WORLD TRADE

ORGANIZATION

RESTRICTED

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Negotiating Group on Market Access

MINUTES OF THE MEETING

Held in the Centre William Rappard on 10-12 May 2004

Chairman: Ambassador S. H. Jóhannesson (Iceland)

Subjects discussed

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1. Statement by Participants1

The Negotiating Group adopted the agenda for the meeting as contained in WTO/AIR/2306. No items were proposed under other business. Following an Information Session on NTBs conducted by the Secretariat on 10 May 2004, the meeting was suspended. The meeting resumed on 12 May 2004 in informal mode at which time many statements were made. Malaysia and Brunei Darussalam requested that their statements be reflected in the minutes of the meeting.

1. Statement by Participants

The representative of Malaysia stressed the importance of having a NAMA framework that 1.1 was balanced in terms of the level of ambition and the genuine concerns of developing countries. In this respect, he wished to highlight a number of points which he hoped that Members would take into account. First, Malaysia had relatively low tariffs and this situation was a result of concessions made during the Uruguay Round and autonomous liberalization measures that Malaysia had undertaken since the end of that Round. Moreover, these autonomous liberalization measures were being pursued. As a result of the relatively low tariffs in Malaysia, developed and developing countries had benefited from the openness of Malaysia's markets. In turn, Malaysia needed the benefits of further liberalization of the global market. Second Malaysia was committed to further liberalization in the current Round. But Malaysia underscored that the sharing of the burden and expanding benefits to all would be crucial in the level of liberalization that Malaysia decided to undertake. He hoped that Malaysia's trading partners would also be committed to the Doha mandate. Malaysia was willing to undertake inter alia further binding tariff reductions, but such action could only be considered in the context of a global level playing field and the overall ambition of the DDA. Malaysia would seek leadership from the developed countries to substantially lower or eliminate high tariffs and tariff escalation that would benefit exports from developing countries. This was within the mandate of the DDA and would help to underpin the development dimension of the Round. Within the mandate of the NAMA negotiations, Malaysia hoped that others would make the necessary contributions that would enhance South-South trade. Third point, and this was where the balancing part came in, the principle of less than full reciprocity had to be respected. Equally the genuine difficulties of developing countries like Malaysia within the context of further liberalization needed to be addressed through special and differential treatment. One difficulty that Malaysia faced, among others, was the level of binding to be considered when unbound tariffs were already extremely low. The Group also had to look at low bound tariffs which were currently in place, and at how to deal with certain

sensitive products. He stressed that if Malaysia were to bind, then Malaysia would consider that a concession. He hoped that trading partners would view such action in the same light.

- 1.2 The representative of <u>Brunei Darussalam</u> agreed with Malaysia's statement.
- 1.3 The Negotiating Group <u>took note</u> of the statements.
