

**NEGOTIATING GROUP ON MARKET ACCESS REPLIES BY
COLOMBIA TO THE QUESTIONS IN JOB (03)/27**

The following communication, dated 12 May 2003, has been received from the Permanent Mission of Colombia.

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?

Colombia considers that there should not be any a priori exclusions, in other words, the negotiations should cover all non-agricultural products. This does not mean that the same approach or tariff reduction method should be used for all products.

2. Elimination of tariffs

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

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

Colombia considers the tariff elimination process should be gradual and linked to the production structure. Nevertheless, Colombia also believes that developed countries are ready to assume accelerated commitments on dismantling tariffs, especially on the export products of developing countries.

3. Core modality

If Members were to decide on further reduction, would they favour an average tariff reduction or a 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?

Taking into account the elements mentioned in the point above, Colombia prefers an average tariff reduction modality.

This does not mean that other countries cannot simultaneously negotiate a line-by-line cut based on a formula approach.

Regarding special and differential treatment, Colombia is in favour of lesser reductions and longer deadlines for implementation, as well as flexibility in the use of supplementary approaches for developing countries.

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?

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?

Colombia considers that the priority should be to define the core modality for the negotiations, which can be complemented by supplementary approaches. Of the supplementary approaches proposed so far, Colombia is in favour of the request/offer approach.

In any event, we believe that it should be determined that use of the supplementary approaches should be optional for all Members of the WTO.

Colombia would be interested in using supplementary approaches so as to ensure the elimination and reduction of tariffs on the exportable offer of products that have traditionally been affected by the imposition of high tariffs, for example, textiles, made-up articles, leather manufactures, glassware, and manufactures of wood, *inter alia*.

Use of the core modality does not necessarily ensure the reduction or elimination of tariffs on products or markets of interest to Colombia. Special and differential treatment should guarantee forms of negotiation that lead to the elimination of tariff peaks for products that make up the exportable offer of developing countries.

5. Elimination of low/nuisance duties

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

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?

Colombia considers that so-called "nuisance" duties are those corresponding to 5 per cent or less so they cannot be the main focus of negotiations.

Colombia is flexible as regards their consideration during the period when the modalities are defined or subsequently when the approaches adopted are implemented. In addition, it considers that the impact of their elimination on effective additional access is not significant, therefore, it should not be viewed as a concession equivalent to reductions in the other tariffs.

6. Tariff peaks, tariff escalation and high tariffs

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

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?

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

How should tariff escalation be dealt with?

Colombia reaffirms the need to lower tariff peaks, high tariffs and tariff escalation. Any definition adopted on high tariffs or tariff peaks should be based on bound tariffs.

A tariff peak should be defined as a percentage above the average of the bound tariff. The definition of high tariffs should take into account special and differential treatment.

A supplementary approach is required to deal with tariff peaks and high tariffs and this should take into account special and differential treatment and be defined according to the corresponding products/sectors.

As far as tariff escalation is concerned, the objective should be to seek a significant reduction in tariffs on products at the end of the production process so as to allow exports effective access, especially those from developing countries.

7. Bindings/binding coverage

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

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

For Colombia, one of the objectives of these negotiations is to achieve 100 per cent binding on the part of developed and developing countries. All the Members of the WTO should bind all non-agricultural products.

Flexibility in this regard should only apply to the least-developed countries, which should make a minimum contribution to the objective of increasing the level of bindings in order to enhance transparency and the system's stability.

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?

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

The core modality and the supplementary approaches should enable progress to be made in narrowing the gap between bound and applied tariffs. The amount by which the gap is to be narrowed should not be pre-judged because it will result from the negotiations.

9. Base rates

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

What would be the working basis for unbound tariff lines?

As clearly stated in the mandate, the base rate should be the bound tariff at the end of the Uruguay Round. For countries that have recently acceded to the WTO, it should be the bound tariff at the end of the relevant period for the implementation of its commitments.

For tariff lines that have not been bound, it is suggested that the country in question adopt a rate in accordance with its level of development.

10. Base year

Do Members share the view that the base rate should be the one on which data are available for the majority of Members?

It is proposed that the base year should be chosen according to the volume of information available in the databases.

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?

It is recommended that the 2002 Harmonized System be used.

12. Implementation and staging

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

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

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

Colombia is in favour of implementing the cuts in equal annual instalments for a given period of time, which could be five years for developed countries and twice that for developing countries.

13. Non *ad valorem* duties

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

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

The calculation of non *ad valorem* duties should be based on a chosen base year for which the respective average c.i.f. prices and average volumes have been estimated in order to calculate an equivalent *ad valorem* duty.

This question should be an integral part of the process of defining and adopting negotiating modalities.

14. Simplification of tariff structures

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

The definition of the structure of bound tariffs depends on the tariff policy in each country. Colombia does not consider that this aspect should be examined as a central element of the negotiations.

15. Export taxes

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

Colombia considers that this subject should be discussed once modalities have been determined.

16. Initial Negotiating Rights (INRs)

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

Colombia considers that initial negotiating rights are independent of the negotiating modality to be agreed.

17. Erosion of preferential margins

What are Members' views regarding erosion of preferential margins?

Tariff negotiations within the WTO lead to the elimination or reduction of preferential margins. Nevertheless, Colombia could consider specific proposals on this question to attenuate erosion, particularly in the special case of least-developed countries.

18. Newly-acceded Members

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

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

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

The WTO negotiations should include all Members. Nevertheless, in the case of countries that have recently acceded to the WTO, special treatment as regards implementation periods could be considered.

19. Least-developed countries

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

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

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

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

Once again, the WTO negotiations should include all Members. Nevertheless, in the case of least-developed countries, special treatment as regards implementation periods could be considered.
