

MARKET ACCESS FOR NON-AGRICULTURAL PRODUCTS

Communication from Fiji

The following communication, dated 26 May 2003, has been received from the Fiji Mission to the World Trade Organisation.

Introduction

1. In response to the document "Draft Elements of Modalities for Negotiations on Non-Agricultural Products" (TN/MA/W/35), prepared by the Chair of the Negotiating Group under his own responsibility, and on the basis of the documents presented by various members, this communication is intended to outline Fiji's position in this process.
2. Although Fiji is one of the Non-resident Members and as a small economy that has very limited means and resources to engage in effective discussions, Fiji nonetheless attaches great importance to the Doha Round negotiations on market access for non-agricultural products.
3. As Members strive to build up a consensus on modalities for negotiations on tariffs and non-tariff barriers on non-agricultural products, Fiji considers it essential that the outcomes of the negotiations are balanced and equitable.
4. In accordance with the mandate embodied in Paragraph 16 of the Doha Ministerial Declaration, Members shall conduct the negotiations aiming at "...the reduction or elimination of tariff peaks, high tariffs, and tariff escalations, as well as non-tariff barriers, in particular on products of export interest to developing countries...". In addition, negotiations shall "fully take into account the special needs and interests of developing and least-developed country participants, including through less than full reciprocity in reduction commitments...".
5. Fiji fully supports the mandate provided by the Ministers at Doha and strongly believes that the results of the negotiations must be consistent with the development aspirations of the Doha Development Agenda. Fiji considers the central objectives of the negotiations should be to promote greater development of international trade that do not necessarily result in any negative impacts on small and vulnerable economies and effectively strengthen the gradual integration of developing and least-developed countries in the multilateral trading system.

Modalities of Tariff Reduction

6. Fiji is of the view that a simple and user-friendly formula with different reduction coefficients for developed and developing Members, using the bound tariffs committed in the Uruguay Round as the base rate, is the most appropriate core modality. This approach is consistent with the Doha mandate on less than full reciprocity in reduction commitments by developing countries.

7. The formula approach could be complemented with other supplementary approaches to ensure the development objective that "...the reduction or elimination of tariff peaks, high tariffs, and tariff escalations, as well as non-tariff barriers, in particular on products of export interest to developing countries..." is achieved. However, these supplementary approaches to be adopted must uphold the concept of Special and Differentiated treatment for developing countries. The modalities therefore must not require unreasonable tariff reductions from developing countries, particularly small vulnerable economies. From the perspective of vulnerable countries, a zero-to-zero approach is inequitable and developing countries should only accept this approach on a voluntary basis.

8. Developing countries should be able to retain their lowest tariffs because they contribute substantially towards customs revenue and have a negligible impact on market access.

9. It is unequivocal that developing countries, particularly small vulnerable economies are allowed to protect their infant and emerging industries, which have a potential for growth. In view of this, modalities must provide the flexibility to leave unbound those tariff lines, which are highly strategic and sensitive to developing countries.

Implementation Period

10. Fiji proposes that once the reduction modalities are agreed, the timeframe for implementation should be effected in equal annual instalments over five years for developed countries and ten years for developing countries, as of 1 January 2005. In the context of Special and Differential treatment, small vulnerable economies should be given additional flexibility to include the option of back loading up to 5% of tariff lines at the end of the implementation period.

Review of final bound tariffs

11. In the case of certain bound sensitive products that are essential to achieving economic development and poverty alleviation objectives, small vulnerable economies should have the right to revise upwards the level of final bound tariffs without being called upon to provide compensation for the upward revision. This measure should only be used in accordance with a set of agreed criteria and procedural conditions.

12. Eligible Members using this measure would have to add the relevant footnotes in the schedules of commitments.

Preferences

13. As development is the key objective of the Doha Development Agenda, with the understanding that further trade liberalisation should not result in developing countries becoming worse off, the finding of effective solutions to mitigate against the negative impact of loss of market access due to erosion of preferential margins should be an integral part of this negotiating process.
