

NEGOTIATING GROUP ON NON-AGRICULTURAL MARKET ACCESS

Communication from Thailand

The following communication, dated 11 February 2003 has been received from the Permanent Mission of Thailand.

I. INTRODUCTION

1. Since the Uruguay Round of trade negotiations, many studies have shown crucial facts that a wide tariff disparity between Members still exists. High tariffs, tariff peaks, and tariff escalation are still prevalent in all Members' tariff schedule, regardless of the level of development. Moreover, different types of non-tariff barriers have been created and imposed, resulting in the obstruction of trade flows between Members.

2. The Doha Ministerial Declaration has provided preliminary guideline for negotiations and a mandate for WTO Members to negotiate on tariffs of non-agricultural products aiming at reduction or as appropriate elimination thereof, including the reduction or elimination of tariff peaks, high tariffs, and tariff escalation, as well as non-tariff barriers. It also states that the product coverage must be comprehensive and without *a priori* exclusions.

3. However, the Doha Declaration also recognises the difference in development levels among Members and therefore states that any agreed negotiations modalities shall take fully into account the needs and interests of developing and least-developed Member countries, including through less than full reciprocity principle.

4. Thailand fully recognises these facts and fully supports the mandate provided by the Ministers at Doha. To this end, we would like to present our preliminary views on certain key elements in the non-agricultural market access negotiation as follows.

II. MODALITIES

We view that the following points should be considered:

5. A formula approach is an appropriate solution to achieve the negotiation objectives as mandated by the Doha Ministerial Declaration. All non-agricultural products, without prior exclusion, must be taken on board. The negotiations should aim to reduce the tariff disparity between Members and also the gap between bound and applied tariffs.

6. Zero-for-zero approach should be accepted as a voluntary method. On this basis, an emphasis should be placed on goods which are considered important exports of developing countries. Thailand proposes that the Gems and Jewelry sector (HS 71), one of the sectors included in the APEC ATL, be included under this approach.

7. Request/Offer should be accepted as a supplementary method to support tariff reduction by the formula approach.

8. Thailand fully recognises the Doha mandate to reduce or eliminate tariff peaks, high tariffs, and tariff escalation. However, before taking further steps of negotiations the definitions of these terms should be clarified, for the sake of enhancing mutual understanding among Members.

9. Two recent studies made by the WTO Secretariat, "Market Access: Unfinished Business" and "Formula Approaches to Tariff Negotiations", indicate that two sets of criteria have been used for identifying peaks: "International peaks" and "National peaks". The international peak is usually identified by using a fixed percentage, and any tariff above that figure would be considered a peak. The national peak is based on an agreed fixed number of times of the national bound tariff average. We consider that using one figure percentage i.e. international peak, across the board would not reflect the real situation of each individual country development level. Furthermore, it is difficult to justify the use of a particular figure instead of another figure, especially when it is going to be applied to different tariff levels. On the other hand, using a fixed times of the national tariff average i.e. national peaks, would better reflect those different needs. Thailand therefore supports the use of the national peak criteria in the negotiations.

III. BASIS FOR NEGOTIATIONS

10. We view that the basis for negotiations should be the committed bound rate from the previous GATT/WTO round of negotiations. In the case of unbound items, which are generally more sensitive products than bound items, the national statutory rate should be the starting-point for negotiations. Members should be allowed to bind all tariffs above the applied rate.

IV. NON-TARIFF BARRIERS

11. Admittedly, non-tariff barriers remain a significant issue which is difficult to identify and remedy. However, this is an important part of the task that needs to be undertaken during the course of the new round of non-agricultural market access negotiations, the final outcome of which should be well balanced with the aforementioned result of tariff reduction.

12. To this end, we view that NTBs should be identified and negotiated within the Negotiating Group on Non-Agricultural Products as it is the most appropriate body to discuss and remedy NTBs problems for the following reasons:

- (1) This Group has been granted full authority by the TNC to negotiate on the subject of NAMA.
- (2) It will facilitate developing and least-developed countries, which possess constraints with regards to both human resource and budget, and to help them to better focus on the NAMA topics in one single forum.
- (3) It will help facilitate developing and least-developed countries to better evaluate the overall picture of the NAMA negotiations.

13. On the subject of process for negotiating removal of NTBs, we are of the opinion that the request-offer process should be an appropriate process for the NTBs negotiations.

V. S&D

14. On the topic of Special & Differential Treatment for developing and least-developed countries, Thailand considers that S&D should be provided in the forms of, among others, the different target tariff cuts, different components of the formula, different time frames for

implementation. These elements should be discussed in light of the S&D objectives as set out in the Doha Declaration.

VI. ENVIRONMENTAL GOODS

15. Lastly, with regard to the Doha mandate to reduce or, as appropriate, eliminate tariff and non-tariff barriers to environmental goods, we are of the view that the most practical approach would be to treat environmental products in the same manner as other products under negotiations in the Non-Agriculture Market Access Group.
