

MARKET ACCESS FOR NON-AGRICULTURAL PRODUCTS

Update on the Negotiations on the Sectoral Tariff Component

Communication from Singapore

Addendum

The following communication, dated 23 February 2007, is being circulated at the request of the delegation of Singapore.

1. In our earlier communication, dated 30 January 2006, contained in TN/MA/W/8/Add.1, we provided a summary table of the papers submitted by several members on the different sectoral initiatives. Since that communication, we have seen new papers submitted on these sectoral initiatives. Some members have also proposed new sectoral initiatives. There are currently 11 sectors¹ proposed.

2. As many members have found the summary table useful as a quick reference, a revised version of this table has been attached in Annex A of this communication. It is hoped that this would assist members in staying in touch with the sectoral negotiations.

3. Though suggestions and comments were received from the various co-sponsors of the sectoral initiatives, this revised summary table was prepared under our sole responsibility. Therefore, while this summary is meant to be used as a reference, it *is of no prejudice to the negotiating positions of the individual sectoral co-sponsors*.

¹ The 11 sectors are: automotive and related parts, bicycle and related parts, chemicals, electronics/electrical, fish and fish products, forest products, gems & jewellery, hand tools, healthcare, raw materials and sports equipment.

Annex A: Summary of Papers Tabled on Sectoral Tariff Initiatives

Sector	Document	Co-Sponsors	Product Coverage	Modality for Tariff Reduction	S&D Treatment ²
Automotive and Related Parts Sector	JOB(06)/87 ³	Japan	<p>Automotives HS 870321, 870322, 870323, 870324, 870331, 870332, 870333, 870390</p> <p>Related Parts Products almost exclusively used for manufacturing automobiles are picked out and proposed from Chapters 40, 68, 70, 73, 83, 84, 85, 87, 90, 91, 94 (please refer to Attachment 2 of the JOB document for a complete list)</p>	<p>End rate: zero</p> <p>Critical Mass: 99 percent of global trade for automotives 98 percent of global trade for related parts</p> <p>Staging: Equal annual installments, starting after the completion of general tariff cuts by formula Staging period: [5] years. For example, if implementation of formula cuts are to be completed within [4] equal annual instalments, then total period for tariff elimination shall be [4] plus [5] years.</p>	<p>Possible options might include:</p> <p>For Automotives (i) Longer staging period (plus up to [6] years at the discretion of developing Members taking this option) (ii) Exceptions to equal annual instalment: how to arrange instalments should be at the discretion of the developing Member which chose this option (iii) Zero for X (0 < X < end rate by general formula cut for developing Members; may be applied to only limited number of tariff lines or all of the tariff lines.)</p> <p>For Related parts (i) Longer staging period (plus up to [3] years at the discretion of developing Members taking this option) (ii) Exceptions to equal annual instalment: how to arrange instalments</p>

² Not applicable to developed countries.

³ 13 April 2006

Sector	Document	Co-Sponsors	Product Coverage	Modality for Tariff Reduction	S&D Treatment ²
					<p>should be at the discretion of the developing Member which chose this option</p> <p>(iii) Zero for X ($0 < X < \text{end rate by general formula cut for developing Members}$; this exceptional treatment is for limited number of products of not more than [10]% of the developing Member's import volume.)</p>
Bicycle and Related Parts	JOB(05)/202 ⁴	Japan; Singapore; the Separate Customs Territory of Taiwan, Penghu, Kinmen, and Matsu; and Thailand	HS 401150, HS 401320, Ex 731511 (roller chain of a kind used on bicycles) Ex 732020 (stainless steel spring for bicycle valve inside core use) Ex 848180 (valves, inner-tube, for bicycles) HS 851210, HS 871200, HS 871491, HS 871492, HS 871493, HS 871494, HS 871495, HS 871496, Ex 871499 (other parts and accessories of bicycles and other cycles, not motorized)	End rate: zero	<p>Possible options might include:</p> <ul style="list-style-type: none"> - Longer implementation period - Harmonization levels for certain products - Limited product coverage exemption -

⁴ 21 September 2005

Sector	Document	Co-Sponsors	Product Coverage	Modality for Tariff Reduction	S&D Treatment ²
Chemicals	TN/MA/W/58	Canada; Japan; Norway; the Separate Customs Territory of Taiwan, Penghu, Kinmen, and Matsu; Singapore; Switzerland; and the United States	HS Chapters 28 - 39		<p>Possible options might include::</p> <ul style="list-style-type: none"> - Longer implementation periods for all chemical products - Different implementation periods in certain products/sub-sectors - Zero for “x” - Participation in certain sub-sectors
	TN/MA/W/72 ⁵	Canada; Hong Kong, China; Norway; The Separate Customs Territory of Taiwan, Penghu, Kinmen, and Matsu; Singapore; Switzerland; the United States	HS chapters 28-39 One member proposed the addition of semi-processed rubber (HS 4002-4008) to the product coverage	<p>End rate: zero</p> <p>Implementation period: Immediate tariff elimination</p>	<p>(a) CTHA Developing-Country Participants may elect to eliminate chemical duties based on the following two-step process: -(i) Each Member must first fulfil CTHA harmonization according to its previously negotiated staging schedule and CTHA end rates (refer to table A in proposal). (ii) Then,, after the CTHA rate has been attained, the Member must eliminate its bound tariffs in 5 equal, annual instalments.</p> <p>(b) Developing Members that are not CTHA participants may elect to eliminate chemical duties according to a staging schedule no less ambitious than what was agreed to by the CTHA (as reflected in table B in the proposal).</p>

⁵ 15 May 2006

Sector	Document	Co-Sponsors	Product Coverage	Modality for Tariff Reduction	S&D Treatment ²
Electronics/ Electrical	TN/MA/W/59 TN/MA/W/59/ Add.1	Japan; Korea; Singapore; Thailand and the United States	Product coverage should be wide-ranging and simple for Members to implement. Broad product coverage that would include a significant range of products, potentially including information technology, electrical equipment and machinery, semiconductors, audio visual products and consumer electronics		Possible options might include: - Longer implementation periods - Different implementation patterns for different product groups or sectors - “Zero for X” - Participation in a smaller number of products
	TN/MA/W/69 ⁶	Hong Kong, China; Japan; Korea; Singapore; Thailand and the United States	Initiative should cover a broad range of products, such as information technology products, audio-visual products, home electrical appliances, office machines and other electrical/electronic equipment. Totally new products which have emerged after the ITA such as multi-chip packages (MCPs) should also be covered. Precise product coverage to be elaborated further	End rate: zero. Implementation period: same as standard NAMA implementation period (to be agreed) Staging: equal annual instalment (equal steps each year)	Possible options might include: (i) Longer implementation periods for specific tariff lines up to a certain trade value share of the total product coverage. (ii) Zero for X: As a limited exception, tariff rate of [X]% may be maintained for specific tariff lines up to a certain trade value share of the sectoral product coverage, if the tariff rate after tariff reduction in accordance with the general modalities is above [X].
	JOB(06)/84/ Rev.1 ⁷	Japan; Hong Kong, China	Illustrative Product List		

⁶ 28 April 2006

⁷ 30 June 2006

Sector	Document	Co-Sponsors	Product Coverage	Modality for Tariff Reduction	S&D Treatment ²
Fish and fish products	TN/MA/W/63 JOB(06)/132 JOB(06)/132/ Add.1 ⁸ TN/MA/W/63/ Add.1 JOB(06)132/ Add.2 JOB(06)/132/ Add.3 JOB(06)/132/ Add4	Canada; Hong Kong, China; Iceland; New Zealand; Norway; Oman; Panama; Singapore and Thailand	HS 03, HS 0509, HS 0511.91, HS 1504.10, HS 1504.20, Ex HS 1603 (juices and extracts of meat and fish), HS 1604, HS 1605, HS 2301.20	End rate: zero Critical mass: [90] percent of world trade Implementation: To be phased in as soon as practicable and no later than final implementation date for tariff reductions resulting from formula for NAMA goods.	Possible options might include: - Zero for X - Longer implementation periods
Forest Products	TN/MA/W/64	Canada; Hong Kong, China; New Zealand; Thailand and the United States	HS Chapters 44, 47, 48, and 49, and additional products in Chapter 94 (e.g. some furniture items and pre-fabricated buildings)		Possible options might include: - Varied implementation period periods to accommodate different needs - Zero for X (some Members eliminate tariffs while others reduce and harmonise them) - Limited product exemption - Participation credits (if this is agreed as part of the modalities for the formula)
	TN/MA/W/75 JOB(06)/128 ⁹	Canada; Hong Kong, China; New Zealand; Singapore; Thailand and the United States	Chapters 44, 47, 49, products made of wood in Chapter 94 (to date, members have proposed HS 9401.61, 9401.69, 9403.30, 9403.40, 9403.50, 9403.60, 9403.80 and 9406.00)	End rate: zero Critical mass: Interested members have defined critical mass of 90 percent of world trade	Possible options might include: (a) Longer implementation periods for a specific number of tariff lines up to a maximum level of trade.

⁸ 22 May 2006

⁹ 19 June 2006

Sector	Document	Co-Sponsors	Product Coverage	Modality for Tariff Reduction	S&D Treatment ²
				<p>Implementation: as soon as possible and no later than dates specified in the modalities for implementing formula reductions</p>	<p>(b) Zero for X: Participants will decide whether it is appropriate for developing-country Members to reduce and harmonize their tariffs rather than eliminating them. Participants will decide whether this provision could apply to the full product coverage or to specified lines.</p> <p>(c) Limited Product Exemptions: To date, participants have urged as comprehensive a product coverage as possible, and therefore they generally support modalities such as longer implementation periods or “zero for x” rather than product exemptions. Nevertheless, it will be up to all participants in the agreement to decide whether this provision could be used.</p>

Sector	Document	Co-Sponsors	Product Coverage	Modality for Tariff Reduction	S&D Treatment ²
Gems and Jewellery	TN/MA/W/61 TN/MA/W/61/ Add.1 TN/MA/W/61/ Add.2 ¹⁰	Hong Kong, China; Japan; the Separate Customs Territory of Taiwan, Penghu, Kinmen, and Matsu; Singapore; Switzerland; Thailand and the United States	Articles under Chapter 71 of the HS, which includes pearls, diamonds, precious stones, synthetic stones, silver, gold, platinum, and other articles of the products aforementioned, jewellery, imitation jewellery, and coin.	End rate: zero	Possible options might include: A three-step staging for certain sensitive products Step 1 - Reduce the bound tariffs of those specific products to [Y]% or to the post-formula values, whichever is the lower, over [Z ₁] years in equal installments. Step 2 - Maintain the rate(s) in Step 1) for [Z ₂] years Step 3 - Eliminate the tariffs
Hand Tools	JOB(06)/98 ¹¹	The Separate Customs Territory of Taiwan, Penghu, Kinmen, and Matsu	820110, 820120, 820130, 820140, 820150, 820160, 820190, 820210, 820220, 820231, 820239, 820240, 820291, 820299, 820310, 820320, 820330, 820340, 820411, 820412, 820420, 820510, 820520, 820530, 820540, 820551, 820559, 820560, 820570, 820580, 820590, 820600	End rate: zero Critical mass: no less than [90] percent of world trade Implementation over [] years in equal installments	Possible options might include: - Longer implementation period - Harmonization levels for certain products - Limited product coverage exemption

¹⁰ 24 June 2006

¹¹ 21 April 2006

Sector	Document	Co-Sponsors	Product Coverage	Modality for Tariff Reduction	S&D Treatment ²
Open Access to Enhanced Healthcare	JOB(06)/35 ¹² (Note: - new formal document is expected to be circulated shortly)	Singapore, the United States and Switzerland	<p>Medicines All drugs of Chapter 30, four HS headings in Chapter 29 (2936, 2937, 2939 and 2941): Product coverage should also include all pharmaceutical bulk active ingredients in HS Chapters 28, 29 and 38; and all chemical intermediates used solely in the production of pharmaceutical active ingredients in HS Chapters 28, 29 and 38.</p> <p>Medical Devices HS2844, 3822, 8419, 8543, 8713, 8714, 9018, 9019, 9021, 9022, 9025, 9402</p>	End rate: zero	<p>Possible options might include:</p> <p>For Medicines</p> <ul style="list-style-type: none"> • Longer implementation periods for all pharmaceutical products; • Longer implementation periods for certain pharmaceutical products; • harmonization level • Zero for “X” • Possible adoption of simplified UR pharmaceutical tariff elimination agreement, e.g. zero-duty treatment for pharmaceuticals of Chapter 30 and bulk pharmaceutical compounds comprising the entirety of Headings 2936, 2937, 2939, and 2941. <p>For Medical Devices</p> <ul style="list-style-type: none"> • Longer implementation periods for all medical devices; • Longer implementation periods for certain medical devices; • harmonization level • Zero for “X”

¹² 24 February 2006

Sector	Document	Co-Sponsors	Product Coverage	Modality for Tariff Reduction	S&D Treatment ²
Raw Materials	TN/MA/W/37/Add.2 TN/MA/W/37/Add.3	United Arab Emirates	HS2515, 2516, 2519, 2523, 2601.1, 2601.11, 2602.00-2611.00, 2707, 2708, 2710, 2711, 2715.00, 2818, 2820, 7101, 7401.10, 7401.20, 7403.11, 7403.12, 7403.13, 7403.19, 7403.21, 7403.22, 7403.23, 7403.29, 7404.00, 7404.00, 7406.10, 7406.20, 7602.00, 7603.10, 7603.20, 8104.11, 8401.19, 8401.20, 8401.30, 8111.00	End rate: Zero	Not specified
	TN/MA/W/37/Add.4 ¹³	United Arab Emirates	Raw materials from earth and from plant extraction (such as primary aluminium) which are used and processed by manufacturing industries. An indicative list of products from HS Chapters 25, 26, 27, 28, 71, 72, 74, 75, 76 and 78 can be found in TN/MA/W/37/Add.4	End rate: Zero Critical mass: interested members have been considering 90% of world trade	Possible options discussed include: - Longer implementation periods - Zero for "X" - Limited product exemptions
Sports Equipment	JOB(05)/201 ¹⁴	Japan; the Separate Customs Territory of Taiwan, Penghu, Kinmen, and Matsu; and Singapore	HS 950611, HS 950612, HS 950619, HS 950621, HS 950629, HS 950631, HS 950632, HS 950639, HS 950640, HS 950651, HS 950659, HS 950661, HS 950670, HS 950691, HS 950699, HS 950710, HS 950720, HS 950730, HS 950790, HS 950800		Possible options might include - Longer implementation period - Harmonization levels for certain products - Limited product coverage exemption

¹³ 26 May 2006

¹⁴ 21 September 2005