

WORLD TRADE ORGANIZATION

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Negotiating Group on Market Access

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MARKET ACCESS FOR NON-AGRICULTURAL PRODUCTS

Communication from the European Communities

Addendum

The following communication, dated 11 November 2002, has been received from the European Communities.

EC Compression Mechanism

The compression mechanism combines the properties of both process and result-oriented types of formulae. It can be described as a simple linear function with a different slope per initial range of duties resulting in a compression effect on the tariff structure.

The following function gives the duties resulting from the compression of an initial range of duties into a flatter range.

$$\left\{ \begin{array}{l} f(x) = B_1^L + (x - B_0^L) * \frac{(B_1^U - B_1^L)}{(B_0^U - B_0^L)}, \\ \text{with } B_0^L \text{ and } B_0^U \text{ as lower and upper limits in base bracket,} \\ \text{and } B_1^L \text{ and } B_1^U \text{ as same limits in the new bracket,} \\ \text{and where } x = \text{initial duty.} \end{array} \right.$$