/Additions
Base for further commitments	The base levels for further commitments, for both in-quota tariffs and tariff quota volumes, to be the final bound levels specified in Members' Schedules.	<ul style="list-style-type: none"> (i) The tariff quota volumes shall be established on a disaggregated, product-specific, basis. (ii) [All] [new] tariff quota access opportunities shall be based on current consumption patterns and data over a defined base period. (iii) The base levels for in-quota duties shall be the rates applied on 1 January 2000 or the final bound levels, whichever is lower. (iv) The tariff quotas which were established during the Uruguay Round in accordance with the minimum access modalities shall be revised and set at a certain percentage of the actual domestic consumption of the product in question. The base level of consumption shall be updated.
Tariff quota volume	Scheduled tariff quotas to be expanded.	<ul style="list-style-type: none"> (i) No tariff quota volume shall be reduced as a result of these modalities. In particular, existing tariff quota volumes shall not be rolled back, even if the consumption period is re-based. (ii) The expansion of mark6p8ii)cs-3/rn3scpp ortunitiesholl beb asen n:n cntige (e er)1683omt

Tariff quotas

	Working Hypotheses	Variations/Additions
<p>Tariff quota volume (cont'd)</p>		<ul style="list-style-type: none"> (vii) The tariff quota volumes for non-cereal crops shall be expanded to 8-10 per cent of domestic consumption. The tariff quota volumes for cereals shall remain unchanged. (viii) All tariff quota volumes in developed country markets shall be increased from their final bound levels by 20 per cent over a 5-year period. (ix) The tariff quota volumes which were established during the Uruguay Round in accordance with the current access modalities shall not be increased. (x) Minimum access opportunities shall be based on the total consumption of marketed agricultural products, i.e., total national consumption less on-farm consumption. (xi) Tariff quota access for staple foods shall not be increased. (xii) The access opportunities established for products under the special treatment provisions of Annex 5 of the Agreement on Agriculture shall be reset to the same level of access as those products which were tariffed in accordance with Article 4.2 of the Agreement on Agriculture. (xiii) Minimum access opportunities shall be increased by 0.4 per cent annually for non-staple commodities.
<p>In-quota tariffs</p>		<ul style="list-style-type: none"> (i) Developed countries to phase-out all in-quota tariffs during a 5-year implementation period. (ii) Members to phase-out all in-quota tariffs from applied rates as of 1 January 2000 or final bound levels, whichever is lower, in equal annual instalments, over a 5-year period. (iii) All in-quota tariffs shall be reduced to an agreed ceiling. The reduction will be phased over a 5-year implementation period in equal annual instalments. The in-quota tariffs that are below the agreed ceiling shall remain unchanged. (iv) In-quota tariffs [shall be maintained] [shall not be reduced for sensitive products.] (v) The recently-acceded Members shall benefit from the same flexibilities as specified under <i>Tariffs</i> section, <i>Request/offer</i>, item (i).

Tariff quotas

Working Hypotheses

Variations/Additions

Tariff quota administration

Working Hypotheses		Variations/Additions
Principles	Methods of tariff quota allocation shall be simple, practicable, predictable, non-discriminatory and transparent.	<ul style="list-style-type: none">(i) Tariff quotas shall be administered in ways that [ensure] [encourage] [facilitate] the full [realisation] [utilisation] of market access opportunities.(ii) All methods of allocation shall enable business decisions to be based on commercial considerations and shall not operate to restrict market access. [The administrative decisions shall reflect as closely as possible those that would be made under a tariff-only regime.](iii) The principles governing tariff quota administration shall be elaborated based on (a) other relevant WTO agreements such as the Import

Tariff quota administration

	Working Hypotheses	Variations/Additions
Terms and conditions of access - Supplying countries (cont'd)		(v) Imports under existing or future preferential trade arrangements [shall not] [shall] be counted against WTO [MFN] [minimum] market access opportunities.

Tariff quota administration

	Working Hypotheses	Variations/Additions
<p><i>Issuance and duration of tariff quota allocations/ import licences (cont'd)</i></p>		<ul style="list-style-type: none"> (ii) Tariff quota allocations to importers shall be valid for the entire quota year. (iii) The validity of import licences shall [be no less than 30 days] [generally be sufficiently long to allow overseas suppliers every opportunity to ship the product in question.] A mechanism shall be available to allow for reasonable extensions. (iv) In specific situations, such as severe and time-limited shortages on domestic markets, the duration of import licences may be shorter.
<p><i>Size of tariff quota allocations</i></p>		<ul style="list-style-type: none"> (i) The minimum size of the [tariff quota] [import licence] allocation assigned to any quota holder should be economically viable and consistent with [normal commercial practices] [international norms of commercial shipment loads] for the product concerned. [Importing Members with small domestic markets shall not be subject to this requirement.] (ii) Under the first-come, first-served method, the tariff quota volume [may be] [may not be] subdivided into tranches over the quota year [provided that the size of allocation is commercially viable] with a view to avoid the concentration of imports at the start of the tariff quota year.
<p><i>Eligibility of importers</i></p>		<ul style="list-style-type: none"> (i) Members shall not discriminate between importers. (ii) Domestic producer groups and government-affiliated or controlled importers shall not be eligible to receive tariff quota allocations. (iii) A formula-based approach shall be adopted to enhance private sector participation. (iv) Applicants shall not be required to demonstrate evidence of past trading performance to become eligible to tariff quota allocations.
<p><i>Duties, fees, mark-ups</i></p>		

Tariff quota administration

	Working Hypotheses	Variations/Additions
<i>Reallocation of unused tariff quota shares (cont'd)</i>		

Tariff quota administration

	Working Hypotheses	Variations/Additions
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*Transparency
(cont'd)*

Variant: The contact point shall be a government or private agency with

Tariff quota administration

	Working Hypotheses	Variations/Additions
<i>Notifications</i>	Members to submit annual notifications to the Committee on Agriculture.	

Tariff quota administration

Working Hypotheses	Variations/Additions
<i>Terms and conditions of access - Supplying countries (cont'd)</i>	(ii) When a tariff quota is established for a commodity on which [small island

Tariff quota administration

	Working Hypotheses	Variations/Additions
<i>Terms and conditions of access – Importers (cont'd)</i>		

Special safeguard measures

	Working Hypotheses	Variations/Additions
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Special safeguard measures

	Working Hypotheses	Variations/Additions
Other measures		<ul style="list-style-type: none"> <li data-bbox="1182 236 2042 288">(i) Members shall introduce a new safeguard measure for perishable and seasonal products based on price- or quantity-related triggers. <li data-bbox="1182 308 2042 528">(ii) A Food Security Mechanism (FSM) shall be available to all WTO Members. It shall be applicable to (a) primary staple foods, on an automatic basis, and (b) other commodities, under certain clearly defined criteria. FSM products shall be eligible for the safeguard mechanism to be agreed; exempt from further tariff reduction or lesser reduction schemes; exempt from further tariff quota expansion; and no additional disciplines shall be imposed on state trading entities that only import FSM commodities. The FSM ceases to apply, and cannot be reverted to, if the

Special safeguard measures

Working Hypotheses	Variations/Additions
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Importing state trading enterprises

Working Hypotheses		Variations/Additions
<p>Scope of entities to which additional / improved disciplines would be applicable</p>	<p>Strengthened disciplines to apply to state trading enterprises.</p>	<ul style="list-style-type: none"> (i) As per paragraph 1 of the Understanding on the Interpretation of Article XVII and the related illustrative list (document G/STR/4). (ii) The applicable disciplines shall be different for importing and for exporting state trading enterprises.
<p>Specific disciplines</p>		<ul style="list-style-type: none"> (i) The modalities to be established shall be without prejudice to Members' rights and obligations under GATT Article XVII and the related Understanding. (ii) Special rights and [single desk] privileges of importing state trading enterprises shall be prohibited. (iii) Members shall not restrict the right of any interested entity to import, or to purchase for import, agricultural products. (iv) The legal status and the special rights and privileges of import monopolies shall not be affected by these modalities if their business activities are conducted in accordance with the requirements of GATT Article XVII. (v) The state trading enterprises which are engaged in commercial activities [whether importation or exportation] shall not be responsible for carrying

Importing state trading enterprises

	Working Hypotheses	Variations/Additions
<p>Specific disciplines - Tariff quotas (cont'd)</p>		<p>(iv) Members shall implement any of the following two proposals, depending upon which results in a greater share of direct imports. Members shall increase the share of direct imports under tariff quotas through entities other than import state trading enterprises:</p> <ul style="list-style-type: none"> (a) to 30 per cent upon implementation of this Agreement, increasing to 50 per cent through phased commitments made in equal annual instalments over a 5-year period, or (b) by 20 per cent from the levels in effect in implementation of this Agreement, in equal annual instalments over a 5-year period.
<p>Transparency / notification requirements</p>	<p>Transparency to be enhanced.</p>	<p>(i) Members maintaining an importing state trading enterprise shall respond within 30 days to requests by other Members for information regarding that state trading enterprise. Such requests may relate to specific information on a transaction basis, including inter alia, quantity, source of</p>

Other market access issues

	Working Hypotheses	Variations/Additions
<p><i>Trade preferences (cont'd)</i></p>		<p>(iii) Developed countries [and the more advanced among developing countries] shall enhance the market access opportunities in favour of [least-developed countries] [net food-importing countries] [land-locked countries] [small island developing states] [African countries] [small vulnerable agricultural exporters¹²] [vulnerable countries¹³], for example in terms of duty-free or low-duty tariff quota access to products originating in, or of export interest to, these countries.</p> <p><u>Variant 1</u>: To this effect, a list of agricultural products that are produced and exported on a commercial basis shall be elaborated.</p> <p><u>Variant 2</u>: A list of such products shall be bound in developed [developing] countries' Schedules.</p> <p><u>Variant 3</u> : The list of agricultural products of export interest to African countries shall comprise those products that are essential for product diversification; and/or “dynamic” products showing a high growth potential in world markets and would provisionally include: cotton, sisal, hemp and</p>

Other market access issues

Working Hypotheses

Variations/Additions

Other market access issues

	Working Hypotheses	Variations/Additions
Geographical indications		<ul style="list-style-type: none">(i) Geographical indications to be addressed in other fora, including the TRIPS Council.(ii) The protection afforded by Article 23 of the TRIPS Agreement to the geographical indications of wines and spirits shall be extended to all agricultural products.