

**MARKET ACCESS FOR NON-AGRICULTURAL PRODUCTS**

Communication from Barbados, Jamaica and Trinidad and Tobago

The following communication, dated 18 March 2003, has been received from Barbados, Jamaica and Trinidad and Tobago.

Product Coverage

1. Our understanding of Paragraph 16 of the Doha Ministerial Declaration is that the phrase "*without a priori exclusion*" provides a built-in flexibility to exclude some products arising from the special needs and interests of developing and Least Developed country participants. It is our view that such special needs and interests are determined by the economic, fiscal, strategic and other developmental objectives of these countries.

Elimination of Tariffs

2. While we remain committed to the process of liberalisation, it is the view of the co-sponsors that the economic realities and levels of development of each member must dictate the pace at which tariff reduction takes place. For certain small developing economies, tariffs are a primary means of maintaining revenues, and ensuring the viability of vulnerable domestic industries and sustainable levels of development.

Core Modalities

3. The core modalities to be adopted must accommodate the differences which exist amongst Members and be suited to their varied levels of economic development and ability to offer concessions.

4. Furthermore, the modalities must not require unreasonable tariff reductions which result in serious economic and social dislocations in small domestic markets. For the co-sponsors, important variables for consideration in the formulation of the modalities will be, *inter alia*, the percentage rates for tariff reductions, special and differential treatment for sensitive products and sectors, relevant time periods for implementation in terms of the overall negotiations, and an approach which is simple, transparent and user-friendly.

5. "Less than full reciprocity" must be a key principle in the formulation of the modalities for tariff reduction and must be given a generous interpretation consistent with paragraph 8 of Article XXXVI of GATT 1994.

6. The core modalities should also include a periodic assessment of the impact of tariff reductions on the economies of developing countries. The outcome of these assessments shall form the basis of a review of commitments undertaken by developing countries with the view to making appropriate adjustments. This would be a positive effort to ensure that developing countries secure a share in the growth of international trade commensurate with the needs of their economic development.

#### Supplementary approaches

7. Supplementary approaches such as sectoral ('zero-for-zero') initiatives may be used on a voluntary basis between interested trading partners. However, the use of supplementary approaches should nevertheless be kept to a minimum and the process of negotiations conducted in a manner which is transparent to all WTO Members.

#### Elimination of low/nuisance tariffs

8. We do not consider low tariffs to be nuisance tariffs. Elimination of low tariffs should not be required under the modalities, but may be undertaken on a voluntary basis should any Member so decide. However, action by developed countries to eliminate their low tariffs should not be construed as a concession.

#### Tariff peaks, tariff escalation and high tariffs

9. We support calls for the reduction and elimination by developed countries of tariff peaks, tariff escalation and high tariffs on products of export interest to developing countries.

#### Bindings/Binding coverage

10. The modalities should provide flexibility to leave unbound those tariff lines which are particularly sensitive to individual developing countries.

#### Base rates

11. We believe that the starting point for these negotiations should be the bound rates, as these represent the legal commitments of members at the end of the last round of multilateral negotiations.

#### Base Year

12. The base year should be the year of completion of the Uruguay Round.

#### Nomenclature

14. The HS96 should be the basis for these negotiations.

#### Implementation and staging

15. Developing countries, particularly the most vulnerable among them, will require an appropriate timeframe for the implementation of agreed tariff reductions. Such implementation periods are to be commensurate with their levels of development, size of economy, fiscal and other strategic development needs. A five-year period would therefore not be sufficient. In addition, for developing countries, the staging of the tariff reductions must be based on the principle of 'less than full reciprocity' regardless of the modalities to be agreed upon.

#### Credit for autonomous liberalisation

16. Credit should be given for autonomous liberalisation measures undertaken by developing countries since the end of the Uruguay Round. The modalities for granting credit should be developed as a matter of urgency.

Initial Negotiating Rights (INRs)

17. Any discussion on INRs should take into account the interests and needs of suppliers from smaller sized economies with traditional/historical access.

Erosion of Preferential Margins

18. Preferential trading arrangements remain of critical importance for the economic development of certain developing countries. The continued erosion of preferential market access will hinder the integration of these countries into the multilateral trading system. Therefore, positive measures must be found to mitigate against the negative impact of the loss of preferential market access.

Newly Acceded Members

19. We support these Members' calls for flexibility in undertaking further commitments in this round of multilateral negotiations.

LDCs

20. We support these Members' calls for special treatment in the negotiations.

Technical Assistance

21. We note that the mandate specifies the provision of capacity building measures, including appropriate studies to assist LDCs to effectively participate in the negotiations. Other developing countries, such as small vulnerable economies would also benefit from similar assistance. In order to ensure the effective participation of small vulnerable economies in the negotiations, it would be necessary to conduct studies on the impact of further liberalisation on their economies and provide trade-related technical assistance to;

- (a) enhance competitiveness of their private sectors and
- (b) modernize the operation of their statistical institutions and strengthen data collection and analysis systems.

22. The countries presenting this proposal reserve their right to amend or supplement their positions as the negotiations proceed.

---