

# A Presentation

on

“Agriculture Market access flexibilities for  
developing countries”

by

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**Seminar on Exploring options for making progress on  
agricultural market access and domestic support**

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## July Framework and flexibility for developing countries in market access

- Tiered formula that takes into account different tariff structures
- Implementation period
- Sensitive products
- Special Products
- Special Safeguards Mechanism

## II

### Tiered formula

- Thresholds of four bands to be different for developing countries
- Cuts to be less than generally agreed cuts

### III

## G20 proposals on flexibility on tiered reduction

	<b>Developed Countries</b>		<b>Developing Countries</b>	
<b>Thresholds</b>	Thresholds (in AVEs)	Linear Cuts	Thresholds (in AVEs)	Linear Cuts
	$0 \leq 20$	45%	$0 \leq 30$	25%
	$> 20 \leq 50$	55%	$> 30 \leq 80$	30%
	$> 50 \leq 75$	65%	$> 80 \leq 130$	35%
	$> 75$	75%	$> 130$	40%
<b>High tariffs &amp; Cap</b>	cap: 100%		cap: 150%	

# IV

## Developed country proposals on flexibility in tiered reduction

- EC proposals

	<b>Developed Countries</b>		<b>Developing Countries</b>	
<b>Number of Bands</b>	<b>4</b>		<b>4</b>	
<b>Thresholds</b>	Thresholds within AVEs	Linear Cuts	Thresholds within AVEs	Linear Cuts
	$0 \leq 30$	35% (20% - 45%)	$0 \leq 30$	25% (10% - 40%)
	$> 30 \leq 60$	45%	$> 30 \leq 80$	30%
	$> 60 \leq 90$	50%	$> 80 \leq 130$	35%
	$> 90$	60%	$> 130$	40%

Capping:

100

150

- US proposal – Developed countries cut their tariffs by 55-90% and a tariff cap of 75%; slightly lesser cuts and longer phase out period for developing countries.

## Flexibility in sensitive products envisaged in July Framework

- Coverage
- Treatment
- Expansion of TRQs

## G20 Proposals on flexibilities on sensitive products

- Coverage not more than one per cent of dutiable tariff lines by developed countries and 50% higher than the absolute number of tariff lines designated by the developed country with the highest number of such lines.
- Maximum deviation of 50% from tariff reduction formula in the tariff band in which the sensitive product falls, subject to tariff cap. The same percentage to apply to developed and developing countries.
- Minimum access levels to be 6% of annual domestic consumption for developed countries and 4% for developing.
- For developing countries self consumption by subsistence farmers would be subtracted from annual domestic consumption levels.
- Developing countries would have the option to designate sensitive products without TRQ, subject to higher cuts or shorter period of implementation.

## Developed country proposals for flexibility for developing countries on sensitive products

- EC- Maximum of 8% tariff lines with minimum deviation of one third and maximum of two thirds. Increase in TRQ to be the tariff cut deviation divided by effective border protection. Generally agreeable to accept the application of two-thirds ratio to the respective contributions of developed and developing countries.
- US- Sensitive products limited to 1% of dutiable tariff lines- slightly lesser cuts and longer implementation period for developing countries.

## Special Products

- Self selection agreed at Hong kong
- Coverage
- Treatment

## Proposals on Special products

- G33- 20% of agricultural tariff lines to be self-designated as special products, the designation being guided by listed indicators based on food security, livelihood security and rural development needs of individual developing countries
- G33- 50-65% of tariff lines not to be subject to any cuts, 25% to be cut by 5% and the remaining by 10%
- G33- Right to designate special products shall not be questioned at any stage, including verification.
- Other proposals- A tariff line not to be designated as special product if a country exports more than a certain percentage of world exports or if the imports of a certain percentage are from developing countries.

## Special Safeguards Mechanism

- Agreed at Hong Kong that SSM would be based on import quantity and price triggers
- Coverage- all agricultural products or only designated products
- Triggers
- Level of additional tariff

## G-33 Proposals on Special Safeguards Mechanism

- SSM to apply to all agricultural products
- Volume trigger equal to average annual volume of imports in recent three year period and price trigger equal to average monthly price for the most recent three year period
- Additional duty shall not exceed 50 per cent of the bound tariff or 40 percentage points, whichever is higher, if import volume is between 105 and 110 per cent of average import volume; 75% of bound tariff or 50 percentage points if imports are between 110 and 130 per cent of average imports and 100 per cent of the bound tariff or 60 percentage points if level of imports higher than 130 per cent of average imports.
- In the case of price trigger additional duty may be imposed on shipment- to-shipment basis equivalent to the difference between import price of each shipment and the trigger price, or on ad valorem basis not exceeding the difference in price expressed as a percentage of the import price.

# Other Aspects of S&D treatment

- Flexibility for newly acceded countries
- Flexibility for small and vulnerable economies
- Fullest liberalization of tropical products
- Addressing erosion of preferences

## Reflections on Market Access flexibilities

- All elements are inter-related and market access cannot be assessed unless the tiered formula as well as coverage and treatment of special products and sensitive products are known
- Trade off between coverage and treatment of special products, and trade off also between the flexibilities given to developing countries and the overall level of ambition on liberalization of agriculture
- Comparative importance of flexibilities in respect of Special Products and SSM
- Importance of flexibilities in respect of sensitive products?

*Thank you*

