

JOB(06)/200/Rev.1

Negotiating Group on Market Access

TOWARDS NAMA MODALITIES

July Framework, modified or supplemented by the Hong Kong Ministerial Declaration (in bold), as appropriate	Modalities	Chairman's remarks
	<p data-bbox="995 310 1102 337" style="text-align: center;"><u>Preamble</u></p> <p data-bbox="911 597 999 625" style="text-align: center;"><i>a priori</i></p> <p data-bbox="1262 740 1297 768" style="text-align: right;"><i>bis</i></p>	

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		<p><i>schedules and also enhances transparency for traders. It may also avoid disputes in the area of classification and resolve the ambiguities from the Uruguay Round.</i></p> <p><i>In short, my first best solution is to have an agreed list with no deviations. My second-best solution is to have an agreed list with full transparency of any deviation</i></p>

Unbound Tariffs

we adopt a non-linear mark-up approach to establish base rates for commencing tariff reductions.

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—		<p><u><i>Credit for bound autonomous liberalization by developing countries</i></u></p> <p><i>There is no consensus on this issue. Few developing Members have bound autonomous tariff reductions since the Uruguay Round. While some Members have noted the importance of this issue, they have also acknowledged that it is a difficult concept to operationalize. Perhaps as a result, until very recently, no proposal had been tabled and no discussion had been held on this subject. However, a proposal was tabled just before the preparation of this document. The proposal suggests that an unspecified number of additional points should be added to the coefficient in the formula for those lines which were bound autonomously. There has been no discussion of this proposal, which does not provide specifics on how to assess the value of the liberalization for the purpose of adjusting the coefficient.</i></p>

— *ad valorem* methodology outlined in document JOB(05)166/Rev.1 *ad valorem* **the** *ad valorem* *ad valorem*

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		<p><i>tariff lines unbound and, as a result, they are willing to consider a 95% percentage binding coverage for these Members. Others have shown greater flexibility. Some have suggested that, as the target tariff average was fixed on the basis of the "overall average of bound tariff for all developing countries after full implementation of current concessions", the same rationale could be used to determine their binding coverage (i.e. 81% if all developing countries except LDCs are included; 93% if the paragraph 6 countries are removed.).</i></p>

Sectoral negotiations

1. We reaffirm that the sectoral tariff reduction component is another key element to achieving the objectives of Paragraph 16 of the Doha Ministerial Declaration. Participation in sectoral initiatives is on a non-mandatory basis. Such initiatives shall aim to reduce, harmonize or as appropriate eliminate tariffs, including the reduction or elimination of tariff peaks, high tariffs and tariff escalation, over and above that which would be achieved by the formula modality, in particular on products of export interest to developing countries.

2. We recognise the progress made in a variety of sectors, where discussions among participants in the sectorals have focused on: defining the critical mass which may include the share of world trade and level of participation of competitive producers; the scope of product coverage; the implementation schedule; and special and differential treatment for developing-country participants.

3. At the Hong Kong Ministerial Conference, Ministers instructed members to identify sectors which

16. In furtherance of paragraph 7 of the NAMA Framework, we recognize that Members are pursuing sectoral initiatives. To this end, we instruct the Negotiating Group to review proposals with a view to identifying those which could garner sufficient participation to be realized. Participation should be on a non-mandatory basis.

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		<p><i>from Ministers. It is clear that the proponents will be challenged to garner sufficient support for this proposal.</i></p>

Flexibilities for developing Members subject to the formula

Flexibilities for developing Members subject to the formula

Implementation Period

(See section on implementation period above.)

Architecture

There is consensus on the architecture of paragraph 8 flexibilities.

Numbers

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		<p><i>Some Members have supported this proposal, although some indicated reservations about the number of additional points to be added to the coefficient. Others have expressed opposition to the proposal, arguing that it would establish a precedent for an “a-la-carte” application of the formula.</i></p>

Small, Vulnerable Economies

21. We note the concerns raised by small, vulnerable economies, and instruct the Negotiating Group to establish ways to provide flexibilities for these Members without creating a sub-category of WTO Members.

The criteria

With the exception of developed countries, Members having a share of less than [0.1%] of world NAMA trade for a reference period of 1999 to 2001, or best available data, as contained in document TN/MA/S/18 may use the following modality for tariff reduction:

Small, Vulnerable Economies

The criteria

It is understood that this does not create a sub-category of WTO Members

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	<hr/>	<p><i><u>The treatment</u></i></p> <p><i>There is no consensus on the treatment of small, vulnerable economies.</i></p> <p><i>There are two basic options on the table: a paragraph 6-type solution or a paragraph 8-type solution. The <u>first option</u> has two variations, one put forward by th5.3(rn10u)-1.2(00289</i></p>

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Least-Developed Countries (LDCs)

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	<p style="text-align: center;"><u>Recently Acceded Members (RAMs)</u></p> <p><i>In recognition of their extensive market access commitments undertaken as part of their accession and that staged tariff reductions are still being implemented in many cases, the Recently Acceded Members shall have an additional implementation period of [...] years, in respect of [...].</i></p> <p><i>In recognition of their extensive market access commitments undertaken as part of their accession and their current economic circumstances, Armenia, Kyrgyz Republic and Moldova shall not be required to undertake tariff reductions.</i></p>	<p style="text-align: center;"><u>Recently Acceded Members (RAMs)</u></p> <p><u>Who is a RAM?</u></p> <p><i>An informal understanding was reached that for the purposes of complying with paragraph 58 of the Hong Kong Declaration concerning RAMs, the relevant negotiating bodies should consider the situation of all those Members who have acceded to the WTO since its establishment, with the exception of those who have since become members of the European Union and those who are LDCs. In addition, any further countries which acceded before the conclusion of the negotiations under the DDA should also be considered. It is also understood that if Bulgaria becomes a member of the European Union before the</i></p>

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22. We note that the Negotiating Group has made progress in the identification, categorization and examination of notified NTBs. We also take note that Members are developing bilateral, vertical and horizontal approaches to the NTB negotiations, and that some of the NTBs are being addressed in other fora including other Negotiating Groups. We recognize the need for specific negotiating

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liberalization that will result from these negotiations. We instruct the Negotiating Group to		

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<p>24. We recognize that it is important to advance the development objectives of this Round through enhanced market access for developing countries in both Agriculture and NAMA. To that end, we instruct our negotiators to ensure that there is a comparably high level of ambition in market access for Agriculture and NAMA. This ambition is to be achieved in a balanced and proportionate manner consistent with the principle of special and differential treatment.</p>	<p><u>Paragraph 24</u></p>	<p><u>Paragraph 24</u></p> <p><i>A proposal (TN/MA/W/67) has been made in respect of operationalizing` this paragraph. While there was some support for this proposal, and most Members thought it a useful contribution to the negotiations, many of the Members who have taken the floor during discussions on this issue</i></p>

ANNEX
Specific textual proposals on issues in which broad divergences remain

I. FORMULA

Option 1: A Simple Swiss formula with two coefficients, one for developing and the other for developed Members:

$$t = \frac{\times t}{+t}$$

where

or

Option 2: ABI formula

$$t = \frac{B \times t_a \times t}{B \times t_a + t}$$

where

ad valorem

Option 1: Proposal by Pakistan (TN/MA/W/60)

II. ELEMENTS REGARDING THE FORMULA

- **Proposal by the NAMA-11** (*Room document of 16 June 2006*)

III. SECTORALS

- **Proposal by Turkey** (*Presentation of 23 June 2006*)

V. SMALL, VULNERABLE ECONOMIES

VI. RECENTLY ACCEDED MEMBERS

Option 1: Proposal by China (*Room document of 12 June 2006*)

Croatia proposed some changes which have been incorporated below

Option 2: Proposal by the NAMA-11 (*JOB(06)/194*)

VII. NON-RECIPROCAL PREFERENCES

Option 1: Proposal by the African Group *(TN/MA/W/49)*

- Proposal by Sri Lanka (*Room document of 16 June 2006*)