WORLD TRADE ORGANIZATION

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Negotiating Group on Market Access

NON -TARIFF BARRIER NOTIFICATIONS

Addendum

I. EUROPEAN COMMUNITIES

Maintaining participant 1	Products affected by the barrier 2	Nature of the barrier 3	Trade effects of the barrier 4	Inventory category 5	Relevant WTO provision 6	Treatment of the barrier 7
While transparency on the use of export taxes remains the exception despite existing notification procedures (e.g. Ministerial Decision on Notification Procedures from 1993), information collected through various sources reveals that almost half of all countries in a sample of 103 WTO Members have some form of export taxes in place. Also, 12 Members levy higher, or substantially higher, than 15 percent taxes on exports, of which only one Member is an LDC.	Generic (predominantly textiles, leather, skins and hides; minerals and metal products; as well as woods and forestry products).	Export taxes Through the levy of taxes or a specific duty, these measures serve in many instances the purpose of promoting higher value-added production in domestic industries. In some cases, export taxes appear to have replaced export restrictions, including bans, when the latter were not likely to be in compliance with relevant GATT Articles (XI, XX and XXI).	Besides being poor instruments from an efficiency and equity standpoint for the country imposing the measures, export taxes could distort international trade and reduce the benefits from trade of other WTO Members in four different ways: 1. In the event that export taxes influence international market prices, which would only occur if the country imposing the tax is 'large', the measures imply a transfer of wealth from importing countries to the exporting (taxing) country. 2. By reducing domestic prices on the taxed products, the measures reduce profitability and/or the amount of imports to the domestic processing industry in the country imposing the export taxes. 3. By providing an indirect subsidy to domestic producers, the export taxes give the domestic processing industry a competitive advantage over foreign producers. 4. By reducing the profitability of exporting the products for which taxes have been imposed, or by setting the taxes sufficiently high that they become de facto bans on exports, the measures restrict access of inputs to processing industries in other countries. In many cases, developing countries' processing industries and producers of the taxed goods (usually commodities) will by most severely hurt by the trade distortion created by other WTO Members' export taxes. For example, this is considered to be one of the reasons behind Africa's so-called leather gap. But also developed countries' producers can experience significant negative effects, especially in the short to medium run. For example, the EU tanning industry estimated that in 2001 the losses caused by merely one other WTO Member's export measures were over € 35.5 million.	V-J	Not covered by existing WTO Agreements	a (Horizontal)