

Several issues in non-agricultural market access (NAMA) negotiations were discussed at the workshop.

As regards formulae for tariff cuts, a number of interesting proposals have been put forward. While it remains unclear how easily agreement will be reached on a specific formula, it was suggested that the approach of having larger cuts for higher rates would probably survive.

The US has floated the most ambitious idea, suggesting an eventual move to zero tariffs on all products, although this appears not to be gathering a sufficiently broad constituency. It was noted that analysis of the US proposal in terms of bilateral reciprocity implications shows that it does not work well in a political economy sense. It was also suggested that there might be scope and utility to do this type of analysis more generally.

One interesting and promising development is that the more advanced developing countries are actively engaged; China in particular has tabled a formula for ambitious tariff cutting that is attracting serious attention. However, it was observed that the newness of China's delegation to the WTO means that they are still learning how to "sell" their formula, in contrast to the more experienced members who are out door-to-door lobbying to build support for their favoured formula.

The WTO has done some modeling with respect to the implications of various formulae. The results suggest that the gains for developing countries would be largely accounted for by a handful of sectors: fish and fish products, leather goods and footwear, textiles and transportation equipment. The WTO has placed considerable amounts of information on the structure of tariffs and the direction of trade on its website, the strategy being to facilitate the determination by countries as to where their trade interests lie.

The fifty or so least developed countries were described as generally resisting movement on tariffs—partly for revenue reasons—but as willing to consider bindings at higher rates than currently applied. This would at least provide some basis for movement—which could be significant; for example, it was noted that Kenya presently has bound only 3 percent of its tariff lines.