Flexibilities for Developing Countries in Agriculture – Market Access

January 2007

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Market Access: July Framework and Hong Kong Decl.

Tariff cut formula:
- A tiered formula (tariff bands) with a single approach and 4 bands
- Progressivity: Deeper cuts in higher tariffs

Sensitive Products:
- A selected number of tariff lines will receive a flexibility in tariff cuts, provided that access is improved for all products

To be negotiated:
- Details of formula
- …

Flexibility or S&D

S&D for developing countries:
- Proportionality in tariff cuts, lesser tariff reduction or TRQ expansion commitments

Special Products (SP)
- Products essential to achieve food security, livelihood security and rural development
- Self-selection guided by indicators

Special Safeguard Measures (SSM)
- Price and volume trigger

Preferences
- Importance of long-standing preferences is recognised

Least-developed countries
- No reduction commitments
- Duty and quota-free access for LDCs in developed c. (97%) and members in a position to do so

Market Access: Current Tariffs

		Bound	Applied
Agriculture	Developed countries	38	34
	Developing countries	61	25

Source: UNCTAD TRAINS and UNCTAD calculations based on WTO CTS

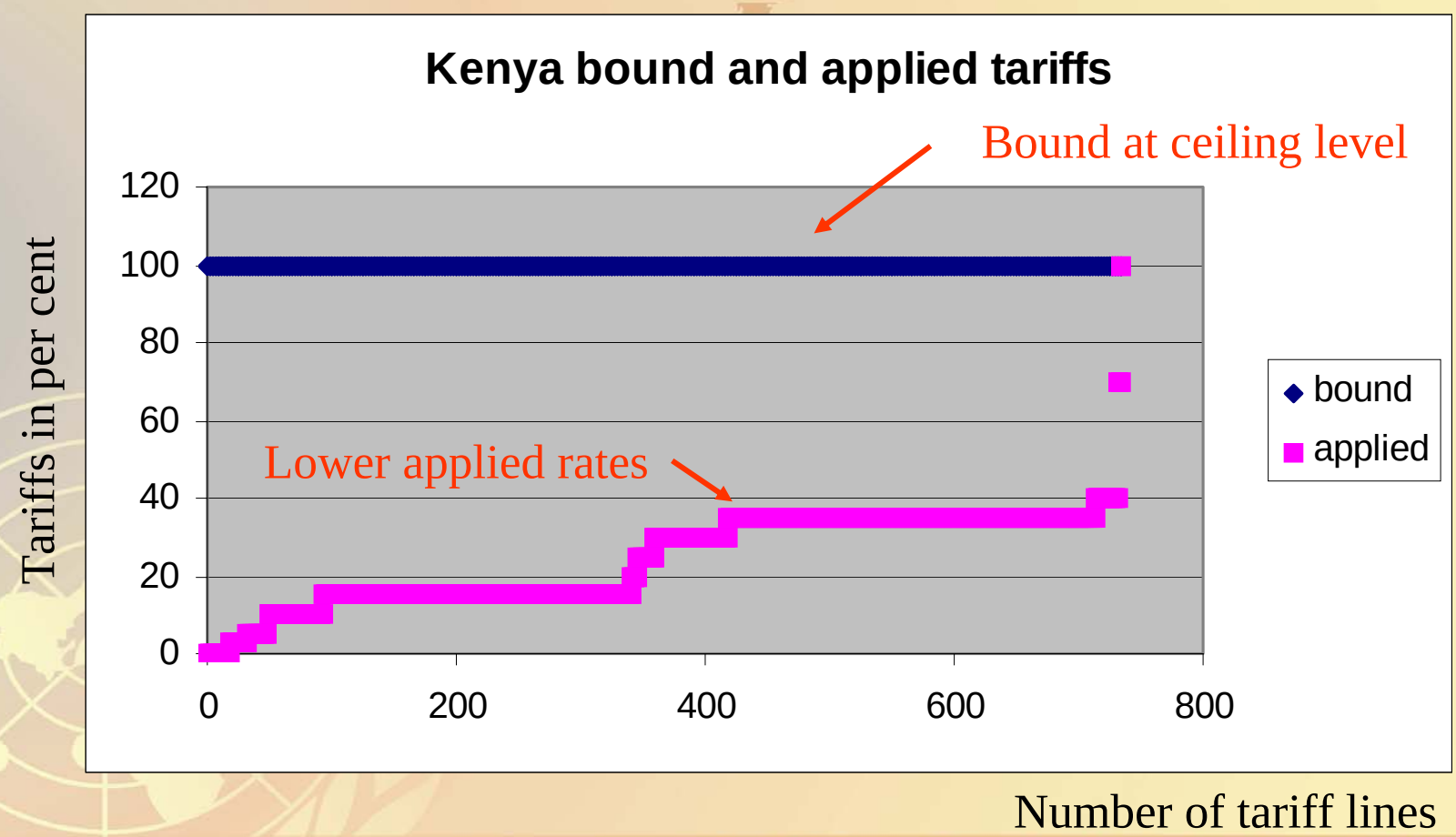
Proportionality: Tariff reduction

Percentage cuts of bound rates

	EU proposal	G-20 proposal	US proposal
EU	39	52	67
United States	36	47	63
Japan	38	53	67
Brazil	29	29	47 (assumption 2/3)
India	36	36	57
Indonesia	30	30	48
Kenya	35	35	58
Turkey	31	31	51
Venezuela	30	30	50

Source: UNCTAD calculations based on WTO CTS database

Developing countries: bound and applied tariff rates



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Market Access Questions: SPs and SSM

Special Products (SP)

- Self-designate appropriate number of SP
- Guided by indicators based on food security, livelihood security and rural development
- Questions:
  1. Appropriate number
  2. What is the more flexible treatment
  3. SP have access to SSM

Special Safeguard Measures (SSM)

- Price and volume trigger
- Details to be negotiated
- Questions: How can we define
  1. Coverage: All products or a number of products eligible
  2. Trigger mechanism: (price OR volume) OR (price AND volume)
  3. What is the appropriate remedy, i.e. level of additional duty

Special Products: Self-Selection

Proposals range from 5 tariff lines to 20 per cent

Trade

- Imports are concentrated in DCs: 10 per cent of tariff lines account for 70 per cent of imports (by country this share is much higher)
- Binding overhang

Food security

- Self-sufficiency ratio: for meat high; for vegetable oils mixed; for cereals often low
- Nutrition details: major source of calories is concentrated on a low number of products

Livelihood security

- Employment in agriculture: on average 38 per cent
- Income form agriculture

Rural Development

- Share of agriculture in GDP: varies but not as high as employment
- Migration in to the cities
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