

2.12 The representative of Bangladesh stated that at first glance many of the key issues had not been properly reflected in the paper. For example, in paragraph 28 the following was stated "For developed country markets a peak for LDC exports could be defined as any tariff above 5 per cent". This was not correct. Bangladesh's products faced more tariffs than 5 per cent in most developed country markets. His delegation had expected a better in-depth analysis of LDCs market access from the Secretariat, and hoped that such a study would be made in the near future.

2.13 A representative of the Secretariat (Mr. B. Bora) stated that the sentence read "For developed country markets a peak for LDC exports could be defined as any tariff above 5%". He did not think that was inconsistent with Bangladesh's statement. This issue of the definition of a tariff peak had been discussed a number of times in this Negotiating Group as well as in the Market Access Seminar. There was no fixed definition of a peak. One which was commonly used was the international peak which was 15%. Another definition which was commonly used was 3 times the national average. However for developed country markets that offered preferences to LDCs, the overall average tariff that affected LDC exports was lower than the national average and in some cases it was about 1.5% to 2%. So 5% seemed like a more useful index or benchmark for a peak. The other issue of how the study could be improved, needless to say the Secretariat was open to any comments on how to improve its work and it looked forward to receiving them. In that context, he drew attention to table 3 of the paper entitled "MFN and Preferential Duties, Selected Markets Based on IDB Data", in particular the column which looked at the MFN applied duties in 18 countries which accounted for roughly 99% of overall LDC exports. The cells under the MFN applied duty were complete. The cells under LDC rates were less than complete so it was an issue which needed to be addressed. So while the Secretariat was keen to look at more detailed kinds of analysis into issues such as peaks and escalation, it could only do so if the data was available to it.

2.14 The representative of the United States stated that her delegation had noted the inclusion in this paper of an analysis of agricultural products which gave a slightly different picture. It was good to have the overview but the Group needed to be conscious that such an inclusion gave a slightly different picture than if the paper was only looking at industrial products. Her delegation was encouraged to see real evidence of evolution of South-South trade. It would be helpful to see a little bit more i.e. not only where the South-South trade was moving but what kinds of products were moving. There were some very interesting trends but it was not clear what the product mix would be and perhaps that piece of information could be added to give a better perspective. The profiles of LDC exports was also helpful as Members began to try to assess how to meet those needs. A lot was heard about products of export interest to developing countries, but she was not sure what that was. There was an old definition of that but trade was not static, and as Members anticipated for example the end of the textile quota process, they were looking at where they might move. It would be a difficult element for the Secretariat to capture but certainly in this process when the Group talked about products of export interest to developing countries, the Group should not be looking backwards. The Group should be looking at how this process was unfolding. Other points to come out of the paper which her delegation thought were particularly interesting were those on for example tariff escalation and anti-dumping measures. The paper demonstrated that the problem was not the developed countries; it was a South-South issue as well. Tariff escalation was not unique to developed country tariff schedules and anti-dumping measures were not being applied by developed countries against least-developed countries. It was also helpful to have a better sense of the problems that the least-developed were having in accessing developed country markets in order to see how to resolve those problems. She had some additional point that she wished to offer with regard to the US preference programs. Under the Caribbean Basin Trade Preference Act, Haiti also received duty free treatment on textiles and apparel. On the US GSP scheme which had been updated her delegation would provide that information to the Secretariat. Finally, there was more that needed to be done in this area to expand access for LDCs but the idea that there had not been much progress was untrue. Looking at the first year of the African Growth and Opportunity Act (AGOA) program US imports of non-fuel items covered by AGOA increased by 17% and non-fuel imports were up dramatically from specific

countries including Senegal (up by 274%), Lesotho (up by 53%), Kenya (up by 41%), and Swaziland (up by 27%). That was just the first year, and for the second year the numbers were higher. So access was being provided, and countries were taking advantage of that access.

2.15 The Chairman stated that he had learned a lot from this paper and on the basis of today's discussion and information it could be completed. In particular, he was very interested by Table 8 where there was a summary of the various initiatives taken.

2.16 The Negotiating Group took note of the statements made.

(iv) *Agenda for the next meeting*

2.17 The Chairman stated that on the subject of the agenda of the next meeting of the Negotiating Group scheduled for 2-3 December, it was contained in the adopted Programme of Meetings of the Group (TN/MA/3). He noted that the agenda would consist of the continuation of discussions on issues dealt with in at this meeting; stock-taking of the work in progress; and establishment of the calendar of meetings up to 31 May 2003. With regard to the establishment of the calendar of meetings he intended to hold consultations between now and early December with a view to having a calendar of meetings ready to be agreed on by the Group at its next meeting.

2.18 The Negotiating Group took note of the statement.

3. Other Business

3.1 The Chairman informed the Group that he had received a letter from the Chairman of the Special Session of the Committee on Trade and Development requesting information on any discussions or other developments relating to special and differential treatment that had taken place in this Negotiating Group. He would be informing the Chairman of the discussions currently being held in this Group on this subject. He had also received a letter from the Chairman of the Working Group on Trade and Transfer of Technology requesting information on any discussion, submissions and/or other developments relating to trade and technology transfer that might have taken place in the Negotiating Group. In this case, he would be informing him that for the moment there had been no discussion in the Group relating to trade and technology transfer.

3.2 The Negotiating Group took note of the statements made.



DDA Market Access

Hervé Jouanjean

Lead negotiator for market access negotiations
on non-agricultural products

Annex

Tariff Compression