

MARKET ACCESS FOR NON-AGRICULTURAL PRODUCTS

Communication from India

Addendum

The following document, dated 9 April 2003, has been received from the Permanent Mission of India.

1. The Secretariat has circulated a note captioned "Formula approaches to tariff negotiations – Secretariat simulations using members' tariff concessions". The results of simulations have been tabulated to illustrate the impact of different formulae on members' tariff. The note by the Secretariat is contained in document Job(03)/67. It provides a comparison of the final bound rates before and after application of the different formulae. A separate table gives the percentage reduction in tariffs under different formulae.
2. It would be recalled that India, in its proposal contained in document TN/MA/W/10/Add.2, had suggested different reduction coefficients for developed and developing members. As an example, India had suggested reduction coefficients of 0.5 and 0.33 for developed and developing Members respectively. This proposal was made keeping in view the specific provision in the Doha mandate on less than full reciprocity in reduction commitments by developing members.
3. The table circulated by the Secretariat reflects the results of the application of both the reduction coefficients of 0.5 and 0.33 for all members. This gives an incomplete picture, since it was India's intention that developed Members would have to reduce tariffs by 50% while developing Members would have to reduce their tariffs by 33%. It is understood that the Secretariat has given the results of simulations using both the coefficients in respect of all the members since there is no list of developing members, which has been approved by the WTO members.
4. It would be useful to have a comparison of revised tariff levels and percentage reductions in tariff, using the appropriate coefficients proposed by India. This is important since many members would be taking a considered view on the different formulae approaches, based on how these formulae would impact on their own tariffs and their market access opportunities. Accordingly, India has chosen a sample of developing and developed countries to demonstrate correctly the impact of its own formula. Results of this are given in the tables at Annexures 'A' and 'B'. India has used the revised tariff and reduction percentages from the Secretariat's note. Only in respect of the columns reflecting the impact of India's formula, an adjustment has been made to take into account the status of the member – whether developing or developed – and the appropriate coefficient used. We hope the members will find this information useful.

Annexure - A

Table 1: Simple averages of final bound duties before and after application of formulae

Name	Binding coverage (percent)	Non ad valorem duties (percent)	Simple average	New averages by proposal					
				China B = 1	China B = 3	European Communities	India	Korea	USA
Argentina	100.0	0.0	31.8	15.6	16.7	11.1	21.3	19.9	6.3
Australia	96.5	0.1	11.0	4.5	5.5	4.8	5.1	7.6	3.1
Bangladesh	3.0	0.0	35.7	16.1	17.2	11.1	23.0	18.6	5.8
Barbados	97.6	0.0	73.0	36.8	37.8	15.0	48.8	24.8	7.2
Botswana	96.0	0.0	16.1	7.5	8.5	6.7	10.8	11.5	4.3
Brazil	100.0	0.0	30.8	15.1	16.2	10.8	20.6	19.6	6.2
Canada	99.7	0.4	5.3	2.1	3.1	2.8	2.6	3.7	2.3
European Communities	100.0	0.7	3.9	1.7	2.6	2.2	1.9	2.9	1.4
Guinea	29.6	0.0	10.0	4.7	5.7	4.9	6.7	7.7	2.7
Indonesia	96.1	0.0	35.6	17.6	18.6	11.8	23.8	20.2	6.3
Jamaica	100.0	0.0	42.5	20.6	21.6	13.1	28.5	19.7	6.2
Japan	99.6	3.6	2.3	0.9	1.5	1.3	1.1	1.5	0.7
Kenya	1.6	0.0	54.8	26.8	27.8	13.9	36.7	22.6	6.9
Malaysia	81.2	0.2	14.9	7.0	7.9	6.2	10.0	11.1	3.2
Nigeria	6.9	0.0	48.8	24.3	25.3	13.9	32.7	22.4	6.8
Norway	100.0	2.6	3.1	1.1	2.0	1.8	1.4	2.0	1.0
Sri Lanka	28.3	1.1	19.3	8.4	9.5	7.4	12.9	11.6	4.0
Thailand	70.9	21.1	24.2	11.5	12.6	9.1	16.2	17.0	5.5
United States	100.0	5.0	3.2	1.1	2.0	1.7	1.4	2.0	1.0
Venezuela	100.0	0.0	33.1	16.7	17.7	11.4	22.2	20.5	6.4
Zambia	4.1	0.0	42.7	21.3	22.3	13.1	28.6	21.8	6.7

Source: Secretariat calculations based on CTS data

Annexure - B

Table 2: Percentage reductions of simple averages of final bound duties after application of formulae

Name	Reductions in percent					
	China B = 1	China B = 3	European Communities	India	Korea	USA
Argentina	50.9	47.5	65.1	33.0	37.5	80.1
Australia	59.1	49.6	56.4	53.4	30.6	71.7
Bangladesh	54.8	51.8	69.0	35.6	48.0	83.6
Barbados	49.5	48.2	79.4	33.1	66.0	90.1
Botswana	53.1	47.4	58.3	33.2	28.6	73.1
Brazil	50.8	47.4	64.8	33.0	36.5	79.7
Canada	61.3	41.2	47.2	51.9	30.9	57.5
European Communities	57.0	33.9	45.0	51.1	27.2	65.5
Guinea	52.9	42.9	50.7	33.4	22.6	72.5
Indonesia	50.6	47.7	66.9	33.0	43.1	82.2
Jamaica	51.6	49.2	69.2	33.0	53.8	85.3
Japan	62.8	34.1	43.1	53.7	33.7	68.3
Kenya	51.1	49.3	74.6	33.0	58.8	87.5
Malaysia	53.2	47.1	58.3	33.0	25.8	78.2
Nigeria	50.3	48.2	71.5	33.0	54.2	86.0
Norway	64.9	36.9	43.6	55.0	36.7	68.4
Sri Lanka	56.3	50.9	61.7	33.3	39.6	79.1
Thailand	52.5	48.1	62.6	33.2	29.7	77.4
United States	64.4	39.1	45.9	56.5	37.1	68.9
Venezuela	49.6	46.6	65.6	33.0	38.0	80.6
Zambia	50.2	47.8	69.4	33.0	49.0	84.3

Source: Secretariat calculations based on CTS data.