

Negotiating Group on Market Access

NEGOTIATING GROUP ON MARKET ACCESS

Report by the Chairman, Ambassador Girard, to the Trade Negotiations Committee

I. STATUS OF WORK

1. Since its last meeting on 19-21 February 2003, the Negotiating Group met once on 14-16 April 2003. The three-day meeting was very substantive with the discussion of new papers submitted since the Group's last meeting, the overview of proposals on tariffs, and the overview of proposals on non-tariff barriers. The session was interactive with much discussion on the possible elements for modalities on tariffs and non-tariff barriers (NTBs).

2. For the discussions on tariffs, the "Overview of Proposals Submitted--Tariffs" (TN/MA/6/Rev.1) was updated for participants at this meeting to take into account the new submissions. The overview on tariffs continued to list the twenty issues pertaining to modalities for the negotiations on tariffs which had been identified; including the question of newly acceded Members and LDCs. The illustrative list of questions on each of the 20 items (JOB(03)/27) that was circulated last time, was also referred to at this meeting. As not all of the issues were discussed at the last meeting, the Group first took up the seven items that were not previously addressed. In addition, the Group reverted to previously discussed items for further comment. The ensuing discussions allowed Members to clarify their views on the various points or issues, including where there were points of convergence or divergence. In particular, there was much discussion on a formula-type approach. Some delegations preferred a harmonizing type formula where as others preferred a linear type one. There was much discussion on how the type of formula would impact the tariff schedules of the various Members and in particular how it would meet the parameters set in the mandate, such as special and differential treatment and less than full reciprocity. Another key issue discussed was the binding coverage of concessions where differing views were exchanged on whether Members should have 100 percent bound items at the end of the round or not. Some of the technical aspects discussed, such as nomenclature and how to address non-*ad valorem* duties received broad convergence of views.

3. On NTBs, the "Overview of Proposals Submitted—Non-tariff Barriers" (TN/MA/9) was prepared to present the proposals received on non-tariff barriers. The overview paper was presented in four parts—general points, suggestions as to the scope of the negotiations, specific modalities or methodologies for negotiating NTBs, and other issues. As with the issue of tariffs, a list of questions was prepared and circulated (JOB(03)/72) in order to stimulate the discussions on NTBs. The Group held a substantive discussion on the basis of the overview paper and list of questions. Much of the discussion focused on how and where to address the NTBs, either in this Group or perhaps in other relevant WTO bodies. There were differing views on whether this Group could refer NTB issues to other bodies, especially those without a negotiating mandate, and also if this would require involvement or a mandate of the TNC. With respect to the possible modalities discussed, such as request/offer, horizontal, and vertical, it was noted that all could be possibilities and it would depend on how the issues and work progressed. The Group was of the view that none of these possible modalities should be excluded at this time. Also, there were 18 Members who made notifications of

NTBs, which were circulated in the compilation document, "Non-tariff Barrier Notifications" (TN/MA/W/25). This served as an indicative list of the areas where Members' NTBs were focused.

4. The Secretariat presented its papers on "Formula Approaches to Tariff Negotiations" (TN/MA/S/3/Rev.2) and " Formula Approaches to Tariff Negotiations—Secretariat Simulations using Members' Tariff Concessions" (JOB(03)/67). The first paper revised the earlier paper which gave an overview of the various formulae proposed by Members and the possible effects of the formulae on a hypothetical tariff profile. The second paper presented simulations using the final bound duties available in the Consolidated Tariff Schedules database (CTS) to illustrate the impact of different formula proposals on Members' tariff schedules. Additionally, a dedicated question and answer session was held by the Secretariat on 15 April 2003 to provide more explanations of these papers.

II. OUTSTANDING ISSUES

5. The Group will need to focus on the Chairman's proposal¹ on possible elements for modalities in the coming month in order to reach agreement by the target date. A few delegations indicated that further proposals or submissions would be forthcoming.

III. FUTURE WORK

6. The Group will pursue its work on possible elements for modalities on tariffs and NTBs at its meeting scheduled for 26-28 May 2003, with a view to reaching an agreement on such modalities by 31 May 2003.

¹ To be issued.