

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 United Arab Emirates

The following communication, dated 19 May 2003, has been received from the Permanent Mission of the United Arab Emirates.

Introduction

1. On the basis of the documents presented and the positions expressed in this Negotiating Group by various members, the present communication is intended to set out UAE's position in this process.
2. The first point to be noted is that UAE attaches a great importance to these negotiations. We strongly wish that their outcome will allow the strengthening of our national policy of industrialization and diversifying our exports and the targeted markets.
3. It is necessary to remind that these negotiations are taking place within the setting of the Doha Development Agenda (DDA). We view that it shall be conducted in accordance with the mandate embodied in paragraph 16 of the Doha Ministerial declaration with a view to achieving a substantial and balanced outcome. It shall safeguard the benefits of developing countries through implementing the principle of "less than full reciprocity", so as to ensure the active participation of all the members in the Multilateral Trading System.
4. UAE fully supports the mandate provided by the Ministers at Doha and is committed to engaging constructively in these negotiations. To this end, we would like to present our position on certain key elements as follows.

Modalities of Tariff Reduction

5. Discussions in the Negotiating Group have shown that a formula approach is the preferred one to facilitate the negotiations and meet the requirement of eliminating high tariffs, tariff peaks and tariff escalation. As such, UAE suggests adopting a formula approach for tariff reduction.
6. However, taking into consideration of the imbalance among the development levels of all members, it is proposed that such an approach shall be built on the concept of less than full reciprocity in reduction commitments as far as developing countries are concerned. In this context, UAE supports the adoption of differentiated coefficients for developing and developed country participants.
7. The formula approach could be complemented with supplementary approaches. However, the members shall be free to decide their participation in light of their own needs.

Base Rates and Nomenclature

8. As far as schedules of concessions of each Member are an integral part of the WTO legal instruments, UAE considers that the bound tariffs committed in the Uruguay Round must be the only basis for the negotiations.

9. In addition, tariff reduction could be made on the basis of HS 96 and the final results could be scheduled in HS 2002.

High Tariffs, Tariff Peaks and Tariff Escalation

10. UAE esteems that the inclusion of high tariffs, tariff peaks and tariff escalation in the mandate responds concretely to the development dimension of the multilateral trade negotiations launched at the IV Ministerial Conference, as these are distortions that affect in particular the products of export interest to developing countries.

11. Nevertheless, these terms have not been formally defined. Therefore, it became important to clarify these concepts, for the sake of enhancing mutual and better understanding among members and agreeing of modalities to reduce or eliminate these tariffs.

12. For that purpose, UAE would like to underline that it is about relative concepts. So, when defining high tariffs, tariff peaks and tariff escalation, we must consider the discrepancies in the current tariff levels of all members

Non-Tariff Barriers (NTBs)

13. As a result of the previous rounds of multilateral trade negotiations, the market access for non-agricultural products has been improved substantially. However, it deserves our attention that the existence of Non-Tariff Barriers still affects the effective and balanced development of international trade.

14. Indeed, NTBs remain a significant issue which is difficult to identify and remedy. However, it is an essential integral part of the mandate. UAE follows with great interest the works of the Negotiating Group on Market Access as it is the most appropriate body to discuss and treat NTBs problems.

15. UAE considers that the notification of NTBs by certain members of the WTO is a first important stage in the fulfillment of the mandate of Doha but it must be completed by a thorough work which should result in adoption of multilateral modalities to abolish these obstacles.

16. As is clear in the document (TN/MA/W/25), there are several NTBs which are covered by the various WTO arguments. In this case, it seems more reasonable and useful to leave the corresponding committee dealing with these barriers. Even so, UAE believes that the Negotiating Group shall explore additional horizontal mechanisms in order to reduce or eliminate unnecessary barriers affecting market access. It is evident that a good coordination between these two processes is the *sine qua none* condition to contain the variety and diversity of NTBs and treat them in an effective manner.

Special & Differential Treatment / “Less Than Full Reciprocity”

17. On the topic of Special and Differential Treatment, UAE would like to underline two main concepts as follows:

(a) Less than Full Reciprocity

The concept of “less than full reciprocity” is unequivocal. The Doha Mandate, contained in paragraph 16 of the Ministerial Declaration, is very clear in establishing that “the negotiations shall take fully into account the special needs and interests of developing and least-developed country participants, including through less than full reciprocity in reduction commitments”.

In fact, it needs to be recognized that all the members, in particular, the developing countries have problems or sensitivities in specific sector. In trade negotiations, it is very normal to introduce some tariff reductions gradually so as to soften their impact on the more sensitive sectors. Furthermore, it is legitimate that the developing countries can protect, reasonably and in accordance with the relevant provisions of the WTO agreements – in particular the Article XXVIII *bis* of GATT 1994-, their emerging industries which have a potential for growth.

In view of the above-mentioned factors, UAE considers that the concept in question requires deeper reduction commitments from developed partners than those undertaken by developing countries as well as other modalities which include, *inter alia*, differentiated time frames for implementation and differentiated rates of reduction.

(b) Products of Substantial Export Interest to Developing Countries

To reach an overall balance in the outcome of the market access negotiations and ensure that developing countries secure a share in benefits of trade liberalization, the sectors and products of particular export interest to these countries shall be treated as priorities in the negotiations.

On this basis, UAE proposes the elimination of tariffs and non-tariff barriers for all raw materials and primary products. There is no doubt that this liberalization will be profitable to both developed and developing countries. Duty-free raw materials and primary products are essential for the competitiveness of developed countries manufacturing and semi-manufacturing businesses; while the same products constitute generally strategic exports and emerging industries in developing countries.

It is of strategic importance for UAE that a consensus can be attained for the complete elimination of tariffs and non-tariff barriers on Primary Aluminum and other products of substantial export interest to its economy. In this context, UAE would like to reserve the right to submit a specific proposal during the next stage of negotiations.
