

promoting trade in those products through schemes such as eco-labelling and accepting measures that would open the way to discrimination against products which were otherwise like products. On that basis New Zealand suggested that the Group would need to be very careful on how it applied some aspects of the categorisation used in the OECD list for the purposes of this negotiation.

1.116 The representative of Malaysia stated that his delegation could agree with the points raised in Chile's intervention, i.e. that all goods should be treated similarly and should be subject to the same modality. There was no need to provide for deeper cuts for environmental goods. There was no need to waste the Group's time to go into elaborate discussions on defining what was an environmental good, because they should be subject to the same treatment as all other goods. Having said that, if for optical purposes the Group wanted to show that a great deal had been done on environmental goods, then perhaps it was worthwhile to have a discussion on environmental goods. That was why Malaysia had been saying that the APEC list could be used as a basis. But Malaysia did not think that the Group should waste time trying to reach an agreement on the definition of an environmental good.

1.117 The Chairman pointed out that in paragraph 16 of the Doha Declaration, there was a clear statement that not all goods should be treated the same. In particular there should be better treatment for goods of export interest to developing countries. So there was differential treatment provided for in the Doha mandate on various products.

1.118 The representative of Malaysia stated that special and differential treatment was a different issue altogether. It was an integral part of the entire mandate. When he had referred to same treatment for all goods, it was in the context of environmental goods versus the remaining goods in the Customs Tariff.

1.119 The Chairman drew attention to Paragraph 31 (iii) of the Doha Declaration where, in his view, special treatment had been foreseen for a certain group of products. Regarding the current discussion on hand, first, it was made clear that the APEC and OECD lists of environmental goods had, as far as this Group was concerned, no official status. They were illustrative lists which gave some idea to the Group on what others thought were environmental goods. Participants should not give these lists a status that they did not have with respect to the work of this Group. Second, a number of people had indicated very specifically that the kind of list of environmental goods that this Group would be ready to consider would have to be something of an improvement of what existed already. The third point which was made by some delegations was that the Group did not know what would be its final stand on the treatment of environmental goods. Was the Group going to treat environmental goods as any other product or was special treatment going to be given? His sense was that a large number of Members felt that the Group should make some progress in clarifying its ideas on this matter. Argentina had made a good suggestion which could also be of assistance in this regard to this Group as well as that of the CTE in Special Session. What the representative of Argentina had proposed was to have additional information about trade flows regarding these goods or whatever goods the Group considered in a preliminary and non-committal manner to be environmental goods. It was a very good idea because it helped to clarify what it would mean if environmental goods were to be treated either in a generic way or in a special way.

1.120 He proposed that without committing to an end result, the Group try to take some small steps with a view to clarifying what the situation was with respect to a group of products that participants with divergent views understood as being environmental goods. He suggested two courses of action. The first one would be along the lines that Japan had taken which was for participants to put together an improved list of what they considered environmental goods. The second course of action was to follow Argentina's suggestion which was to get information on the trade flows of this category of products. While this was for illustrative purposes only, he wished to draw attention to a small problem regarding the latter suggestion which was that there would be difficulty in providing statistics on the "ex out" tariff positions of the APEC and OECD lists. It would be possible to provide information

only on a six-digit tariff line. The treatment to be given to these products would be a question to be addressed subsequently. In this manner, the Group would not be entering into a philosophical and lengthy discussion of the definition of an environmental product. Environmental products would be what each participant defined as being an environmental product.

1.121 The representative of India stated that the Chairman had suggested a way to "improve" the APEC and OECD lists. India had made comments on the APEC list, which was a subset more or less of the OECD list which in itself covered many items which in India's view were not predominantly used for environmental purposes. He did not think that there was sufficient agreement in the Group to use as a basis or a starting-point the APEC or OECD list. As a result, it would not seem appropriate to build up on these lists.

1.122 The Chairman responded that India was giving the APEC and OECD list a status which he had not given them. He had not stated that participants needed to improve the APEC or OECD list. He had made it clear that what participants would want were improved lists. If participants wished to have an idea or illustration of the trade flows of such goods, it would suffice to take the Japanese list. The Secretariat could generate the same statistics for India's list as it would be doing for Japan's list. Such information was being generated for illustrative purposes and to assist participants in understanding what the volume and direction of trade was in these products.

1.123 The representative of India stated that if the scope of work that the Chairman had laid before the Group was for the Secretariat to use the Japanese list to come up with figures of the trade taking place on these items, i.e. the origins, the destination and give some analysis then India could agree to this course of action. However, India's earlier understanding had been that the scope of the work went beyond this.

1.124 The Chairman therefore proposed that the Secretariat generate the requested statistics on the basis of Japan's list of environmental goods. In the meantime participants should also put forward their own illustrative lists of environmental goods.

1.125 The Negotiating Group agreed to the Chairman's proposal and took note of the statements.

2. Other Matters

2.1 Under the agenda item "Other matters", the Chairman wished to address the question of appropriate studies and capacity-building. He informed Members that a demonstration of a prototype of a toolkit for negotiators was organized by the Secretariat on 18 October 2002. This toolkit was elaborated by the WTO Secretariat in collaboration with the Secretariats of the Inter-American Development Bank and the Central American Economic Integration (SIECA). The WTO Secretariat hoped to have a final product by the end of the year. If there were any questions on this matter, participants were to contact Mariana Gagliardi of the Technical Cooperation Division. He had attended this demonstration and was surprised at the limited number of delegations which had attended this event. He noted that requests were made repeatedly for technical assistance and capacity building and it was a disappointment to see the low turn out. He hoped that in the future there would be better attendance at such events.

(i) Formula Approaches to Tariff Negotiations- Revision (TN/MA/S/3/Rev.1)

2.2 A representative of the Secretariat (Mr. B. Bora) stated that the revisions were not very extensive. They took into account the comments made by China, Chinese Taipei and Korea at the last meeting. In response to India's query in terms of looking at the request-and-offer approaches, the title of the document was "Formula approaches to tariff negotiations" and therefore the aspect of bilateral negotiations had not been covered. Moreover, document Job(02)/93 issued by the Secretariat already covered a number of the issues with respect to bilateral negotiations. The other point which was made

was to look at the implications of the various formulas. However, it was felt that it was best for delegations themselves to determine which type of formula they felt was in their best interest during the negotiations as opposed to having the Secretariat make that judgement.

2.3 The representative of the European Communities stated that this document was extremely useful. She hoped that all delegations had read it. In particular, she had found useful the section of this document which compared and contrasted the tariff dependent and tariff independent formulas. The Communities were trying to get a formula ready so that it could be distributed and could accompany what they had offered in terms of slides during their presentation.

2.4 The Negotiating Group took note of the statements made.

(ii) *WTO Members' Tariff Profiles – Revision (TN/MA/S/4/Rev.1)*

2.5 A representative of the Secretariat (Mr. J. Richtering) stated that revision of the tariff profiles that was issued included in tables 7 and 8 relating to the bound rates two countries that had been left out in the first document (Poland and Moldova). The Secretariat had also in the revision taken on board some of the comments made by Members at the last meeting. The Secretariat had also identified some mistakes in the course of updating and standardizing the CTS files which had been rectified. As for tables 9 and 10 which showed the average tariffs indicators for the applied rates, for 6 countries the MFN effectively applied duty instead of the MFN statutory applied duty had been used and this would result in some changes to the tariff indicator for these 6 countries. These six countries were listed in the footnote on page one of the document. In table 8 on page 17 India was left out and a corrigendum would be issued. He informed the Group that the Secretariat was organizing a range of 4 workshops to present the tools that it had developed to access the data in the IDB.

2.6 The representative of Costa Rica wondered whether a similar tariff profiles as in TN/MA/S/4/Rev. 1 could be prepared for agricultural products. It had already been done in an indirect fashion in this document.

2.7 A representative of the Secretariat (Mr. J. Richtering) stated that the data on agricultural products had been generated by the Secretariat when calculating the figures for total products. However, the Secretariat had not the specific mandate to publish such figures. Another complication was that in the area of agriculture there were many more tariff lines with non *ad valorem* duties. Therefore the problem of not having *ad valorem* equivalents rendered the averages and other indicators much more difficult to interpret.

2.8 The representative of Ecuador supported the request of Costa Rica. In his view, it was simply a case of supplementing a document with information that was already available.

2.9 The Chairman proposed that the Secretariat respond to this request. He suggested that Costa Rica to contact the Secretariat in order that it was clear what was and was not possible.

2.10 The Negotiating Group agreed to the Chairman's proposal and took note of the statements made.

(iii) *Market access issues related to products of export interest originating from least developed countries (TN/MA/S/7)*

2.11 A representative of the Secretariat (Mr. B. Bora) stated that the document had been issued with the symbols relating to this Negotiating Group and to the Sub-Committee on Least-Developed Countries. The document was prepared in response to paragraph 7 of the WTO Work Programme for LDCs which listed elements for review and further examination. The objective of the study was

twofold, first to present as best as possible a landscape of impediments or barriers to the exports of LDCs and second where possible to note improvements and changes that had been made to that landscape. The document was essentially structured around 3 sections. The first section discussed the participation of LDCs in world trade. In fact it was a short summary of a document that had already been issued in the Sub-Committee on LDCs. It also supplemented, to a minor degree the international trade statistics publication of the Secretariat which had an extensive set of data on both the imports and exports of merchandise trade and services of LDCs. The paper then focused on a section entitled "Export Profile" which was divided into two parts. The first part identified major markets and the second part identified major products. In the course of identifying the major markets for products of LDCs, an attempt was made to look at those markets which absorbed quite a significant share of LDC export and also those markets which absorbed or imported products of interest to LDCs. The next section looked at "Tariff Measures" and then there was the section on "Non-Tariff Measures". The reason for dividing those two was that for some LDC products there was an issue in the context of accessing preferential markets. One table which had been included looked at the extent of duty-free access of LDC exports in the context of the millennium development goals. There was a project underway which was looking at the implementation of those goals and a number of targets/indicators had been developed to look at whether or not the targets were being met for the millennium development goals. The process of refining that data could prove useful in terms of monitoring over the next 8 to 10 years the progress made. In terms of tariff, LDCs benefitted from preferential scheme from a wide-range of countries so this study looked at both the MFN barriers and also the preferences which then allowed an examination of both the degree of preferences and to some extent the margins that LDCs got in terms of accessing the various markets. There was a point also made in this study which was a point that had come up in the Negotiating Group a number of times which was having good reliable data on the basis of which such research or studies could be conducted. There was an issue in terms of accessing the preferential data for Members that gave preferences. It was not an easy task because there was no single place where a researcher could go to access a complete set of preferential data for countries providing preferences. In terms of the context of examining tariff barriers, the basic methodology that was used was to look at tariff structures in general and also to look at the residual level of protection in the context of both peaks and escalation. In the context of tariff escalation an example of fish and fish products was used and that was to complement an earlier Secretariat study in 1998 that looked at tariff escalation in jute. In the section under NTMs, there were 3 issues that frequently came up. The first was rules of origin, in particular the extent to which rules of origin posed a difficulty for LDCs to take advantage of the preferences granted to them. The second was the role of standards. Even if preferences were granted, it was sometimes difficult for an exporter to meet the standards of the preference giving country. No attempt in the study had been made to quantify these NTMs. These NTMs were very difficult to assess so what the Secretariat did was to contact the export promotion agencies of 43 of the LDCs to try to see if they had any information that could supplement what the Secretariat could access publicly for example, in the form of questionnaires, surveys of exporters in the LDCs themselves etc. The third non-tariff measure looked at was anti-dumping and for this the WTO anti-dumping database was used. The landscape for looking at market access was a combination of both tariff measures and NTMs. Therefore in the last section when the paper looked at measures that were undertaken by countries to improve market access, the same basic framework was used. The Secretariat looked at initiatives that countries had made in terms of improving the tariff landscape or reducing the tariff barriers to LDCs. The study predated the initiative that Australia had announced but needless to say that this initiative would be included in next year's study. Another aspect was to look at the number of Members which had initiatives which helped LDCs deal with non-tariff measures such as rules of origin and standards which were identified in the previous section. Again the study did not quantify, i.e there were no tables on the amount of money spent but an indication was given that in fact these kinds of initiatives also went some way in improving market access for LDC exporters. Given the lack of reliability of tariff data and the difficulty of quantifying NTMs there was no attempt in the study to be conclusive as to the absolute degree of market access that LDC exporters currently enjoyed.