PLAN FOR TARIFF SITUATION ANALYSIS

Proposal by the European Communities

A. Study of tariff situation, at level of categories

This could be divided into three sub-sections:

1. Description of tariff situation in the category - for the 23 broad product categories:
   (a) Description of contents of the category (products covered, allied products excluded) and of sub-divisions selected
   (b) Importance of the category: share in total world trade
   (c) Trade network:
       - principal importing countries, in absolute value and in relative value (percentage of imports for the category in relation to total imports by the country)
       - principal groups of exporting countries: developing countries, developed countries, Eastern trading area
       - direction of trade: between developed countries, between developing countries and DGC
   (d) Structure of tariffs:
       - number of tariff lines
       - duties and imports under most-favoured-nation treatment

preferential
general

- status of bindings (number of lines and imports)
- averages and duties
- zero and positive duties (number of lines and imports)

---

1World trade is taken to mean aggregate imports by the eleven countries covered by the study, in the industrial sector (BTN Chapters 25-99).

2For the United States and Japan, which do not grant most-favoured-nation treatment to certain ETA countries.
nature of positive duties: ad valorem, specific or mixed

dispersion of tariff: standard deviation, distribution of lines and
imports by duty class (for all duties and positive duties)

The results will be illustrated by graphs or diagrams.

2. Description and analysis by sub-categories

The same plan could serve as a basis for the analysis at the level of
119 sub-categories. The analysis should be more detailed. In particular it
would be possible, using the detailed lists, to see which products are subject to
specific duties, zero duties and high duties, and to attempt to explain the diver­
gent results of the four averages calculated in the study.

3. Study of duty differences according to stage of processing of products

This is a very complex problem.

In the basic documentation (Table 3) the approach used comprises a comparison
of duty averages and breakdown of imports by stage of processing for twenty-four
categories or sub-categories suitable for this kind of analysis (hides and skins,
textiles, metals etc.).

Such an approach could be supplemented by an analysis of different nominal
rates for representative products. In any case, elements of a qualitative nature
are very important in attempting to explain relations between the structure of
tariffs and the breakdown of imports according to stage of processing.

B. Recapitulation of results and analysis of particular problems

This second part of the study will draw the conclusions from the detailed
analysis carried out in the first part. It is of course impossible to determine
in advance all the problems which this analysis might bring out. In any case the
following points will have to be studied:

1. General structure of tariffs: number of tariff lines, bindings, zero
and positive duties, dispersion of duties, etc.

2. Identification of product categories generally the subject of protection
which is still substantial.

3. Identification of product categories and possibly isolated products
which, in certain tariffs, are granted high protection as compared with
the protection granted by other tariffs.

4. Analysis of the problem of "differential duties".