WORKING DOCUMENT No. 11

TARIFF ESCALATION

1. The tariff escalation formula provided below shall apply to the list of primary and processed products attached in Annex A (to be finalized).

2. In addition to the application of the tiered tariff reduction formula, tariff escalation shall be addressed in the following manner:

3. Instead of taking the cut that would otherwise apply to final bound tariffs in the band to which the processed product belongs (with oduct shall be moderated to ensure further than equating to the actual rate for the primary product.

6. Tariff escalation treatment shall not apply to any product that is declared as Se the reduction for a tropical product would result in a reduction that is greater than u escalation formula, the tropical product reduction shall apply.

[1] The following gives an illustration of the differences in the approach.5(us( )r9t(6h)-5.7he)6.5(5a(s)24dTde)6.5()7.