WORLD TRADE ORGANIZATION

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Council for Trade in Goods Original: French

REQUEST BY CÔTE D'IVOIRE FOR A WAIVER UNDER ARTICLE IX OF THE WTO AGREEMENT FOR MINIMUM VALUES UNDER THE AGREEMENT ON IMPLEMENTATION OF ARTICLE VII OF GATT 1994

The following communication, dated 5 July 2002, has been received from the Permanent Mission of Côte d'Ivoire.

When we submitted our request[1] for a waiver for minimum values on 13 June last, we were asked to provide the basic documentation that would allow a good understanding of the methodology for determining the minimum values for the products listed in the Annex to the above-mentioned request.

Please find attached hereto the relevant information, which we have just received from our capital.

[1] G/C/W/301/Add.2 and G/C/W/385.

METHODOLOGY FOR THE DETERMINATION OF THE PRODUCTS AND THE LEVEL OF MINIMUM VALUES

In connection with the steps being taken concerning customs valuation under the WTO, the Government of Côte d'Ivoire has established a committee responsible for tariffs and valuation matters.

This Committee is chaired by the Prime Minister's Cabinet and consists of representatives of the various governmental bodies such as the Customs Administration, Ministry of Industry, Ministry of Trade, Cabinet members of the Ministry of Economic Affairs and Finance, National Bureau for Technical Studies and Development (BNETD), and representatives of the Federation of Manufacturers.

This Committee has studied the specific problem of the adoption of minimum values. For this purpose, its methodology has addressed two key issues:

- Advisability of introducing minimum values;
- determination of the level of such values.

1. Advisability of establishing minimum values for the products concerned

There are two levels of analysis with respect to the advisability of establishing such values:

(a) At the domestic level

At this level the analysis is based on the dossiers provided by firms in the various sectors of activity. The analysis focuses on two key criteria:

- Price manipulation;
- existence of unfair business practices.

(b) At the international level

The analysis focuses on international export and import prices of the product on the basis of data provided chiefly by customs statistics.

This analysis has brought to light price manipulation or unfair competition practices for certain products imported into Côte d'Ivoire.

In the light of the results of this exercise, it was deemed advisable to establish minimum values for the products concerned.

2. Determination of the level of the minimum values

The reference period selected is from 1997 to 1999. The data for 1997 and 1998 were compared with those of 1999.

The choice of this period is justified by the stability and reliability of the data. The years 2000 and 2001 were not selected for the following reasons:

- Statistics for the year 2000 are not sufficiently representative of economic activities in Côte d'Ivoire bearing in mind the socio-political situation prevailing at the time;

- the data for 2001 are currently being validated.

The average c.i.f. prices and the modal c.i.f. prices of imports were therefore calculated for 1997 and 1998 and then compared with those of 1999.

For decision-making purposes, two cases were considered:

(a) Case of unfair competition

- If there was an increase in imports from 1997 to 1999 combined with a decline in average c.i.f. prices in 1999, then the minimum value is the highest value recorded in 1997 or 1998.

The f.o.b. export price has also been used as an indicator for assessing minimum values, as it provides an indication of the domestic production cost of the product. The Committee considered that the level of the minimum value should not be higher than the f.o.b. export price adjusted by 10 per cent to allow for transport costs.

In all other cases (increase in declared c.i.f. prices, decline in imports, negligible level of imports over the period), the conclusion reached was that minimum values would be inadvisable.

(b) Case of price manipulation

In the specific case where imported products are subsidized, the minimum value takes the subsidy into account.

The method of determining the minimum value varies according to whether or not the product is covered by a guaranteed price.

(i) In the case of products with guaranteed prices

$$TP = \left(\frac{EUGP + USAGP + SMP}{3}\right) + HC$$

Where:

TP	=	Trigger Price
EUGP	=	European Union Guaranteed Price
USAGP	=	United States Guaranteed Price
SMP	=	Spot Market Price
HC	=	Handling Costs = charges to f.o.b. + position (plus maritime insurance + price)

N.B. If the price for the product is guaranteed only on a single market, the trigger price will be calculated according to the formula in the paragraph below:

(ii) *For other products*

TP	=	(0.3 x WP) + (0.7 x DPC)

Where:

TP	=	Trigger Price
WP	=	World Price of the product
DPC	=	Domestic Production Costs of the product (country average).