
Negotiating Group on Market Access

NEGOTIATING GROUP ON MARKET ACCESS

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

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I. INTRODUCTION

1.1 This report is prepared in order to aid Ministers in their further work on Non-Agricultural Market Access in the preparations leading up to the 5th Ministerial Conference in Cancun. The report is a factual summary of the work undertaken by the Group since its establishment and includes information of its meetings up to and including 13-14 August 2003. The report is submitted by the Chairman on his own responsibility and is without prejudice to the positions of the participants.

II. BACKGROUND

2.1 The Negotiating Group on Market Access was established by the TNC at its meeting of 1 February 2002 in order to carry out the work related to the negotiations on market access for non agricultural products. Paragraph 16 of the Doha Ministerial Declaration on "Market Access for Non-Agricultural Products", provides:

"16. We agree to negotiations which shall aim, by modalities to be agreed, to reduce or as appropriate eliminate tariffs, including the reduction or elimination of tariff peaks, high tariffs, and tariff escalation, as well as non-tariff barriers, in particular on products of export interest

to developing countries. Product coverage shall be comprehensive and without *a priori* exclusions. The negotiations shall take fully into account the special needs and interests of developing and least-developed country participants, including through less than full reciprocity in reduction commitments, in accordance with the relevant provisions of Article XXVIII *bis* of GATT 1994 and the provisions cited in paragraph 50 below. To this end, the modalities to be agreed will include appropriate studies and capacity-building measures to assist least-developed countries to participate effectively in the negotiations."

2.2 The Negotiating Group first met in formal session on 11 April 2002 to commence its work which focused mostly on organizational aspects. However, prior to its first formal meeting and continuing until July 2002, in-depth discussions took place among the participants in informal sessions over the "Programme of Meetings" of the Negotiating Group. After many informal sessions and discussions at higher levels, the Group's "Programme of Meetings" (TN/MA/3) was adopted on 19 July 2002. Thus, as the issue had remained unresolved for several months, the Group did not commence with its substantial work until August 2002.

2.3 As a result of agreement on its programme of meetings, the Group held four formal meetings during August to December 2002¹ in order to proceed with its work. In particular, discussions focused on tariffs and non-tariff barriers, review of the proposals, appropriate studies and capacity building measures, and consideration of possible modalities. The "Programme of Meetings" set a target date for submitting proposals by 1 November 2002, but that proposals submitted until 31 December 2002 would be fully taken into account in a consolidated overview of proposals. Furthermore, the "Programme of Meetings" also emphasized the importance of special and differential treatment for developing and least developed countries and that it should be an integral part of all elements of the negotiations under the Work Programme.

2.4 During 2003, the Group has held five formal sessions² thus far. The Group began the year by focussing on the Secretariat's "Overview of Proposals Submitted"³, as first prepared on 5 February 2003 in TN/MA/6. Subsequently, for the April meetings, the "Overview of Proposals Submitted—Tariffs" (TN/MA/6/Rev.1) was updated, and a new paper on "Overview of Proposals Submitted—Non-Tariff Barriers" (TN/MA/9) was also prepared. In preparation for the target date of 31 May 2003 for reaching agreement on modalities, the Chairman issued his paper on "Draft Elements of Modalities for Negotiations on Non-Agricultural Products" (TN/MA/W/35). However, the Group did not reach agreement on modalities by 31 May 2003. In the meantime, proposal papers⁴ continue to be submitted by participants and work has proceeded in earnest in order to try to reach agreement on modalities. In preparation for the August 2003 meeting, the Chairman submitted a paper to the Group on "Possible Options" (JOB(03)/155) to the various provisions of the "Draft Elements". After the meeting on 13-14 August, the Chairman revised the "Draft Elements" (TN/MA/W/35/Rev.1; see Annex I) to take into consideration those options that he believed had broad support.

2.5 As part of its work on capacity building, but also in terms of technical assistance in a broader sense, there have been a number of studies and capacity building measures to improve participation in the negotiations. In this respect, the Group held a Market Access Seminar on 29-31 May 2002, which covered modalities for negotiations on tariffs and non-tariff barriers, special and differential treatment, the art of negotiating, and the use of databases for negotiations. Additionally, the WTO Secretariat has prepared a number of background papers, simulations, and other materials relevant to these negotiations (see Annex 3). A number of technical assistance measures have also been carried out as part of the WTO Annual Technical Assistance/Capacity Building Plans for 2002 and 2003.

¹ On 2 August 2002, 12-13 September 2002, 4-5 November 2002, and 2-3 December 2002.

² On 19-21 February, 14-16 April, 26-28 May, 9-11 July, and 13-14 August 2003.

³ Containing proposals on tariffs only.

⁴ The full list of proposals by participants is contained in Annex 2.

2.6 With respect to environmental goods, it was noted that the Committee on Trade and Environment in Special Session had indicated broad support that with respect to its mandate on environmental goods, that these negotiations should take place in the Negotiating Group on Market Access.⁵ There was still the outstanding issue on how to clarify the concept of environmental goods, and some participants to the Committee on Trade and Environment in Special Session preferred that this be undertaken in that body during the course of their work. Nevertheless, the Negotiating Group on Market Access has, to a certain extent, taken up this matter and expressed different views on the definition of environmental goods, as well as how this issue should be treated during the course of these negotiations.

III. STATUS OF WORK

3.1 Since the Chairman's first paper on "Draft Elements" was issued, the last three meetings have focused on participants' feedback, reactions, and suggestions to improve the "Draft Elements". There has been good discussions and positive contributions in order to make progress on reaching consensus on modalities for both tariffs and non-tariff barriers. In this respect, there have even been new proposals made at the August meeting. It appeared from the general feedback from the Group, that the "Draft Elements" contained all the elements needed for reaching agreement on modalities, but there still needed to be further work or refinement on many of the issues. For this reason, the proposed "Possible Options" were discussed at the last session and the resulting text (TN/MA/W/35/Rev.1) will be used as a basis for the discussions in this section. This section will address the three substantive elements contained in the "Draft Elements" text, that is a) tariffs, b) non-tariff measures, and c) appropriate studies and capacity building.

A. TARIFFS

3.2 Based on the proposals and the discussions in the Group, it was the preference of most participants to pursue a formula as the main element of tariff modalities. The "Draft Elements" proposes a harmonizing formula that would apply on a line-by-line basis for all participants except for least-developed Members. There have been differing views on the type of formula to be used and how it would address the issues set out in the mandate—most notably the issues of tariff peaks, high tariffs, and tariff escalation, and "less than full reciprocity in reduction commitments". Generally speaking, there has been broad support for a formula of the type as proposed in the text, however various elements of the formula have received criticism by participants. In particular, the " T_a " or tariff average, although well received by a number of participants, was criticized by a number of other participants who argued that it did not represent the level of development of the Member, nor did it try to achieve balance among Members. The treatment of 'unbound' items in the formula also was the subject of much debate and would need further discussions. Other technical elements to be used in the formula, such as nomenclature and the use of bound rates, when they were in existence, were generally well accepted. In addition, the "Draft Elements" also propose special treatment for a number of countries who currently have less than 35 percent of tariff lines bound. Instead of applying the formula, they would be expected to bind 100 percent of tariff lines at an average level that does not exceed the overall average bound tariffs for all developing countries after full implementation of current concessions.

3.3 The second key element of the "Draft Elements" is the sectorial approach, whereby tariff elimination is proposed for seven sectors of particular export interest to developing countries. The sectorial approach would eliminate tariffs on the products determined to be covered in the sector by the participants, and would be achieved in one stage for developed countries and those who so choose, and three stages for other participants. The length of the stages would also be left for the participants to determine during the negotiations. The reaction to such a liberalization approach has been mixed.

⁵ TN/TE/1.

On the one hand, some participants consider it imperative to have further mandatory tariff liberalization beyond the formula, while on the other hand other participants do not see it in their interest to eliminate tariffs on these sectors. Various participants indicated that preferred to concentrate on a formula, then address sectors at a later point in time.

3.4 In addition to the flexibility provided in the formula and sectorial approaches for developing country participants, additional provisions for developing and least-developed participants were sought by the Group. As for least-developed participants, the "Draft Elements" provides that they would not be required to reduce or eliminate tariffs, but as part of their contribution to the negotiations, they would, however, be expected to substantially increase their level of binding commitments. For developing country participants, the text currently provides flexibility by allowing them to keep tariff lines unbound or not apply the formula for up to 5 percent of tariff lines provided that no more than 1 percent (1 percent of tariff lines providing they do not exceed 1 percent of the Member's imports, calculated for the reference period) could be taken in one HS Chapter.

3.5 As for special considerations for newly acceded Members, there has been support in the group to give them a certain level of flexibility due to the extensive market-access commitments undertaken by them. However, the approach proposed in the "Draft Elements" (e.g., a different coefficient "B", a longer implementation period, a "grace period") does not seem to be acceptable to all participants. Some participants have requested that all three options remain possibilities, while others prefer that only longer implementation periods be given.

3.6 The draft text provides for the possibility of supplementary modalities—zero-for-zero, sector elimination, sectorial harmonization, request & offer, as well as the possibility to consider elimination of low duties. Discussions thus far have indicated that these possibilities should remain open, and thus the modalities should provide for the option of using these approaches, if necessary.

3.7 The issue of addressing "erosion of preferences" and "high tariff revenue dependency" in the modalities continue to be highly debated matters in the Group.

B. NON-TARIFF BARRIERS (NTBs)

3.8 Discussions on non-tariff barriers have lagged those on tariffs for some time. In this respect, the Section C. on Non-Tariff Barriers in the "Draft Elements" has led to a process of addressing modalities for NTBs. The text essentially proposes a three step process of identification, examination, and categorization in order to address NTBs. The process of identification has been underway in the Group for some time, with 25 submissions from participants circulated in documents TN/MA/W/25 + Add.1 + Add.2. However, at the July meeting of the Negotiating Group, it was generally felt that more work was needed here and new or improved submissions should be submitted by 31 October 2003.

3.9 Many of the substantive issues in dealing with NTBs relate to the fact there is overlap of many of the NTBs with other WTO Agreements, Bodies, or Ministerial mandate. In the view of some participants, there is also a problem of negotiating mandate, as the Doha Declaration does not contain a specific negotiating mandate for some existing WTO Agreements (e.g., TBT, etc...). Thus, as a first step towards a pragmatic and workable approach, the draft proposes four ways to categorize NTBs, and the way to treat the NTBs would be determined accordingly.

3.10 The first category are those NTBs that would be addressed in the NGMA and the appropriate modalities would need to be determined. For the time being, all types of modalities remain possible—request/offer, vertical, or horizontal approaches. Secondly, there are NTBs relating to existing negotiating bodies, e.g. Rules. It is proposed that for these NTBs, e.g. NTBs relating to anti-dumping, would be referred to the Negotiating Group on Rules. In a similar vein, NTBs relating to other parts of the Doha Declaration but currently without a specific negotiating mandate (e.g. Trade

Facilitation, etc...), would be referred to an appropriate body to be addressed, depending also on a decision by explicit consensus in Cancún. Finally, there are NTBs that currently do not have a specific negotiating mandate but relate to existing WTO Agreements. In these cases, if the group decides there is a need to send them to another WTO body, they would be reported to the TNC in order to be forwarded to the appropriate WTO body for action and reply.

3.11 The discussions in the group thus far have led to a general positive appreciation for the approach outlined in Section C, however, some delegations have raised some concerns with the issue of referral for a number of reasons. Some small delegations have voiced concerns because they would not be able to follow the work in a number of other WTO Bodies. There were some suggestions made to have a clearer process of referral, so that participants could understand how it would work with respect to each subject. However, it was emphasized that this negotiating group maintains overall responsibility for addressing non-tariff barriers. Thus, if there was a need to make referrals, the NGMA would continue to oversee the process, and would request to have information and progress on the matter reported.

C. APPROPRIATE STUDIES AND CAPACITY BUILDING

3.12 As mandated in paragraph 16 of the Doha Declaration, the modalities would provide for appropriate studies and capacity building measures to assist least-developed countries to participate effectively in the negotiations. Section D of the document sets out provisions for these studies and capacity building initiatives. It is noted that a number of such initiatives, in a broader sense, have already been undertaken, and that this work would continue. It would be up to participants to initiate proposals, but also the Secretariat would continue to initiate such activities when it undertakes work relating to this negotiating group.

IV. KEY ISSUES WITH RESPECT TO MODALITIES

4.1 This section sets out key outstanding issues that Ministers may wish to focus on.

A. FORMULA

4.2 The proposed formula consists of a single, non-linear, harmonizing formula applied on a line-by-line basis. The data used for its calculation would be the bound rates where they were in existence, and for other tariff lines, twice the applied rates would be used. The final rates, after application of the formula, would be bound in *ad valorem* terms.

4.3 Key issues to be addressed include the adequacy of the formula in terms of improving market access and the best way of taking into account the different structures and levels of tariffs of the participants, as well as the scope of binding commitments already undertaken.

B. SECTORIAL TARIFF ELIMINATION

4.4 In the "Draft Elements", a mandatory sectorial elimination approach is proposed with a view to add further liberalization in favour of products of interest to developing countries and to improve market access that would not be sufficient through using the formula alone. Possible sectors are mentioned in a generic way and different modalities of implementation are further proposed for developed Members and other Members who would choose to follow them, on the one hand, and developing Members on the other hand.

4.5 A key issue to be addressed is whether this approach could be agreed as a complement to the formula, and if so, what would be the possible list of generic sectors.

C. NEWLY ACCEDED MEMBERS

4.6 The "Draft Elements" provide specific treatment for newly acceded Members in the form of a special flexibility. Although there appears to be a basic agreement that the special situation of these Members shall properly be taken into account, the way to do so (higher coefficient in the formula, longer implementation period, "grace period") has been controversial.

4.7 The key issue is how the flexibility could be assured in order to address the special situation of newly acceded Members.

ANNEX 1

TN/MA/W/35/Rev.1

DRAFT ELEMENTS OF MODALITIES FOR NEGOTIATIONS ON NON-AGRICULTURAL PRODUCTS

Revision

A. INTRODUCTION

1. In adopting on 19 July 2002 the Programme of Meetings of the Negotiations on Market Access for Non-Agricultural products (hereafter Work Programme), the participants in the Negotiating Group on Market Access (NGMA) stated that they will "aim at a common understanding on a possible outline of modalities by the end of March 2003 with a view to reaching an agreement on those modalities by 31 May 2003." With a view to facilitate such agreement, the Chair submits herewith a draft of "Elements of Modalities for Negotiations on Non-Agricultural Products," under his own responsibility.

2. This revised draft is based on the work carried out during the series of formal and informal session of the NGMA starting on 2 August 2002 and conducted in accordance with the Mandate provided by Ministers at Doha, and the Work programme thereunder adopted by the NGMA on 19 July 2002.

Paragraph 16 of the Doha Ministerial Declaration provides (WT/MIN(01)/DEC/1):

"16. We agree to negotiations which shall aim, by modalities to be agreed, to reduce or as appropriate eliminate tariffs, including the reduction or elimination of tariff peaks, high tariffs, and tariff escalation, as well as non-tariff barriers, in particular on products of export interest to developing countries. Product coverage shall be comprehensive and without *a priori* exclusions. The negotiations shall take fully into account the special needs and interests of developing and least-developed country participants, including through less than full reciprocity in reduction commitments, in accordance with the relevant provisions of Article XXVIII *bis* of GATT 1994 and the provisions cited in paragraph 50 below. To this end, the modalities to be agreed will include appropriate studies and capacity-building measures to assist least-developed countries to participate effectively in the negotiations."

Furthermore, paragraph 4 of the Work Programme states (TN/MA/3):

"4. In accordance with paragraph 16 and other relevant provisions of the Doha Ministerial Declaration, special and differential treatment for developing and least-developed countries shall be an integral part of all elements of the negotiations under this Work Programme."

3. This draft does not claim to represent elements agreed in whole or in any part and is without prejudice to the position of participants. As it will become evident immediately in this draft, some parts are not fully elaborated, and some of the other points raised are not included. Thus, it is not in anyway comprehensive. Rather it should be seen as a set of basic elements for possible modalities, which will need to be adjusted, completed, refined, or further expanded upon.

4. It is hoped that these Draft Elements will further stimulate the constructive discussions which have taken place between participants so as to enable them to build up a consensus on modalities for

negotiations on tariffs and non-tariff barriers. It is furthermore expected that in conducting these discussions the participants will keep closely in mind the importance of preserving the integrity of the WTO multilateral trading system as embodied in the WTO Agreements, building upon the market openings realized thus far as a major element in promoting trade and development, and incorporating special and differential treatment as an integral part of the negotiations.

Therefore the following elements are proposed:

B. TARIFFS

5. The proposed elements for modalities on tariff negotiations are outlined in the following four sub-sections, all of which are an integral part of the modalities for all participants.

1. Formula

6. The application of the formula will be based on the following elements:

- base rate: tariff reduction or elimination on all non-agricultural products¹ from the bound rates after full implementation of current concessions². However, for unbound items, the basis for commencing the tariff reductions shall be two times the MFN applied rate³;
- the base year for MFN applied tariff rates shall be 2001;
- non-ad valorem duties shall be converted to *ad valorem* equivalents according to the procedures in Annex I;
- HS nomenclature: negotiations to commence on the basis of Harmonized System (HS) 1996, and negotiations to be finalized in HS2002 nomenclature;⁴ and
- for import data, the years 1999-2001, hereinafter "reference period", shall be used in order to mitigate yearly fluctuations.

7. All non-agricultural tariffs shall be reduced on a line-by-line basis using the formula⁵ applied to the base rates outlined in paragraph 6:

$$t_1 = \frac{B \times t_a \times t_0}{B \times t_a + t_0}$$

where,

t₁ is the final rate, to be bound in *ad valorem* terms

¹ All products not covered by the WTO Agreement on Agriculture.

² Credit may be given for autonomous liberalization provided that the items were bound on an MFN basis in the WTO since the conclusion of Uruguay Round. Thus, in the following cases, credit will accrue by using the base rate that was in place before the autonomous liberalization took place, and the formula reduction would be applied to this higher basis. In the case of items that were not previously bound, two times the MFN applied rate or the new bound rate, whichever is higher, for the year the liberalization took place would be the basis. It is noted that in the cases of the Ministerial Declaration on the Expansion of Trade in Information Technology Products, further initiatives in the Pharmaceutical zero-for-zero sector, and certain other individual initiatives, the bound rate was reduced to zero and through the application of the formula, credits would not be relevant. Thus, for the remaining items, credit could be given for the tariff lines noted in the following WTO documents which have been given legal effect through certifications: European Communities (WT/Let/178), Hungary (WT/Let/441), India (WT/Let/374), Korea (WT/Let/302), Pakistan (WT/Let/424), Sri Lanka (WT/Let/398), and the United States (WT/Let/182).

³ When the MFN applied rate in the base year is less than 2.5 percent, 5 percent shall be used as the basis.

⁴ If Members so desire, they may commence with HS2002 nomenclature if the corresponding concordance tables are provided.

⁵ All numbers used in the formula will be rounded to one decimal point.

t_0 is the base rate

t_a is the average of the base rates⁶

B is a coefficient with a unique value to be determined by the participants

8. As an exception, participants with a binding coverage of non-agricultural tariff lines of less than 35 percent would be exempt from making tariff reductions through the formula. Instead, they would be expected to bind 100 percent of non-agricultural tariff lines at an average level that does not exceed the overall average of bound tariffs for all developing countries after full implementation of current concessions (27.5 percent).⁷

2. Sectorial Tariff Elimination

9. In addition to the application of the formula, a sector elimination approach is proposed with appropriate flexibilities for developing countries, in order to eliminate and bind all tariffs on products of particular export interest to developing and least-developed country participants. Therefore, the following sectors are proposed: Electronics & Electrical goods; Fish & Fish products; Footwear; Leather goods; Motor Vehicle parts & components; Stones, Gems, & Precious Metals; and Textiles & Clothing. Members will need to determine the product coverage applicable to these sectors.

10. The sectorial tariff elimination shall be achieved through three phases of equal length. The basis for elimination will be from the bound rates after full implementation of current concessions, or for unbound items, the MFN applied rates in 2001. The tariff reductions will occur in equal annual stages, as follows:

- developed participants and other participants who so decide, shall eliminate tariffs at the end of the first phase;
- other participants shall achieve tariff reduction and elimination as follows: 1) tariff reduction to a proposed level of not more than 10 percent⁸ at the end of the first phase; 2) maintain this level during the second phase; and 3) achieve elimination of tariffs at the end of the third phase.

3. Additional Provisions for Developing and Least-Developed Participants

11. Taking into account the relevant provisions of the mandate, and the special and differential treatment and "less than full reciprocity" already provided in the elements above, developing and least-developed participants shall have additional provisions as follows:

- a) for developing country participants, longer implementation periods for tariff reductions would be applicable. In addition, they would be given flexibility by a) being able to keep tariff lines unbound or b) not applying formula cuts, to up to 5 percent of tariff lines provided that no more than 1 percent (1 percent of tariff lines providing they do not exceed 1 percent of the Member's imports, calculated for the reference period) could be taken in one HS Chapter.⁹

⁶ The calculation of tariff averages should not be biased by the disaggregation of Members tariff schedules. To reduce the bias introduced by the different number of tariff lines in Members' schedules, the HS standard nomenclature, an international standard up to the level of HS 6-digit subheadings, shall serve as basis for the calculation of simple tariff averages. The tariff average, shall be calculated in two steps:

- i) A simple arithmetic average of tariff line *ad valorem* duties or AVEs is used to calculate the tariff average for each non-agricultural HS 6-digit subheading
- ii) This HS 6-digit average is then used as basis to calculate the simple tariff average for each Member.

⁷ Final figure to be verified by the Secretariat.

⁸ If the rate (bound or in the case of unbound items, the MFN applied rate in 2001) is less than 10 percent, this lower rate shall remain in place.

⁹ These flexibilities do not apply to those products included in the sectorial tariff elimination approach.

- b) least-developed country participants shall not be required to undertake reduction commitments, as noted in paragraphs 7, 9, 10, 14, and 15. As part of their contribution to this round of negotiations, they are however expected to substantially increase their level of binding commitments.

12. Furthermore, as a contribution to the integration of the LDCs into the multilateral trading system and support for the diversification of their production and export base, it is proposed that developed participants and other participants who so decide, grant on an autonomous basis duty-free and quota-free market access for non-agricultural products originating from LDCs by the year [...].

4. Newly Acceded Members

13. In addition to the provisions already set out in paragraph 11 above, and in order to take into account the extensive market access commitments undertaken as part of their accession which are still being implemented in many cases, participants could consider providing newly acceded Members the following mechanisms:

- a higher coefficient in the formula
- a longer implementation period
- a "grace period" which would commence after implementation of current commitments

5. Supplementary Modalities

14. It is proposed that participants supplement additional tariff reduction and elimination made through the formula and sectorial modalities above with zero-for-zero sector elimination, sectorial harmonization, and request & offer.

15. In addition, it is proposed that participants consider the elimination of low duties.

C. NON-TARIFF BARRIERS

16. The following elements are proposed for the modalities on NTBs:

- a) It is understood that the NGMA maintains overall responsibility for addressing non-tariff barriers (NTBs) as part of the Doha Declaration;
- b) The negotiating group will proceed with the identification and examination of the various types of NTBs;¹⁰
- c) After completing the identification, participants will aim to categorise the NTBs as well as clarify and seek additional information where necessary, and then proceed in the following manner:
 - Selected NTBs, to be agreed upon by the participants, would be dealt with by the NGMA on the basis of modalities, which could include request/offer, horizontal, or vertical approaches;
 - NTBs that have a specific negotiating mandate in the Doha Declaration in other areas should continue to be addressed in that body but information on the progress or outcome of those negotiations should be reported to this group for transparency;

¹⁰ In this respect, it is recalled that work has already been initiated with the notification of non-tariff barriers by participants.

- Work on NTBs which relate to other areas of the Doha Declaration which currently do not have a specific negotiating mandate would progress in other fora but information on the progress should be reported to this group for transparency; and
 - NTBs that currently do not have a specific negotiating mandate would, after further clarification and if the group decides there is a need to send them to another WTO body, be reported to the TNC in order to be forwarded to the appropriate WTO body for action and reporting back.
- d) It is recognized that as the work progresses on NTBs, and without prejudice to the particular type of NTB and the modalities to be agreed upon, participants will need to take fully into account the principle of special and differential treatment for developing and least-developed participants.

D. APPROPRIATE STUDIES AND CAPACITY BUILDING

17. Paragraph 16 of the Doha Declaration and its reference to paragraph 50 provide, as part of the modalities, for appropriate studies and capacity building measures to assist least-developed countries to participate effectively in the negotiations. In this regard, but also in a broader sense, it is proposed that:

- Participants identify issues related to studies and other capacity building measures to further improve participation in the negotiations. In addition, the Secretariat will continue to initiate these matters when it undertakes work relevant to this negotiating group, including in cooperation with other international organizations.¹¹
- Participants initiate proposals to provide adequate delivery of technical assistance and capacity building measures related to the negotiations on non-agricultural market access, keeping in mind the measures already incorporated in the WTO Annual Technical Assistance/Capacity Building Plans for both 2002 and 2003.

¹¹ It is noted that to date, a number of relevant studies have been prepared or referenced, as follows: Selective Bibliography of Research on Market Access (TN/MA/S/1 + Add.1), Formula Approaches to Tariff Negotiations (TN/MA/S/3 + Rev.1 + Rev.1/Add.1 + Rev.2), WTO Members' Tariff Profiles (TN/MA/S/4 + Rev.1 + Rev.1/Corr.1), Formula Approaches to Tariff Negotiations – Secretariat Simulations using Members' Tariff Concessions (JOB (03)/67), Incidence of Non-*Ad valorem* Tariffs in Members' Tariff Schedules and Possible Approaches to the Estimation of *Ad valorem* Equivalents (TN/MA/S/10), and Market Access Issues Related to Products of Export Interest Originating from Least Developed Countries (TN/MA/S/7).

ANNEX I

Calculation of *ad valorem* equivalents

1. Where Members have non-*ad valorem* tariffs in their base rates, *ad valorem* equivalents (AVEs) for these rates will be calculated by the Secretariat using the following methodology:

- If import values and quantities are available in the IDB unit values shall be calculated at the tariff line level.
- If import values and quantities are not available in the IDB at the tariff line level unit values of the relevant HS 6 digit subheading of the Member's IDB data shall be used.
- If import values and quantities are not available in the IDB for a specific Member at the HS 6 digit level, world unit values, based on data available in the IDB and complemented by information in the UN COMTRADE database, shall be used.
- Non *ad valorem* tariffs for which AVEs cannot be calculated by the Secretariat because of the technical nature of the duties concerned shall be assumed to have an AVE equivalent to the tariff average (t_a) as used in the formula in paragraph 7 of this document.

2. However, if the Member concerned so desires, they may calculate AVEs themselves if it is done so in a transparent manner and uses the representative reference period. Full details of the method and data used for these calculations shall be included in the tables of supporting material for the draft offers and shall be subject to multilateral review. Members may ask the Secretariat for technical assistance in their calculation of AVEs.

ANNEX 2

List of proposal documents in the negotiating group

Participant(s)	Symbol	Title	Date
Albania, Croatia, Georgia and Moldova	TN/MA/W/29	Market Access for non-agricultural products	19 March 2003
Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Mexico, Panama, Paraguay, Peru, Uruguay and Venezuela	TN/MA/W/45	Market Access for non-agricultural products	1 September 2003
Bangladesh on behalf of the least developed countries	TN/MA/W/22	Market Access for non-agricultural products	8 January 2003
Barbados, Jamaica and Trinidad and Tobago	TN/MA/W/30	Market Access for non-agricultural products	25 March 2003
Bolivia	TN/MA/W/28	Negotiating group on market access for non-agricultural products	28 February 2003
Canada, European Communities, United States	TN/MA/W/44	Market Access for non-agricultural products	1 September 2003
Canada	TN/MA/W/9	Market Access for non-agricultural products	15 October 2002
Canada	TN/MA/W/9/Add.1	Market Access for non-agricultural products – NTBs	4 March 2003
Chile	TN/MA/W/17	Market Access for non-agricultural products	2 December 2002
Chile	TN/MA/W/17/Add.1	Market Access for non-agricultural products	18 March 2003
China	TN/MA/W/20	Market Access for non-agricultural products	24 December 2002
Colombia	TN/MA/W/36	NGMA replies by Colombia to the questions in JOB(03)/27	16 May 2003
European Communities	TN/MA/W/1	Market Access for non-agricultural products	24 June 2002
European Communities	TN/MA/W/11	Market Access for non-agricultural products	31 October 2002
European Communities	TN/MA/W/11/Add.1	Market Access for non-agricultural products	13 December 2002
European Communities	TN/MA/W/11/Add.2	Market Access for non-agricultural products	1 April 2003
European Communities	TN/MA/W/11/Add.3	Market Access for non-agricultural products	1 April 2003

Participant(s)	Symbol	Title	Date
Egypt, India, Indonesia, Kenya, Malaysia, Mauritius, Nigeria, Tanzania, Uganda and Zimbabwe	TN/MA/W/31	Market Access for non-agricultural products	25 March 2003
Fiji	TN/MA/W/38	Market Access for non-agricultural products	16 June 2003
Ghana, Kenya, Nigeria, Tanzania, Uganda, Zambia and Zimbabwe	TN/MA/W/27	Market Access for non-agricultural products	18 February 2003
Ghana, Kenya, Madagascar, Mauritius, Nigeria, Rwanda, Tanzania, Tunisia, Uganda, Zambia, and Zimbabwe	TN/MA/W/40	Market Access for non-agricultural products – Joint statement on Draft Elements of Modalities for Negotiations on Market Access for Non-Agricultural Products	11 August 2003
Hong Kong, China	TN/MA/W/12	Market Access for non-agricultural products	12 November 2002
India	TN/MA/W/10	Market Access for non-agricultural products	22 October 2002
India	TN/MA/W/10/Add.1	Market Access for non-agricultural products	8 January 2003
India	TN/MA/W/10/Add.2	Market Access for non-agricultural products – Elaboration of India's proposal	18 March 2003
India	TN/MA/W/10/Add.3	Market Access for non-agricultural products	10 April 2003
Japan	TN/MA/W/5	Market Access for non-agricultural products	5 August 2002
Japan	TN/MA/W/15	Market Access for non-agricultural products	20 November 2002
Japan	TN/MA/W/15/Add.1	Market Access for non-agricultural products	6 January 2003
Japan	TN/MA/W/15/Add.2	Market Access for non-agricultural products	4 March 2003
Japan	TN/MA/W/15/Add.3	Market Access for non-agricultural products	26 March 2003
Korea	TN/MA/W/6	Market Access for non-agricultural products	5 August 2002
Korea	TN/MA/W/6/Add.1	Market Access for non-agricultural products	7 January 2003
Korea	TN/MA/W/6/Add.2	Market Access for non-agricultural products	16 June 2003
Korea	TN/MA/W/6/Add.3	Market Access for non-agricultural products	15 July 2003
Latvia	TN/MA/W/32	Answers to the questions provided by the Chairman of Negotiating Group on Market Access (JOB(03)/27)	30 April 2003
Malaysia	TN/MA/W/43	Negotiating Group on Market Access: Malaysia's Proposal on Chairman's Tariff Reduction Formula	1 September 2003
Mauritius	TN/MA/W/21	Market Access for non-agricultural products	7 January 2003

Participant(s)	Symbol	Title	Date
Mauritius	TN/MA/W/21/Add.1	Market Access for non-agricultural products	15 July 2003
MERCOSUR	TN/MA/W/23	Market Access for non-agricultural products	15 January 2003
Mexico	TN/MA/W/13	Market Access for non-agricultural products	12 November 2002
Morocco	TN/MA/W/34	Market Access for non-agricultural products	9 May 2003
New Zealand	TN/MA/W/4	Scope of the negotiation on NTBs	31 July 2002
New Zealand	TN/MA/W/4/Add.1	Scope of the negotiation on NTBs - Modalities	4 March 2003
Norway	TN/MA/W/7	Market Access for non-agricultural products	4 September 2002
Oman	TN/MA/W/14	Market Access for non-agricultural products	19 November 2002
Papua New Guinea	TN/MA/W/39	Market Access for non-agricultural products	2 July 2003
Qatar	TN/MA/W/24	Negotiations on environmental goods: efficient, lower-carbon and pollutant-emitting fuels and technologies – Paragraph (iii)	28 January 2003
Qatar	TN/MA/W/33	Harmonized System (HS) Classification Codes Of Gas-Related Goods - Paragraph 31 (iii)	25 April 2003
Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu	TN/MA/W/19	Market Access for non-agricultural products	20 December 2002
Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu	TN/MA/W/19/Add.1	Market Access for non-agricultural products	16 May 2003
Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu	TN/MA/W/19/Add.2	Market Access for non-agricultural products	7 July 2003
Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu	TN/MA/W/19/Add.3	Market Access for non-agricultural products	8 July 2003
Secretariat compilation of participant notifications	TN/MA/W/25	Non-tariff barrier notifications	28 March 2003
Secretariat compilation of participant notifications	TN/MA/W/25/Add.1	Non-tariff barrier notifications	13 May 2003
Secretariat compilation of participant notifications	TN/MA/W/25/Add.2	Non-tariff barrier notifications	27 June 2003

Participant(s)	Symbol	Title	Date
Singapore	TN/MA/W/8	Market Access for non-agricultural products	10 September 2002
South Africa	TN/MA/W/42+Corr.1	Market Access for non-agricultural products	13 August 2003
Switzerland	TN/MA/W/16	Market Access for non-agricultural products	28 November 2002
Thailand	TN/MA/W/26	Market Access for non-agricultural products	17 February 2003
Turkey	TN/MA/W/41	Market Access for non-agricultural products	12 August 2003
United Arab Emirates	TN/MA/W/37	Market Access for non-agricultural products	20 May 2003
United States	TN/MA/W/2	Tariff and Trade Data Needs Assessment	3 July 2002
United States	TN/MA/W/3	Negotiations on Environmental Goods	3 July 2002
United States	TN/MA/W/18	Market Access for non-agricultural products	5 December 2002
United States	TN/MA/W/18/Add.1	Market Access for non-agricultural products - Proposal on modalities for addressing Non-Tariff Barriers (NTBs)	25 March 2003
United States	TN/MA/W/18/Add.2	Market Access for non-agricultural products - Revenue Implications of Trade Liberalisation	11 April 2003
United States	TN/MA/W/18/Add.3	Market Access for non-agricultural products	16 June 2003
United States	TN/MA/W/18/Add.4	Liberalizing Environmental Goods in the WTO: Approaching the Definition Issue- Paragraph 31 (iii)	19 June 2003
United States	TN/MA/W/18/Add.5	Market Access for non-agricultural products	7 July 2003

ANNEX 3

Secretariat documents prepared for the group

Symbol	Title	Date
JOB(03)/67	Note by the Secretariat	4 April 2003
JOB(03)/128	Note by the Secretariat	3 July 2003
TN/MA/S/1	Selective bibliography of research on market access	5 April 2003
TN/MA/S/1/Add.1	Annotated Selective bibliography of research on market access	3 September 2002
TN/MA/S/2	Data availability and software tools for tariff negotiations	3 September 2002
TN/MA/S/3	Formula approaches to tariff negotiations	9 September 2002
TN/MA/S/3/Rev.1	Formula approaches to tariff negotiations	4 November 2002
TN/MA/S/3/Rev.1/Add.1	Formula approaches to tariff negotiations	17 February 2003
TN/MA/S/3/Rev.2	Formula approaches to tariff negotiations	11 April 2003
TN/MA/S/4	WTO Members' tariff profiles	11 September 2002
TN/MA/S/4/Rev.1 + Corr.1	WTO Members' tariff profiles	15 November 2002
TN/MA/S/5	Table of contents of the inventory of non-tariff measures	11 September 2002
TN/MA/S/6	List of environmental goods	7 October 2002
TN/MA/S/7	Market access issues related to products of export interest originating from least developed countries	30 October 2002
TN/MA/S/8	Trade in environmental goods	2 December 2002
TN/MA/S/9	Current data availability in the integrated data base	17 February 2003
TN/MA/S/10	Incidence of non- <i>ad valorem</i> tariffs in Members' tariff schedules and possible approaches to the estimation of <i>ad valorem</i> equivalents	20 May 2003