

MARKET ACCESS FOR NON-AGRICULTURAL PRODUCTS

Communication from Mauritius

The following communication, dated 23 December 2002, has been received from the Permanent Mission of Mauritius.

Introduction

1. One among the guiding principles that should underpin the current negotiations on market access for non-agricultural products and also of the WTO system in general, should be to achieve balanced and equitable outcomes that take on board the market access situations and conditions of each individual WTO Member State. The negotiation should, in the least, maintain or improve the current benefits associated to existing market access of the WTO Member States so that at the end of the negotiations no single country is worse off.

2. It is important to emphasize this point, as the terms and conditions under which individual Member States or groups of them trade are different. Consequently, if the specific situations of these countries are not given the required consideration, then the outcome of the negotiations could prove to be devastating for many of them. In particular, the more vulnerable among the developing countries, including the LDCs could find themselves in a situation where they would be under strong competitive pressure following the negotiations. This is borne out of the fact that any reductions in tariffs would impact on the access of countries trading under various preferential regimes, which as a matter of fact have been specifically designed to enable the poor and vulnerable developing countries to secure a certain market share. In the absence of such regimes or a substantially diluted one, they would be devoid of any access to world markets and would consequently face major set backs in their development efforts. It is therefore suggested that, with a view to establishing a more equitable and balanced multilateral system, any erosion in preferential market access resulting from the negotiations should be duly compensated. We would fully appreciate the views and suggestions of the Member States on the possible compensation mechanism that could be set up. Moreover, in the context of global coherence in policy-making that calls for closer collaboration among International Institutions, it is suggested that a competitiveness fund on the basis of contribution from the International Financial Institutions be set up to provide assistance to affected countries to enable them to undertake competitive adjustment.

Modalities

3. The modalities to be used in the negotiations, while not impeding the trade liberalisation process should be flexible enough so as to accommodate the specific situations of countries and to stagger the liberalisation process for products that are highly sensitive. An across the board formula approach would neither take account of the different regimes under which countries trade, nor would it ensure the maintenance of at least the current preferential market access of some of the poorest and

more vulnerable countries. A trade weighted average tariff reduction, in contrast could be a more appropriate way to proceed, with a longer staging period of tariff reductions for sensitive products.

4. It is also the view of Mauritius that tariff cuts should be effected from the bound rates as opposed to the applied rates. Developing countries which have not yet bound their tariffs should, in exchange of not undertaking any reduction commitment be given the flexibility to do so at reasonable rates which are commensurate with the level of their industrial development.

5. In the context of these negotiations, credit should be given for autonomous liberalisation undertaken by the WTO Member States since 1995. The Member States could provide information on the autonomous liberalisation undertaken by them by end of January 2003 while the Secretariat in the interim could prepare a paper on how the autonomous liberalisation could be taken on board.

NTBs

6. NTBs, including those that have been disciplined at the WTO are increasingly being used as a means to impeding access to markets. Consequently, it is the view of Mauritius that priority consideration in the negotiations should be given to the elimination of NTBs, especially those that are "invisibles" or "hidden" NTBs such as administrative bottlenecks, complex distribution networks, etc. While the audit of NTBs currently being carried out based on information provided by Member States is a welcome step, it is nonetheless imperative that an independent and comprehensive exercise be undertaken by the Secretariat to draw a checklist of hidden and invisible NTBs which could serve as the basis for the negotiations.
