

**ANSWERS TO THE QUESTIONS PROVIDED BY THE CHAIRMAN OF
NEGOTIATING GROUP ON MARKET ACCESS (JOB(03)/27)**

Communication from Latvia

The following communication, dated 15 April 2003, has been received from the Permanent Mission of Latvia.

1. Product Coverage

The Doha Declaration states that "Product coverage shall be comprehensive without *a priori* exclusion". Would Members agree that pending agreement on the modalities, "without *a priori* exclusion" should be the working basis?

Yes.

2. Elimination of Tariffs

Would Members be ready to consider elimination of tariffs in a long-term perspective?

No.

Alternatively would they prefer to proceed with a further reduction in tariffs (without excluding elimination in selected sectors or products)?

Yes.

3. Core Modality

If Members were to decide on further reduction, would they favor an average tariff reduction or a line-by-line cut based on a formula approach?

Line-by-line cut based on a formula approach.

If so how would Members propose to take into account the "Special and Differential Treatment/Less than full reciprocity in reduction commitments" elements?

Different staging/implementation periods.

4. Supplementary approaches

Do Members agree that supplementary approaches (harmonization/ zero for zero, request/offer) would better be dealt with once the Group's position regarding the basic approach has been clarified?

Yes, but not as an alternative approach to the general formula.

Would Members be ready in the meantime to clarify the possible sectors/products to be covered by supplementary approaches as well as the special and differential elements to be taken into account in this respect?

It depends on the outcome of using the general formula.

5. Elimination of low/nuisance duties

What should be understood as "low/nuisance duties"?

Since most of Latvia's duties are very low, we do not consider such terminology. But we support the formula which will differently treat the different tariff levels.

If Members were to work on a formula approach would they be ready to postpone the treatment of the question of elimination of low/nuisance duties until the results of the application of such a formula are clearer?

Yes.

6. Tariff Peaks, Tariff Escalation and High Tariffs

Could Members clarify their views on what they understand as tariffs peaks and high tariffs?

Our initial position is that no tariffs should be above 15%.

In the view of Members, can tariff peaks and high tariffs be tackled on the basis of a formula or do they require specific treatment?

On the basis of the general formula.

Should tariff peaks and high tariffs be treated differently according to products/sectors concerned?

No.

How should tariff escalation be dealt with?

Lowering tariffs generally we can effectively decrease the impact of tariff escalation. Tariffs should be equalized by lowering them to the smallest possible level.

7. Bindings/Binding coverage

Should Members aim to bind all non-agricultural products or to increase the scope of bindings on such Products?

Should bind all non-agricultural products.

What kind of flexibility could be envisaged in terms of special and differential treatment with respect bindings (level of bound rates, exceptions, etc.)?

Different staging/implementation periods.

8. Binding Overhang

Would Members be ready to consider a narrowing of the gap between bound and applied rates through a reduction of the bound rate up to a maximum of a certain percentage between bound and applied rates?

Yes.

What elements of flexibility could be retained for developing countries in this respect?

Different staging/implementation periods.

9. Base rates

Would Members be ready to consider working on the basis of bound rates?

Yes.

What would be the working basis for unbound tariff lines?

It depends on what will be the eventual general formula.

10. Base Year

Do Members share the view that the base year should be the one in which data is available for the majority of Members?

2001 and for applied duties at the launch of DDA.

11. Nomenclature

Would Members be ready to conduct negotiations using HS96 on the assumption that the results of the negotiations would be published in HS2002?

Yes.

12. Implementation and staging

Would Members be ready to consider five years as the basic implementation period?

Depends on ambition of requests.

Should the cuts be implemented in equal or variable annual installments?

Equal, but we consider the possibility of variable installments as well, particularly in the case of S&D treatment.

Could the implementation of the reduction vary according to Members and/or products?

Implementation of the reduction could vary according only to Members – S&D treatment.

13. Credit for autonomous liberalization

In the view of Members, what are the characteristics of an autonomous liberalization measure to be taken into account in order to be given credit: bound/unbound measure, date the measure was taken, etc?

Generally no comment, but the eventual liberalization from autonomous liberalization should not be smaller than the one when applying the general formula.

14. Non *ad valorem* duties

Does the Group have any views regarding the methodology for the calculation of such rates?

Depends on the outcome of applying the general formula.

Can the Group consider returning to this question once modalities have been determined?

Yes.

15. Simplification of tariff structures

Can the Group consider returning to this question once modalities have been determined?

Yes.

16. Export taxes

Can the Group consider returning to this question once modalities have been determined?

Yes.

17. Initial Negotiating Rights (INRs)

Can the Group consider returning to this question once modalities have been determined?

Yes.

18. Erosion of Preferential Margins

What are Members' views regarding erosion of preferential margins?

Need for further discussion of the issue.

19. Newly Acceded Members

Would Members be ready to consider that newly acceded Members should only be making contributions on their own initiative?

No.

Could newly acceded Members clarify the possible scope of such contributions?

No comments.

Would Members be ready to consider credits and longer implementation periods for newly acceded Members?

No.

20. Least Developed Countries

Would Members be ready to exempt in part or in total LDCs from the commitment of tariff reductions?

Yes.

What contribution would Members expect from LDCs for such an exemption, for example in terms of binding?

No comments.

What measure would industrialized Members be ready to consider in favor of LDCs?

No comments.

What measures would other developing Members be ready to consider in favor of LDCs?

No comments.
