

## **NAMA Negotiations in the WTO**

In the draft modalities that was issued in May, the Chairman of the Negotiating Group on Market Access included the proposals that has more consensus among Member countries increasing the options in the core issues such as the formula and the coefficients and leaving the decision on numbers to the ministers in the horizontal negotiations. The text also reflects the option the chairman prefers concerning the relation between the coefficient and flexibilities and the volume of trade which will be left to negotiations on the ministerial level.

**1. Elements regarding the formula:**

The range of the coefficients for developed countries shall be from (7-9) and for developing countries there are several options which are coefficient x ranging from (19-21), coefficient y ranging from (21-23) and z ranging from (23-26) according to the flexibilities subject to each of them.

**2. Flexibilities:**

a) In case of applying coefficient x (19-21) it will be subject to flexibility of (12-14%) given that the cuts are no less than half the formula cuts and that these tariffs do not exceed (12-19%) of the total value of a member's non-agricultural imports, with not applying formula cuts for up to (6-7%) of non-agricultural national tariff lines provided that they do not exceed (6-9%) of the total value of a Member's non-agricultural imports.

b) In case of applying coefficient y (21-23) it will be subject to flexibility of (10%) given that the cuts are no less than half the formula cuts and that these tariffs do not exceed (10%) of the total value of a member's non-agricultural imports, with not applying formula cuts for up to (5%) of non-agricultural national tariff lines provided that they do not exceed (5%) of the total value of a Member's non-agricultural imports.

c) In case of using coefficient z (23-26) no flexibilities are granted.

**3. Mark-up:**

As it has been reflected in the text ,the mark-up (20-30) has been subject to the relationship between the level of unbound tariffs and the range of the proposed coefficients.

**4. Implementation period:**

The implementation period for applying the reduction of tariffs for developed countries will be from (4-5) years on (5-6) equal rate reductions and for developing countries will be from (8-10) years on (9-11) equal rate reductions.

**5. Flexibilities for Members with low binding coverage:**

a) Developing Members with a binding coverage of non-agricultural tariff lines below [12] percent shall bind [70-90] percent of non-agricultural tariff lines.

- b) Developing Members with a binding coverage of non-agricultural tariff lines at or above [12] percent but below [25] percent shall bind [75-90] percent of non-agricultural tariff lines.
- c) Developing Members with a binding coverage of non-agricultural tariff lines at or above [25] percent but below [35] percent shall bind [80-90] percent of non-agricultural tariff lines.

**6. Sectoral negotiations:**

The Chairman did not change the paragraphs that were mentioned in the last text that was issued in February, but he only added the industrial machinery to the products that are being discussed in the current negotiations.

**7. Small and Vulnerable Economies:**

The paragraphs in this text has been kept as the last text with the addition of two options:

In 13a(i) where members with a bound tariff average at or above 50% shall reduce their average bound tariff by 40% whichever is lesser reduction, and 13a(ii) where members with a bound tariff average at or above 30% shall reduce their average bound tariff by 30% whichever is lesser reduction.

**8. Least Developing Countries (LDCs):**

There was an addition to paragraph 17 stating that the monitoring procedure shall be defined and agreed by the Committee on Trade and Development, by the time of final schedules.

**9. Recently Acceded Members (RAMs):**

There was no significant change in this paragraph but only the addition of Ukraine to the list of RAMs.

**10. Non-tariff Barriers (NTBs):**

There was no significant change in this paragraph but only the addition of the different proposals of Member countries in this regard.

**11. Non-reciprocal Preferences:**

In order to provide Members - who face erosion of preferences in the limited number of tariff lines that are of export importance to them – with additional time for adjustment, the reduction of MFN tariffs on those tariff lines shall be implemented in [7 - 9] equal rate reductions by the preference-granting developed Members concerned. A sentence was also added concerning the periodic review of Committee on Trade and Development on the progress in the implementation of assistance provided to developing

**countries, and its effectiveness in achieving the objectives of this paragraph.**

**The Chairman of the Negotiating Group of Market Access announced in 2/6/2008 the suspension of the meetings due to the different positions that Member countries have towards the modalities in the last text issued in May. In addition, no progress have been reached in the formal and informal meetings of senior officials that has been held last week.**