



**Regional Training of Trainers
on how to design, negotiate, and implement FTAs**

Session 2A: Tariff Negotiations

Mr Alexey Kravchenko, PhD

*Economic Affairs Officer
Trade Policy and Facilitation Section
Trade, Investment and Innovation Division
United Nations Economic and Social Commission for Asia and the Pacific*

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What is a tariff

- (in the context of MFN treatment): “...customs duties and charges of any kind imposed on or in connection with importation or exportation...” - *GATT Article I (1947)*
- Basically: a tax on imports
- aka “customs duty”

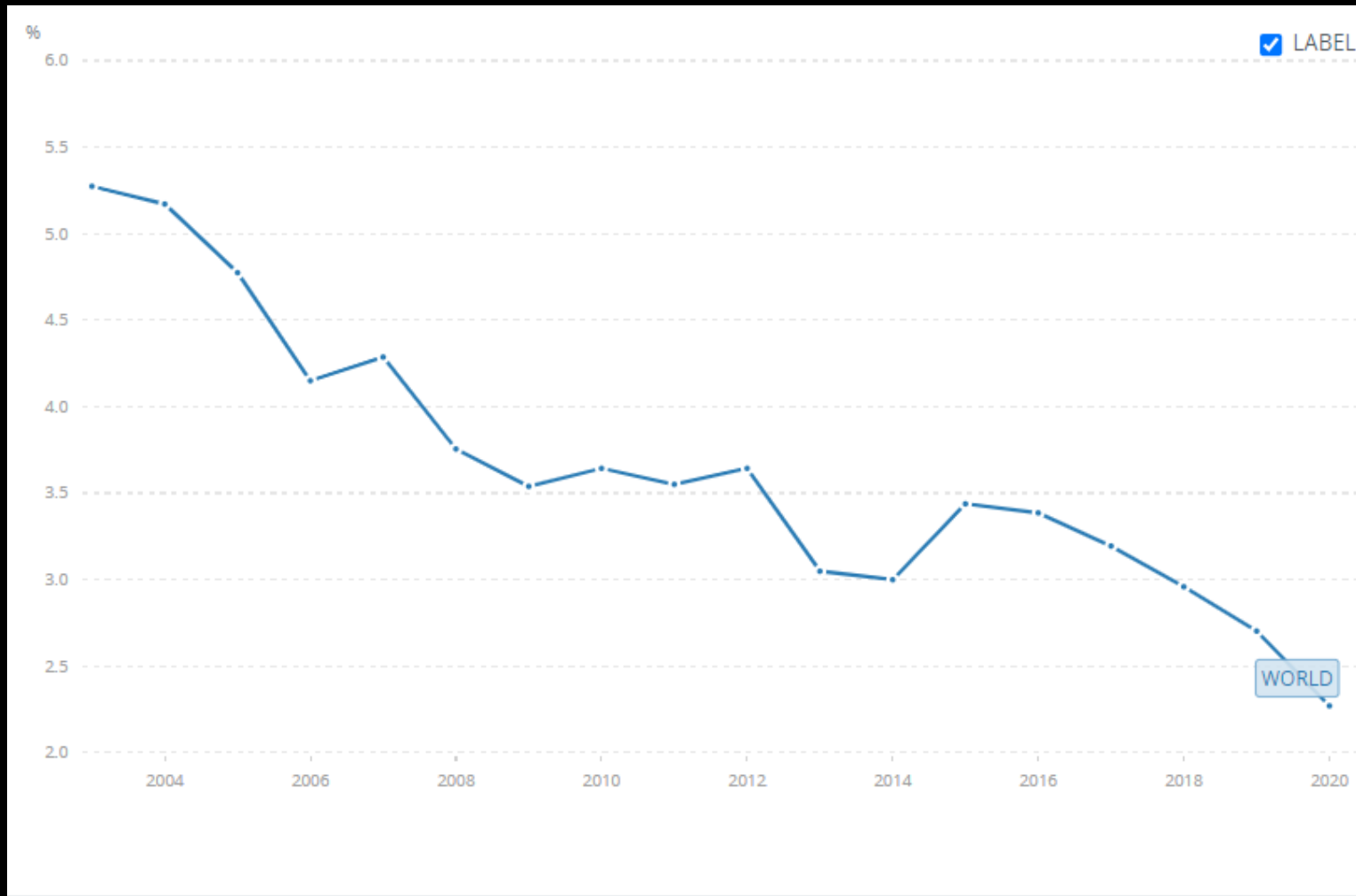
Why tariffs?

- Revenue generation
- Protect domestic industries/employment
- Address trade distortions*

*[not “ordinary customs tariffs” – they are “non-tariff measures”]

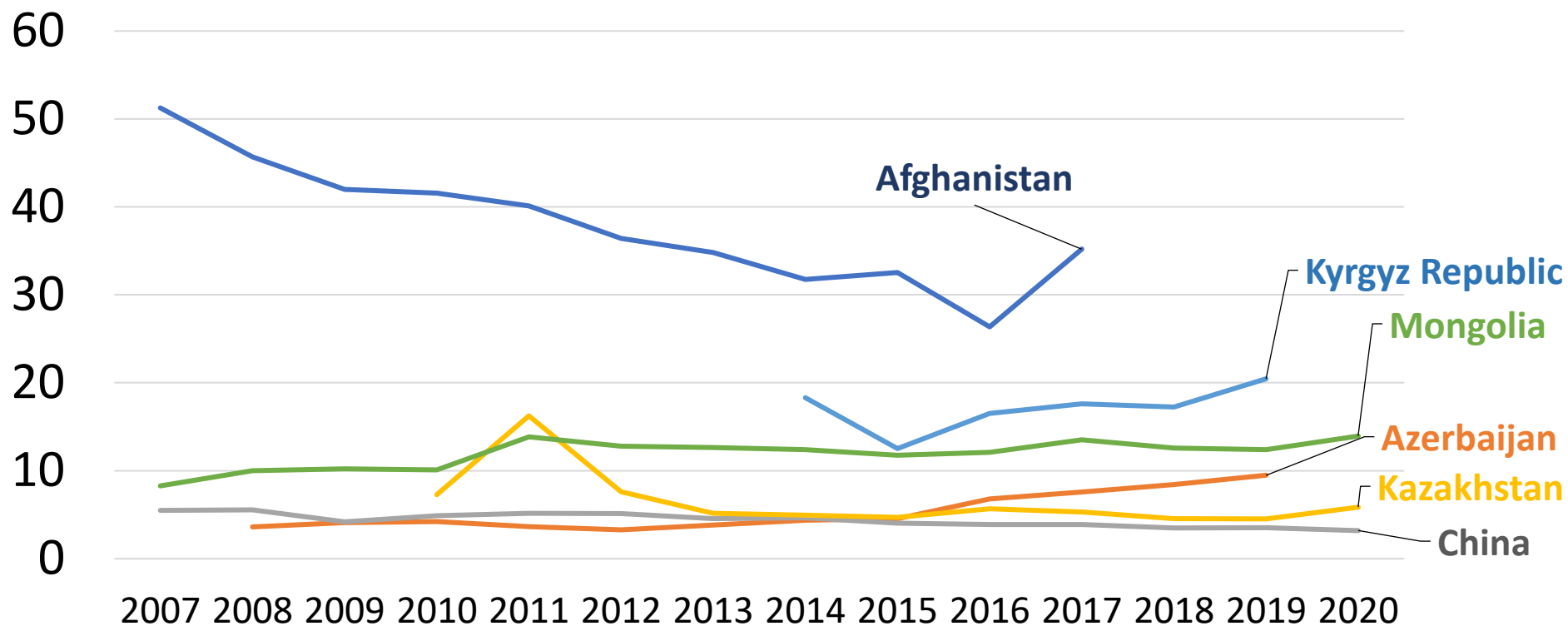
- Anti-dumping duties
- Countervailing duties
- Temporary safeguard measures

Taxes on international trade (% of revenue)



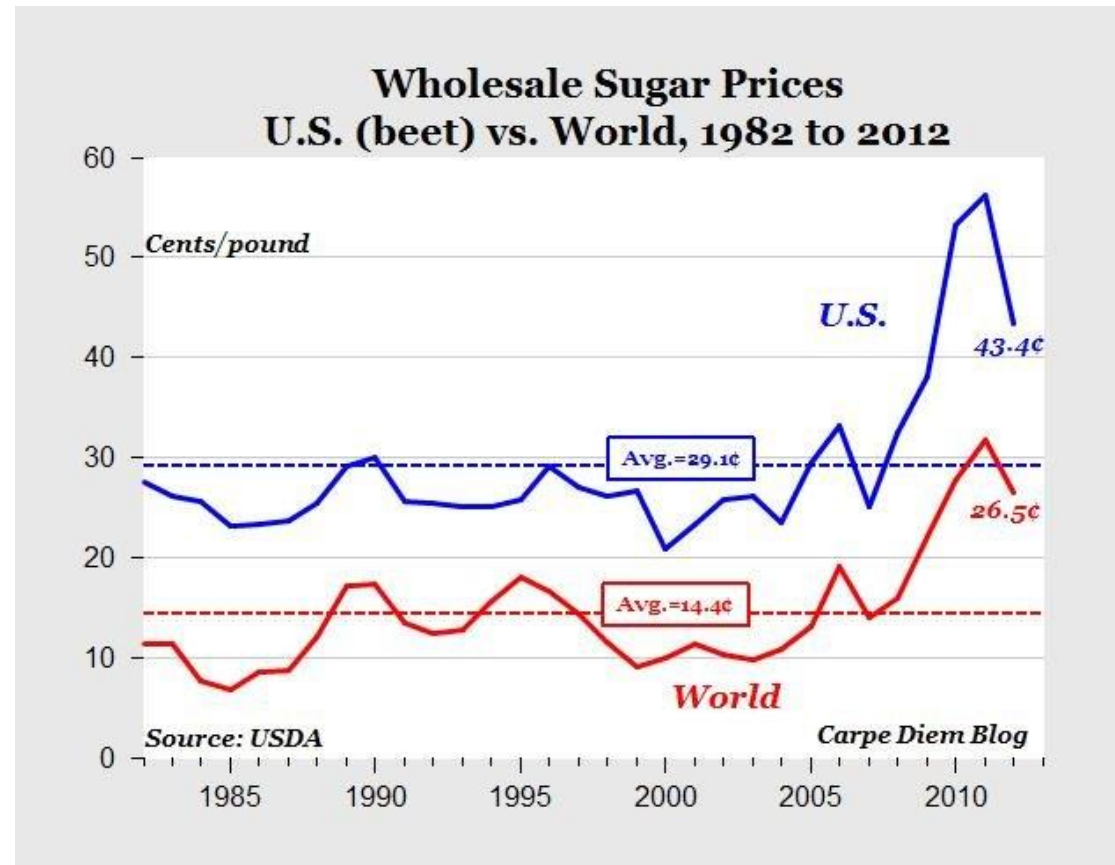
Source: <https://data.worldbank.org/indicator/GC.TAX.INTT.RV.ZS>

Customs and other import duties (% of tax revenue)



Source: <https://data.worldbank.org/indicator/GC.TAX.IMPT.ZS>


Protectionism in US sugar market



<https://www.aei.org/carpe-diem/protectionist-sugar-policy-cost-americans-3-billion-in-2012/>


High tariffs to address trade balance

Leading News from Sri Lanka::



* **Import duty increased on a number of goods effective from June 01**

Thu, Jun 2, 2022, 01:28 am SL Time, ColomboPage News Desk, Sri Lanka.

 Jun 01, Colombo: Sri Lanka's Ministry of Finance has removed license requirements for imports and replaced it with a surcharge on the duties as Sri Lanka struggles with both a rupee and dollar deficit, the Prime Minister's Media Division said.

Accordingly, the surcharge on import tax (customs duty) helps manage import demand while increasing revenue for the government.

Ranil Wickremesinghe, Minister of Finance, Economic Stabilization and National Policies under the powers vested in him under Section 10 A of the Customs Ordinance (Chapter 235) as amended by Act, No Act No.83 of 1988, issued the order to increase the levy on specified imported goods at a specified surcharge rate from June 01, 2022 for a period of 06 months.


Accordingly, prices of all imports will go up by 15% to 200% under the new special commodity levy from midnight Wednesday.


Excise duty on cars, motorcycles and three-wheelers has been increased by 50 percent.

Taxes on air conditioners, washing machines, rice cookers, microwaves, fridges and telephones have been increased by 100%.

The tax on other electrical appliances has been increased by 15%.

The tax on chocolate has been increased by 200% and the tax on LED bulbs and decorations has been increased by 50%.

 International Tax Planning
Murphy Tax Lawyers...

 International Tax Planning
Murphy Tax Lawyers...



http://www.colombopage.com/archive_22A/Jun02_1654113508CH.php

Types of tariffs

- 1. Ad valorem tariff:** tariff is calculated as a percentage of the value of the product (i.e. x% of \$zz of product yy)
- 2. Non ad valorem tariffs:**
 - **Specific tariffs:** based on physical quantity of the good being imported (i.e. per unit/kg/litre etc)
 - **Mixed tariffs** are expressed as either a specific or an ad valorem rate, depending on which generates the most (or sometimes least) revenue.
 - **Compound tariffs** include both ad valorem and a specific component.
 - **Tariff rate quotas** are made up of a low tariff rate on an initial increment of imports (the within-quota quantity) and a very high tariff rate on imports entering above that initial amount.

https://wits.worldbank.org/wits/wits/witshelp/content/data_retrieval/p/intro/C2.Forms_of_Import_Tariffs.htm

Types of tariffs

- 1. Most-Favored Nation (MFN) Tariffs** – are what countries promise to impose on imports from other members of the WTO
- 2. Bound Tariffs** – the maximum MFN tariff level for a given commodity line
 - Binding overhang (aka “water” in tariff rates) – the gap between the bound and applied MFN rates
 - Binding coverage - share of tariff lines with WTO-bound rates
- 3. Preferential Tariffs** – tariffs given as part of a trade agreement (reciprocal), or as part of preferential treatment (unilateral, e.g. EU’s Everything But Arms (EBA), GSP for LDCs, etc)

https://wits.worldbank.org/wits/wits/witshelp/content/data_retrieval/p/intro/c2.types_of_tariffs.htm

Product classification

- The GATT contains no rules regarding tariff classifications. In the past, countries had their own individual systems. However, as trade expanded countries recognized the need for more uniform classifications, which resulted in the drafting in 1988 of the “Harmonized Commodity Description and Coding System” or “HS” system at Customs Co-operation Council (CCC; also known as the “World Customs Organization” or “WCO”). Today, most countries use a harmonized system of six-digit tariff numbers.

https://dl.ndl.go.jp/view/download/digidepo_1285936_po_gCT0104e.pdf?contentNo=6&alternativeNo=

Harmonized System (HS) nomenclature

HS Code Example

Apple
HS Code: 08081000



International **National**
08 08 10 00 00 00

Section 02: Vegetable Products

Chapter 08: Edible Fruit and nuts, peel of citrus/melons

Heading 08: Apples, Pears and Quinces, Fresh

Subheading 10: Apples

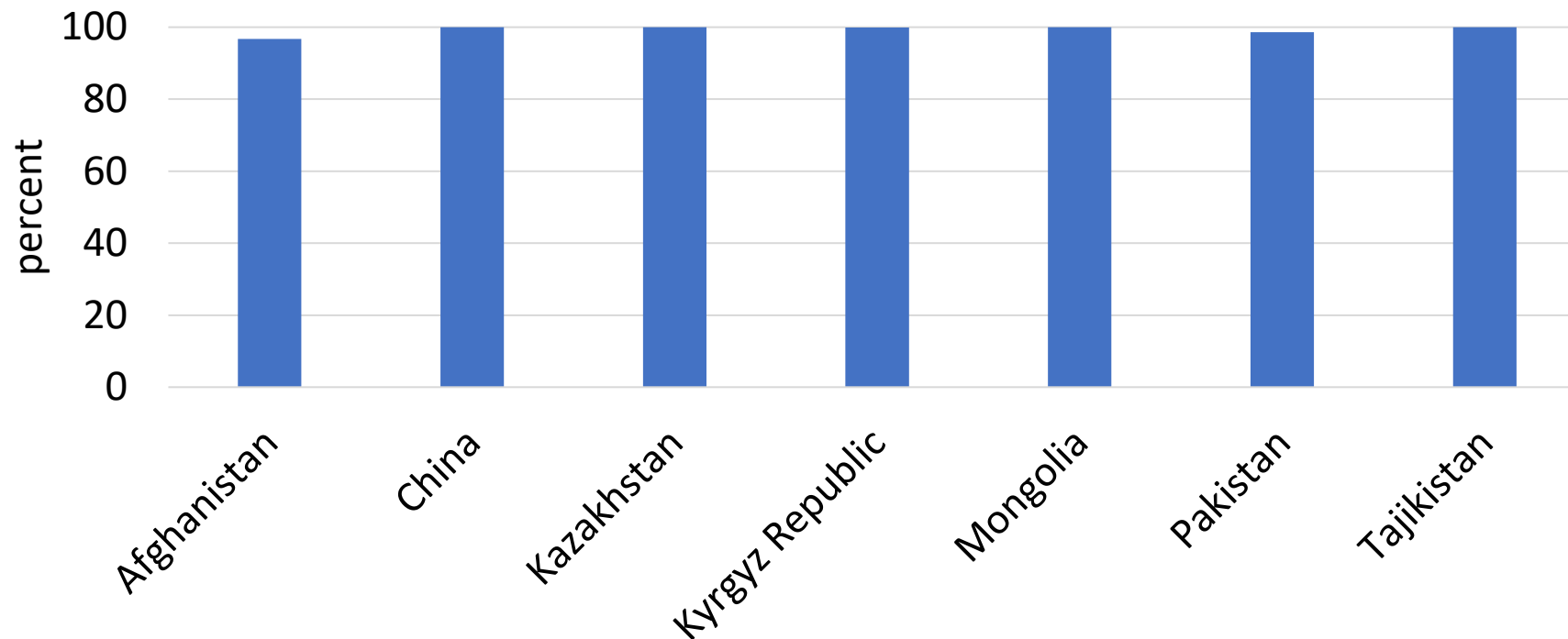
Country Specific Divisions

Heading	H.S. Code	Description
08.06	0806.10 0806.20	Grapes, fresh or dried. - Fresh - Dried
08.07	0807.11 0807.19 0807.20	Melons (including watermelons) and papaws (papayas), fresh. - Melons (including watermelons) : -- Watermelons -- Other - Papaws (papayas)
08.08	0808.10 0808.30 0808.40	Apples, pears and quinces, fresh. - Apples - Pears - Quinces
08.09	0809.10 0809.21 0809.29 0809.30 0809.40	Apricots, cherries, peaches (including nectarines), plums and sloes, fresh. - Apricots - Cherries : -- Sour cherries (<i>Prunus cerasus</i>) -- Other - Peaches, including nectarines - Plums and sloes
08.10	0810.10 0810.20 0810.30 0810.40 0810.50 0810.60 0810.70 0810.90	Other fruit, fresh. - Strawberries - Raspberries, blackberries, mulberries and loganberries - Black, white or red currants and gooseberries - Cranberries, bilberries and other fruits of the genus <i>Vaccinium</i> - Kiwifruit - Durians - Persimmons - Other
08.11	0811.10 0811.20 0811.90	Fruit and nuts, uncooked or cooked by steaming or boiling in water, frozen, whether or not containing added sugar or other sweetening matter. - Strawberries - Raspberries, blackberries, mulberries, loganberries, black, white or red currants and gooseberries - Other

<https://gcelogistic.com/what-is-hs-code/>

Binding coverage (all products)

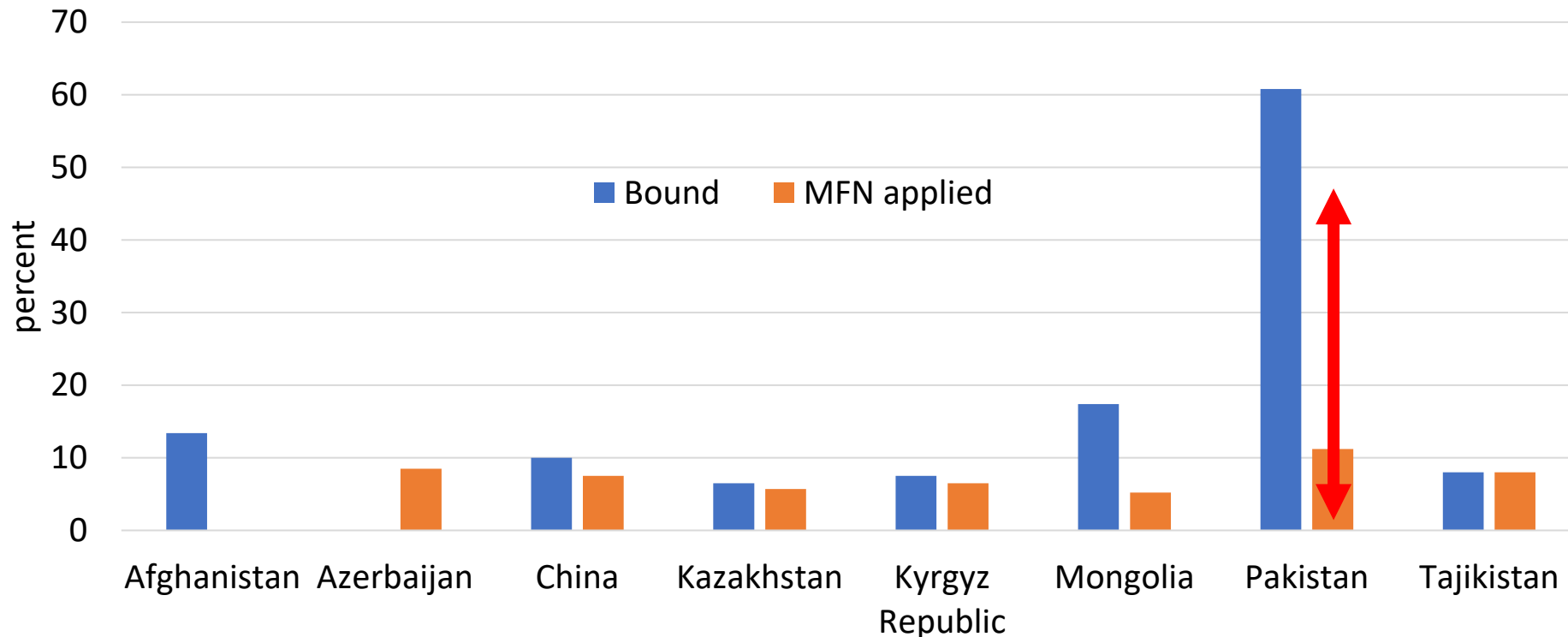
Share of HS six-digit subheadings containing at least one bound tariff line.



WTO & UNCTAD (2022). World Tariff Profiles. Available at https://www.wto.org/english/res_e/publications_e/world_tariff_profiles22_e.htm

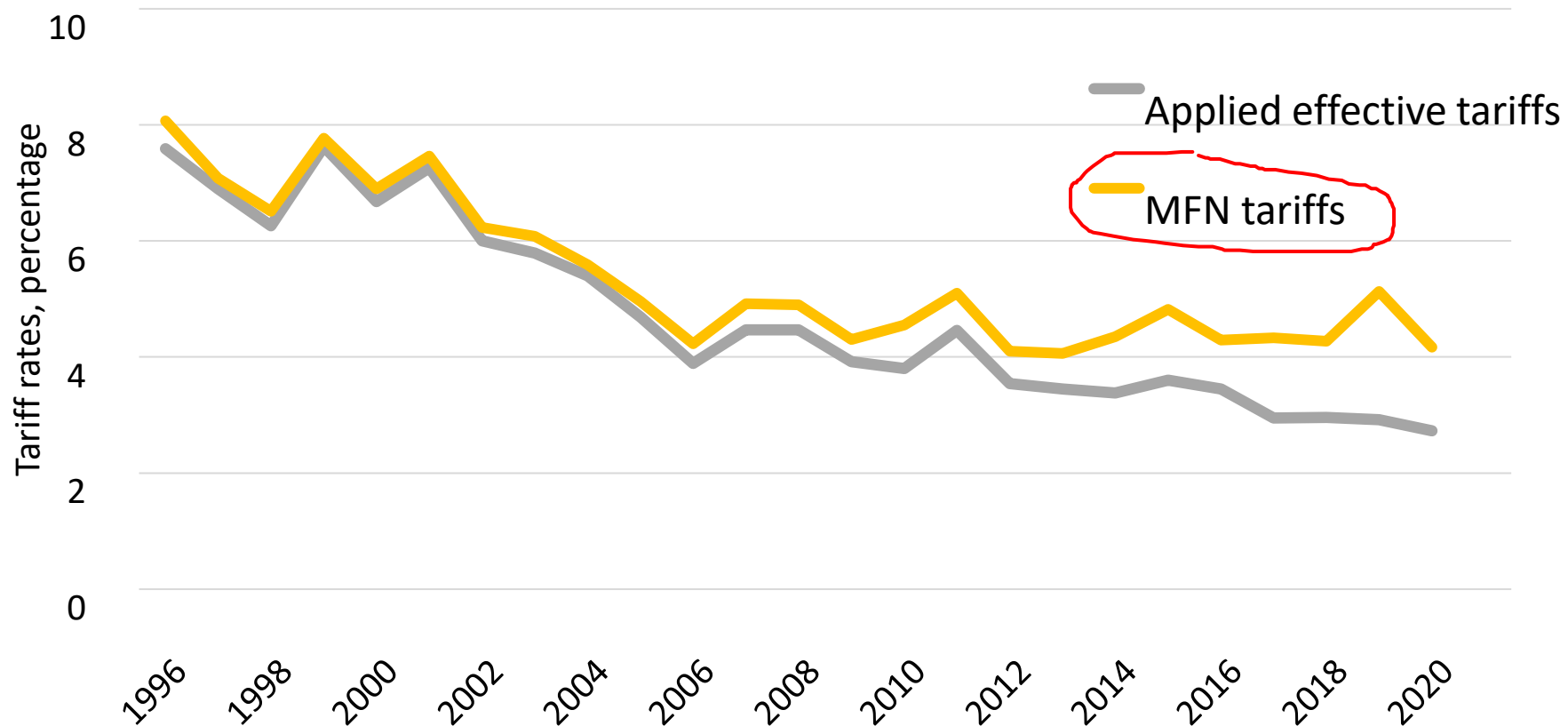
Binding overhang (all products)

The gap between the bound and applied MFN rates



WTO & UNCTAD (2022). World Tariff Profiles. Available at https://www.wto.org/english/res_e/publications_e/world_tariff_profiles22_e.htm

Average MFN and effectively applied tariffs in the Asia-Pacific region



World Banks. World Integrated Trade Solutions (WITS): <https://wits.worldbank.org/>

Country specific example: Mongolia

The screenshot displays the 'Tariff Download Facility' website. The main heading is 'Select Tariffs' with a 'Next' button. The 'Reporters' section is active, showing a filter set to 'Latest available year, bound tariffs included'. A list of countries is shown, with 'Mongolia' selected. Under 'Mongolia', '2020 (HS17)' and 'bound tariffs (HS17)' are also selected. Below this, a summary bar shows 'Mongolia 2020, bound tariffs HS17'. The 'Products' section is also visible, with a dropdown menu set to 'HS12' and a list of product categories, all of which are selected.

WTO (2022): Tariff download facility <http://tariffdata.wto.org/>

Country specific example: Mongolia

WTO | Tariff Download Facility: W x +
Not secure | tariffdata.wto.org/TariffList.aspx

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Tariff Download Facility user guide

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Download Tariffs

6,703 MFN applied tariffs; 4,463 non-MFN; 6,703 bound tariffs

Excel XML CSV

To start the download click on the desired format above.

WTO (2022): Tariff download facility <http://tariffdata.wto.org/>

Source: Integrated Database (IDB) notifications.																	
Reporter	Year	MFN Tariff Original Nomenclature			MFN Applied Tariff									Imports from World			HS code description
		HS-code level	HS version	HS code	Number of subheadings	Number of TL	Number of AV duties	Average of AV Duties	Minimum AV Duty	Maximum AV Duty	Duty Free TL (%)	Number of Non-AV Duty	List of Non-AV Duties (for HS 6-digit codes only)	Exchange Rate NC/US\$	Value 000 US\$	List of Distinct Unit Values (for HS 6-digit codes only)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
Mongolia	2020	2	HS17	01	34	37	37	4.1	0	5	17.6	0		2813.29			LIVE ANIMALS
Mongolia	2020	4	HS17	0101	4	4	4	3.8	0	5	25.0	0		2813.29			Live horses, asses, mules and hinnies.
Mongolia	2020	6	HS17	010121	1	1	1	0.0	0	0	100.0	0		2813.29			Pure-bred breeding horses
Mongolia	2020	6	HS17	010129	1	1	1	5.0	5	5	0.0	0		2813.29			Live horses (excl. pure-bred for breeding)
Mongolia	2020	6	HS17	010130	1	1	1	5.0	5	5	0.0	0		2813.29			Live asses
Mongolia	2020	6	HS17	010190	1	1	1	5.0	5	5	0.0	0		2813.29			Live mules and hinnies
Mongolia	2020	4	HS17	0102	5	7	7	3.0	0	5	40.0	0		2813.29			Live bovine animals.
Mongolia	2020	6	HS17	010221	1	2	2	0.0	0	0	100.0	0		2813.29			Pure-bred cattle for breeding
Mongolia	2020	6	HS17	010229	1	2	2	5.0	5	5	0.0	0		2813.29			Live cattle (excl. pure-bred for breeding)
Mongolia	2020	6	HS17	010231	1	1	1	0.0	0	0	100.0	0		2813.29			Pure-bred buffalo for breeding
Mongolia	2020	6	HS17	010239	1	1	1	5.0	5	5	0.0	0		2813.29			Live buffalo (excl. pure-bred for breeding)
Mongolia	2020	6	HS17	010290	1	1	1	5.0	5	5	0.0	0		2813.29			Live bovine animals (excl. cattle and buffalo)
Mongolia	2020	4	HS17	0103	3	3	3	3.3	0	5	33.3	0		2813.29			Live swine
Mongolia	2020	6	HS17	010310	1	1	1	0.0	0	0	100.0	0		2813.29			Pure-bred breeding swine
Mongolia	2020	6	HS17	010391	1	1	1	5.0	5	5	0.0	0		2813.29			Live pure-bred swine, weighing < 50 kg (excl. pure-bred for breeding)
Mongolia	2020	6	HS17	010392	1	1	1	5.0	5	5	0.0	0		2813.29			Live pure-bred swine, weighing >= 50 kg (excl. pure-bred for breeding)
Mongolia	2020	4	HS17	0104	2	2	2	0.0	0	0	100.0	0		2813.29			Live sheep and goats.
Mongolia	2020	6	HS17	010410	1	1	1	0.0	0	0	100.0	0		2813.29			Live sheep
Mongolia	2020	6	HS17	010420	1	1	1	0.0	0	0	100.0	0		2813.29			Live goats
Mongolia	2020	4	HS17	0105	7	7	7	5.0	5	5	0.0	0		2813.29			Live poultry, that is to say, fowls of the species Gallus domesticus, Gallus, and other fowls of the suborder Galliformes, weighing <= 185 g
Mongolia	2020	6	HS17	010511	1	1	1	5.0	5	5	0.0	0		2813.29			Live fowls of the species Gallus domesticus, Gallus, weighing <= 185 g
Mongolia	2020	6	HS17	010512	1	1	1	5.0	5	5	0.0	0		2813.29			Live domestic turkeys, weighing <= 185 g
Mongolia	2020	6	HS17	010513	1	1	1	5.0	5	5	0.0	0		2813.29			Live domestic ducks, weighing <= 185 g
Mongolia	2020	6	HS17	010514	1	1	1	5.0	5	5	0.0	0		2813.29			Live domestic geese, weighing <= 185 g
Mongolia	2020	6	HS17	010515	1	1	1	5.0	5	5	0.0	0		2813.29			Live domestic guinea fowls, weighing <= 185 g
Mongolia	2020	6	HS17	010594	1	1	1	5.0	5	5	0.0	0		2813.29			Live fowls of the species Gallus domesticus, Gallus, weighing <= 185 g
Mongolia	2020	6	HS17	010599	1	1	1	5.0	5	5	0.0	0		2813.29			Live domestic ducks, geese, turkeys and guinea fowls, weighing <= 185 g
Mongolia	2020	4	HS17	0106	13	14	14	5.0	5	5	0.0	0		2813.29			Other live animals.
Mongolia	2020	6	HS17	010611	1	1	1	5.0	5	5	0.0	0		2813.29			Live primates
Mongolia	2020	6	HS17	010612	1	1	1	5.0	5	5	0.0	0		2813.29			Live whales, dolphins and porpoises (mammals)
Mongolia	2020	6	HS17	010613	1	1	1	5.0	5	5	0.0	0		2813.29			Live camels and other camelids [Camelidae]

19 5

1 Source: Integrated Database (IDB) notifications.

Reporter	Year	MFN Tariff Original Nomenclature			MFN Applied Tariff									Imports from World			HS code description
		HS-code level	HS version	HS code	Number of subheadings	Number of TL	Number of AV duties	Average of AV Duties	Minimum AV Duty	Maximum AV Duty	Duty Free TL (%)	Number of Non-AV Duty	List of Non-AV Duties (for HS 6-digit codes only)	Exchange Rate NC/US\$	Value 000 US\$	List of Distinct Unit Values (for HS 6-digit codes only)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)

Mongolia	2020	2	HS17	01	34	37	37	4.1	0	5	17.6	0		2813.29			LIVE ANIMALS
Mongolia	2020	4	HS17	0101	4	4	4	3.8	0	5	25.0	0		2813.29			Live horses, asses, mules and hinnies.
Mongolia	2020	6	HS17	010121	1	1	1	0.0	0	0	100.0	0		2813.29			Pure-bred breeding horses
Mongolia	2020	6	HS17	010129	1	1	1	5.0	5	5	0.0	0		2813.29			Live horses (excl. pure-bred for breeding)
Mongolia	2020	6	HS17	010130	1	1	1	5.0	5	5	0.0	0		2813.29			Live asses
Mongolia	2020	6	HS17	010190	1	1	1	5.0	5	5	0.0	0		2813.29			Live mules and hinnies
Mongolia	2020	4	HS17	0102	5	7	7	3.0	0	5	40.0	0		2813.29			Live bovine animals.
Mongolia	2020	6	HS17	010221	1	2	2	0.0	0	0	100.0	0		2813.29			Pure-bred cattle for breeding
Mongolia	2020	6	HS17	010229	1	2	2	5.0	5	5	0.0	0		2813.29			Live cattle (excl. pure-bred for breeding)
Mongolia	2020	6	HS17	010231	1	1	1	0.0	0	0	100.0	0		2813.29			Pure-bred buffalo for breeding
Mongolia	2020	6	HS17	010239	1	1	1	5.0	5	5	0.0	0		2813.29			Live buffalo (excl. pure-bred for breeding)
Mongolia	2020	6	HS17	010290	1	1	1	5.0	5	5	0.0	0		2813.29			Live bovine animals (excl. cattle and buffalo)
Mongolia	2020	4	HS17	0103	3	3	3	3.3	0	5	33.3	0		2813.29			Live swine.
Mongolia	2020	6	HS17	010310	1	1	1	0.0	0	0	100.0	0		2813.29			Pure-bred breeding swine
Mongolia	2020	6	HS17	010391	1	1	1	5.0	5	5	0.0	0		2813.29			Live pure-bred swine, weighing < 50 kg (excl. pure-bred for breeding)
Mongolia	2020	6	HS17	010392	1	1	1	5.0	5	5	0.0	0		2813.29			Live pure-bred swine, weighing >= 50 kg (excl. pure-bred for breeding)
Mongolia	2020	4	HS17	0104	2	2	2	0.0	0	0	100.0	0		2813.29			Live sheep and goats.
Mongolia	2020	6	HS17	010410	1	1	1	0.0	0	0	100.0	0		2813.29			Live sheep
Mongolia	2020	6	HS17	010420	1	1	1	0.0	0	0	100.0	0		2813.29			Live goats
Mongolia	2020	4	HS17	0105	7	7	7	5.0	5	5	0.0	0		2813.29			Live poultry, that is to say, fowls of the species Gallus domesticus, Gallus, Coturnix and related genera
Mongolia	2020	6	HS17	010511	1	1	1	5.0	5	5	0.0	0		2813.29			Live fowls of the species Gallus domesticus, Gallus, Coturnix and related genera
Mongolia	2020	6	HS17	010512	1	1	1	5.0	5	5	0.0	0		2813.29			Live domestic turkeys, weighing <= 185 g
Mongolia	2020	6	HS17	010513	1	1	1	5.0	5	5	0.0	0		2813.29			Live domestic ducks, weighing <= 185 g
Mongolia	2020	6	HS17	010514	1	1	1	5.0	5	5	0.0	0		2813.29			Live domestic geese, weighing <= 185 g
Mongolia	2020	6	HS17	010515	1	1	1	5.0	5	5	0.0	0		2813.29			Live domestic guinea fowls, weighing <= 185 g
Mongolia	2020	6	HS17	010594	1	1	1	5.0	5	5	0.0	0		2813.29			Live fowls of the species Gallus domesticus, Gallus, Coturnix and related genera
Mongolia	2020	6	HS17	010599	1	1	1	5.0	5	5	0.0	0		2813.29			Live domestic ducks, geese, turkeys and guinea fowls
Mongolia	2020	4	HS17	0106	13	14	14	5.0	5	5	0.0	0		2813.29			Other live animals.
Mongolia	2020	6	HS17	010611	1	1	1	5.0	5	5	0.0	0		2813.29			Live primates
Mongolia	2020	6	HS17	010612	1	1	1	5.0	5	5	0.0	0		2813.29			Live whales, dolphins and porpoises (mammals)
Mongolia	2020	6	HS17	010613	1	1	1	5.0	5	5	0.0	0		2813.29			Live camels and other camelids [Camelidae]

Applied_MFN Applied_NonMFN NonMFN_Only_Partners Bound HS_Concordance

A9 Mongolia

Source: Consolidated Tariff Schedules database (CTS).																	
Reporter	Original Nomenclature			Bound Data													
	HS code level	HS version	HS code	Number of subheadings	Binding Status (B/P/U)	Number of TL	Number of AV duties	Average of AV Duties	Minimum AV Duty	Maximum AV Duty	Duty Free TL (%)	Number of Non-AV Duty	List of Non-AV Duties (for HS 6-digit codes only)	No. of TL with SSG	No. of TL with dutiable ODC	Average of ODC AV Duties	Number of ODC Non-AV Duties
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
Mongolia	2	HS17	01	34	B	36	36	13.3	0	20	19.1	0		0	0	0.0	
Mongolia	4	HS17	0101	4	B	4	4	15.0	0	20	25.0	0		0	0	0.0	
Mongolia	6	HS17	010121	1	B	1	1	0.0	0	0	100.0	0		0	0	0.0	
Mongolia	6	HS17	010129	1	B	1	1	20.0	20	20	0.0	0		0	0	0.0	
Mongolia	6	HS17	010130	1	B	1	1	20.0	20	20	0.0	0		0	0	0.0	
Mongolia	6	HS17	010190	1	B	1	1	20.0	20	20	0.0	0		0	0	0.0	
Mongolia	4	HS17	0102	5	B	6	6	10.0	0	20	50.0	0		0	0	0.0	
Mongolia	6	HS17	010221	1	B	1	1	0.0	0	0	100.0	0		0	0	0.0	
Mongolia	6	HS17	010229	1	B	1	1	20.0	20	20	0.0	0		0	0	0.0	
Mongolia	6	HS17	010231	1	B	1	1	0.0	0	0	100.0	0		0	0	0.0	
Mongolia	6	HS17	010239	1	B	1	1	20.0	20	20	0.0	0		0	0	0.0	
Mongolia	6	HS17	010290	1	B	2	2	10.0	0	20	50.0	0		0	0	0.0	
Mongolia	4	HS17	0103	3	B	3	3	13.3	0	20	33.3	0		0	0	0.0	
Mongolia	6	HS17	010310	1	B	1	1	0.0	0	0	100.0	0		0	0	0.0	
Mongolia	6	HS17	010391	1	B	1	1	20.0	20	20	0.0	0		0	0	0.0	
Mongolia	6	HS17	010392	1	B	1	1	20.0	20	20	0.0	0		0	0	0.0	
Mongolia	4	HS17	0104	2	B	2	2	0.0	0	0	100.0	0		0	0	0.0	
Mongolia	6	HS17	010410	1	B	1	1	0.0	0	0	100.0	0		0	0	0.0	
Mongolia	6	HS17	010420	1	B	1	1	0.0	0	0	100.0	0		0	0	0.0	
Mongolia	4	HS17	0105	7	B	8	8	6.1	5	20	0.0	0		0	0	0.0	
Mongolia	6	HS17	010511	1	B	1	1	5.0	5	5	0.0	0		0	0	0.0	
Mongolia	6	HS17	010512	1	B	2	2	12.5	5	20	0.0	0		0	0	0.0	
Mongolia	6	HS17	010513	1	B	1	1	5.0	5	5	0.0	0		0	0	0.0	
Mongolia	6	HS17	010514	1	B	1	1	5.0	5	5	0.0	0		0	0	0.0	
Mongolia	6	HS17	010515	1	B	1	1	5.0	5	5	0.0	0		0	0	0.0	
Mongolia	6	HS17	010594	1	B	1	1	5.0	5	5	0.0	0		0	0	0.0	
Mongolia	6	HS17	010599	1	B	1	1	5.0	5	5	0.0	0		0	0	0.0	

A B C D E F G H I J K L M N

1 Note: Country-specific exceptions at the national tariff line level to the common duty rate for some tariff regimes are not included in the calculation of the subheading preferential average duty.

2 For example, if for one national TL in HS subheading 200410, the GSP duty is 5% but for partner AAA, the applied GSP duty is 3%, this exception to the common GSP duty is not included in the calculation.

3 **Reporter** **Year** **Tariff Regimes Granted by Reporter (Excluding MFN)** **Original Nomenclature** **Preferential Applied Tariff (only at the HS 6-digit level)** **Number of TL duty di from**

Reporter	Year	Tariff Regimes Granted by Reporter (Excluding MFN)	HS version	HS subhdg*	Number of subheadings	Number of TL	Number of AV duties	Average of AV Duties	Minimum AV Duty	Maximum AV Duty	Duty Free TL (%)	Number of Non-AV Duties	List of Non-AV Duties	Number of TL duty di from
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)

Mongolia	2020	Free-trade agreement duty rates for Japan	HS17	010129	1	1	1	0	0	0	100	0		1
Mongolia	2020	Free-trade agreement duty rates for Japan	HS17	010130	1	1	1	0	0	0	100	0		
Mongolia	2020	Free-trade agreement duty rates for Japan	HS17	010190	1	1	1	0	0	0	100	0		
Mongolia	2020	Free-trade agreement duty rates for Japan	HS17	010229	1	2	2	0	0	0	100	0		
Mongolia	2020	Free-trade agreement duty rates for Japan	HS17	010239	1	1	1	0	0	0	100	0		
Mongolia	2020	Free-trade agreement duty rates for Japan	HS17	010290	1	1	1	0	0	0	100	0		
Mongolia	2020	Free-trade agreement duty rates for Japan	HS17	010391	1	1	1	0	0	0	100	0		
Mongolia	2020	Free-trade agreement duty rates for Japan	HS17	010392	1	1	1	0	0	0	100	0		
Mongolia	2020	Free-trade agreement duty rates for Japan	HS17	010511	1	1	1	0	0	0	100	0		
Mongolia	2020	Free-trade agreement duty rates for Japan	HS17	010512	1	1	1	0	0	0	100	0		
Mongolia	2020	Free-trade agreement duty rates for Japan	HS17	010513	1	1	1	0	0	0	100	0		
Mongolia	2020	Free-trade agreement duty rates for Japan	HS17	010514	1	1	1	0	0	0	100	0		
Mongolia	2020	Free-trade agreement duty rates for Japan	HS17	010515	1	1	1	0	0	0	100	0		
Mongolia	2020	Free-trade agreement duty rates for Japan	HS17	010594	1	1	1	0	0	0	100	0		
Mongolia	2020	Free-trade agreement duty rates for Japan	HS17	010599	1	1	1	0	0	0	100	0		
Mongolia	2020	Free-trade agreement duty rates for Japan	HS17	010611	1	1	1	0	0	0	100	0		
Mongolia	2020	Free-trade agreement duty rates for Japan	HS17	010612	1	1	1	0	0	0	100	0		
Mongolia	2020	Free-trade agreement duty rates for Japan	HS17	010613	1	1	1	0	0	0	100	0		
Mongolia	2020	Free-trade agreement duty rates for Japan	HS17	010614	1	1	1	0	0	0	100	0		
Mongolia	2020	Free-trade agreement duty rates for Japan	HS17	010619	1	1	1	0	0	0	100	0		
Mongolia	2020	Free-trade agreement duty rates for Japan	HS17	010620	1	1	1	0	0	0	100	0		
Mongolia	2020	Free-trade agreement duty rates for Japan	HS17	010631	1	2	2	0	0	0	100	0		
Mongolia	2020	Free-trade agreement duty rates for Japan	HS17	010632	1	1	1	0	0	0	100	0		
Mongolia	2020	Free-trade agreement duty rates for Japan	HS17	010633	1	1	1	0	0	0	100	0		
Mongolia	2020	Free-trade agreement duty rates for Japan	HS17	010639	1	1	1	0	0	0	100	0		
Mongolia	2020	Free-trade agreement duty rates for Japan	HS17	010641	1	1	1	0	0	0	100	0		
Mongolia	2020	Free-trade agreement duty rates for Japan	HS17	010649	1	1	1	0	0	0	100	0		
Mongolia	2020	Free-trade agreement duty rates for Japan	HS17	020840	1	1	1	0	0	0	100	0		
Mongolia	2020	Free-trade agreement duty rates for Japan	HS17	020890	1	2	2	0.8	0.8	0.8	0	0		
Mongolia	2020	Free-trade agreement duty rates for Japan	HS17	021092	1	1	1	2.7	2.7	2.7	0	0		
Mongolia	2020	Free-trade agreement duty rates for Japan	HS17	030111	1	1	1	0	0	0	100	0		
Mongolia	2020	Free-trade agreement duty rates for Japan	HS17	030119	1	1	1	0	0	0	100	0		
Mongolia	2020	Free-trade agreement duty rates for Japan	HS17	030191	1	1	1	0	0	0	100	0		

Country specific example:
Tajikistan

Q1 fx

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	R	S
1	DB) notifications.																
2	Year	MFN Tariff Original Nomenclature			MFN Applied Tariff								Imports from World		HS code description		
3		HS-code level	HS version	HS code	Number of subheadings	Number of TL	Number of AV duties	Average of AV Duties	Minimum AV Duty	Maximum AV Duty	Duty Free TL (%)	Number of Non-AV Duty	List of Non-AV Duties (for HS 6-digit codes only)	Exchange Rate NC/US\$		Value 000 US\$	
4	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(18)	
864	2017	6	HS07	210420	1	2	2	15.0	15	15	0.0	0		8.55		Food preparations consisting of finely homogenised mixtures of two or more basic	
865	2017	4	HS07	2105	1	3	3	15.0	15	15	0.0	0		8.55		Ice cream and other edible ice, whether or not containing cocoa.	
866	2017	6	HS07	210500	1	3	3	15.0	15	15	0.0	0		8.55		Ice cream and other edible ice, whether or not containing cocoa	
867	2017	4	HS07	2106	2	14	14	15.0	15	15	0.0	0		8.55		Food preparations not elsewhere specified or included.	
868	2017	6	HS07	210610	1	2	2	15.0	15	15	0.0	0		8.55		Protein concentrates and textured protein substances	
869	2017	6	HS07	210690	1	12	12	15.0	15	15	0.0	0		8.55		Food preparations, n.e.s.	
870	2017	2	HS07	22	22	179	4	15.0	15	15	0.0	175		8.55		BEVERAGES, SPIRITS AND VINEGAR	
871	2017	4	HS07	2201	2	4	0				0.0	4		8.55		Waters, including natural or artificial mineral waters and aerated waters, not contain	
872	2017	6	HS07	220110	1	3	0				0.0	3	[0.15 euro per L] [0.15 euro per L] [0.15 euro per L]	8.55		Mineral waters and aerated waters, not containing added sugar, other sweetening n	
873	2017	6	HS07	220190	1	1	0				0.0	1	[0.15 euro per L]	8.55		Ordinary natural water, not containing added sugar, other sweetening matter or flav	
874	2017	4	HS07	2202	2	6	0				0.0	6		8.55		Waters, including mineral waters and aerated waters, containing added sugar or oth	
875	2017	6	HS07	220210	1	1	0				0.0	1	[0.07 euro per L]	8.55		Waters, incl. mineral and aerated, with added sugar, sweetener or flavour, for direc	
876	2017	6	HS07	220290	1	5	0				0.0	5	[0.07 euro per L] [0.07 euro per L] [0.07 euro per L] [0.07 eur	8.55		Non-alcoholic beverages (excl. water, fruit or vegetable juices and milk)	
877	2017	4	HS07	2203	1	2	0				0.0	2		8.55		Beer made from malt.	
878	2017	6	HS07	220300	1	2	0				0.0	2	[0.60 euro per L] [0.60 euro per L]	8.55		Beer made from malt	
879	2017	4	HS07	2204	4	94	0				0.0	94		8.55		Wine of fresh grapes, including fortified wines; grape must other than that of head	
880	2017	6	HS07	220410	1	4	0				0.0	4	[0.50 euro per L] [0.50 euro per L] [0.50 euro per L] [0.50 eur	8.55		Sparkling wine of fresh grapes	
881	2017	6	HS07	220421	1	51	0				0.0	51	[0.50 euro per L] [0.50 euro per L] [0.50 euro per L] [0.50 eur	8.55		Wine of fresh grapes, incl. fortified wines, and grape must whose fermentation has	
882	2017	6	HS07	220429	1	34	0				0.0	34	[0.50 euro per L] [0.50 euro per L] [0.50 euro per L] [0.50 eur	8.55		Wine of fresh grapes, incl. fortified wines, and grape must whose fermentation has	
883	2017	6	HS07	220430	1	5	0				0.0	5	[0.50 euro per L] [0.50 euro per L] [0.50 euro per L] [0.50 eur	8.55		Grape must, of an actual alcoholic strength of > 0,5% vol (excl. grape must whose	
884	2017	4	HS07	2205	2	4	0				0.0	4		8.55		Vermouth and other wine of fresh grapes flavoured with plants or aromatic substanc	
885	2017	6	HS07	220510	1	2	0				0.0	2	[0.50 euro per L] [0.50 euro per L]	8.55		Vermouth and other wine of fresh grapes, flavoured with plants or aromatic substanc	
886	2017	6	HS07	220590	1	2	0				0.0	2	[0.50 euro per L] [0.50 euro per L]	8.55		Vermouth and other wine of fresh grapes, flavoured with plants or aromatic substanc	
887	2017	4	HS07	2206	1	7	0				0.0	7		8.55		Other fermented beverages (for example, cider, perry, mead); mixtures of fermente	
888	2017	6	HS07	220600	1	7	0				0.0	7	[0.40 euro per L] [0.40 euro per L] [0.40 euro per L] [0.40 eur	8.55		Cider, perry, mead and other fermented beverages and mixtures of fermented beve	
889	2017	4	HS07	2207	2	2	0				0.0	2		8.55		Undenatured ethyl alcohol of an alcoholic strength by volume of 80 % vol. or high	
890	2017	6	HS07	220710	1	1	0				0.0	1	[2 euro per L]	8.55		Undenatured ethyl alcohol, of actual alcoholic strength of >= 80%	
891	2017	6	HS07	220720	1	1	0				0.0	1	[2 euro per L]	8.55		Denatured ethyl alcohol and other spirits of any strength	
892	2017	4	HS07	2208	7	56	0				0.0	56		8.55		Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80 % vol	
893	2017	6	HS07	220820	1	11	0				0.0	11	[2 euro per L] [2 euro per L] [2 euro per L] [2 euro per L] [2 e	8.55		Spirits obtained by distilling grape wine or grape marc	
894	2017	6	HS07	220830	1	10	0				0.0	10	[2 euro per L] [2 euro per L] [2 euro per L] [2 euro per L] [2 e	8.55		Whiskies	

Applied_MFN Applied_NonMFN NonMFN_Only_Partners Bound HS_Concordance

N5775 [5 but not less than 0.15 euro per cm3] [5 but not less than 0.15 euro per cm3] [5 but not less than 0.15 euro per cm3] [5 but not less than 0.15 euro per cm3] [5 but not less than 0.15 euro per cm3] [5 but not less than 0.15 euro per cm3] [5 but not less than 0.15 euro per cm3]

	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	R	S
1	B) notifications.																
2	Year	MFN Tariff Original Nomenclature			MFN Applied Tariff								Imports from World		HS code description		
3		HS-code level	HS version	HS code	Number of subheadings	Number of TL	Number of AV duties	Average of AV Duties	Minimum AV Duty	Maximum AV Duty	Duty Free TL (%)	Number of Non-AV Duty	List of Non-AV Duties (for HS 6-digit codes only)	Exchange Rate NC/US\$		Value 000 US\$	
4																	
5	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(18)	
5766	2017	4	HS07	8609	1	3	3	5.0	5	5	0.0	0		8.55		Containers (including containers for the transport of fluids) specially designed and	
5767	2017	6	HS07	860900	1	3	3	5.0	5	5	0.0	0		8.55		Containers, incl. containers for the transport of fluids, specially designed and equ	
5768	2017	2	HS07	87	75	297	260	5.0	0	10	7.6	37		8.55		Vehicles other than railway or tramway rolling- stock, and parts and accessories	
5769	2017	4	HS07	8701	4	18	18	2.9	0	5	41.7	0		8.55		Tractors (other than tractors of heading 87.09).	
5770	2017	6	HS07	870110	1	1	1	5.0	5	5	0.0	0		8.55		Pedestrian-controlled agricultural tractors and similar tractors for industry (excl. t	
5771	2017	6	HS07	870120	1	6	6	2.5	0	5	50.0	0		8.55		Road tractors for semi-trailers	
5772	2017	6	HS07	870130	1	2	2	2.5	0	5	50.0	0		8.55		Track-laying tractors (excl. pedestrian-controlled)	
5773	2017	6	HS07	870190	1	9	9	1.7	0	5	66.7	0		8.55		Tractors (excl. those of heading 8709, pedestrian-controlled tractors, road tractor	
5774	2017	4	HS07	8702	2	37	0				0.0	37		8.55		Motor vehicles for the transport of ten or more persons, including the driver.	
5775	2017	6	HS07	870210	1	17	0				0.0	17	[5 but not less than 0.15 euro per cm3] [5 but not less than 0.1	8.55		Motor vehicles for the transport of >= 10 persons, incl. driver, with compression	
5776	2017	6	HS07	870290	1	20	0				0.0	20	[5 but not less than 0.15 euro per cm3] [5 but not less than 0.1	8.55		Motor vehicles for the transport of >= 10 persons, incl. driver, not with compres	
5777	2017	4	HS07	8703	9	51	51	5.0	5	5	0.0	0		8.55		Motor cars and other motor vehicles principally designed for the transport of pers	
5778	2017	6	HS07	870310	1	2	2	5.0	5	5	0.0	0		8.55		Vehicles for the transport of persons on snow; golf cars and similar vehicles	
5779	2017	6	HS07	870321	1	5	5	5.0	5	5	0.0	0		8.55		Motor cars and other motor vehicles principally designed for the transport of pers	
5780	2017	6	HS07	870322	1	6	6	5.0	5	5	0.0	0		8.55		Motor cars and other motor vehicles principally designed for the transport of pers	
5781	2017	6	HS07	870323	1	12	12	5.0	5	5	0.0	0		8.55		Motor cars and other motor vehicles principally designed for the transport of pers	
5782	2017	6	HS07	870324	1	5	5	5.0	5	5	0.0	0		8.55		Motor cars and other motor vehicles principally designed for the transport of pers	
5783	2017	6	HS07	870331	1	5	5	5.0	5	5	0.0	0		8.55		Motor cars and other motor vehicles principally designed for the transport of pers	
5784	2017	6	HS07	870332	1	6	6	5.0	5	5	0.0	0		8.55		Motor cars and other motor vehicles principally designed for the transport of pers	
5785	2017	6	HS07	870333	1	6	6	5.0	5	5	0.0	0		8.55		Motor cars and other motor vehicles principally designed for the transport of pers	
5786	2017	6	HS07	870390	1	4	4	5.0	5	5	0.0	0		8.55		Motor cars and other vehicles principally designed for the transport of persons, in	
5787	2017	4	HS07	8704	7	38	38	5.0	5	5	0.0	0		8.55		Motor vehicles for the transport of goods.	
5788	2017	6	HS07	870410	1	4	4	5.0	5	5	0.0	0		8.55		Dumpers for off-highway use	
5789	2017	6	HS07	870421	1	7	7	5.0	5	5	0.0	0		8.55		Motor vehicles for the transport of goods, with compression-ignition internal con	
5790	2017	6	HS07	870422	1	6	6	5.0	5	5	0.0	0		8.55		Motor vehicles for the transport of goods, with compression-ignition internal con	
5791	2017	6	HS07	870423	1	7	7	5.0	5	5	0.0	0		8.55		Motor vehicles for the transport of goods, with compression-ignition internal con	
5792	2017	6	HS07	870431	1	7	7	5.0	5	5	0.0	0		8.55		Motor vehicles for the transport of goods, with spark-ignition internal combustion	
5793	2017	6	HS07	870432	1	6	6	5.0	5	5	0.0	0		8.55		Motor vehicles for the transport of goods, with spark-ignition internal combustion	
5794	2017	6	HS07	870490	1	1	1	5.0	5	5	0.0	0		8.55		Motor vehicles for the transport of goods, with engines other than internal combu	
5795	2017	4	HS07	8705	5	8	8	5.0	5	5	0.0	0		8.55		Special purpose motor vehicles, other than those principally designed for the tran	
5796	2017	6	HS07	870510	1	2	2	5.0	5	5	0.0	0		8.55		Crane lorries (excl. breakdown lorries)	
5797	2017	6	HS07	870520	1	1	1	5.0	5	5	0.0	0		8.55		Mobile drilling derricks	

Applied_MFN Applied_NonMFN NonMFN_Only_Partners Bound HS_Concordance

Tariff reductions under GATT/WTO

- Initial tariff reductions started with the establishment of GATT in 1947
- 8 successful rounds, latest being Uruguay
 - negotiations started in 1986, signed in 1994
- Doha rounds (since 2001) have stalled
 - last successful agreement is the “Bali Package” of the ninth ministerial conference in 2013

https://www.wto.org/english/thewto_e/whatis_e/tif_e/agrm2_e.htm

FORMULA APPROACHES TO TARIFF NEGOTIATIONS

Note by the Secretariat¹

Revision

I. INTRODUCTION

1. With the aim of simplifying and unifying the documentation issued by the Secretariat regarding the use and impact of formulae for tariff negotiations, this document combines a revised version of the theoretical foundations of formulae approaches, TN/MA/S/3/Rev.1, with an updated and revised version of the document TN/MA/S/3/Rev.1/Add.1, which illustrates, where possible, various proposals for formula reductions which were submitted by Members up to end March 2003. A hypothetical tariff profile has been used to illustrate the properties of the theoretical formulae and the specific formulae proposed by Members.

II. FORMULA APPROACHES – SOME GENERAL CONSIDERATIONS

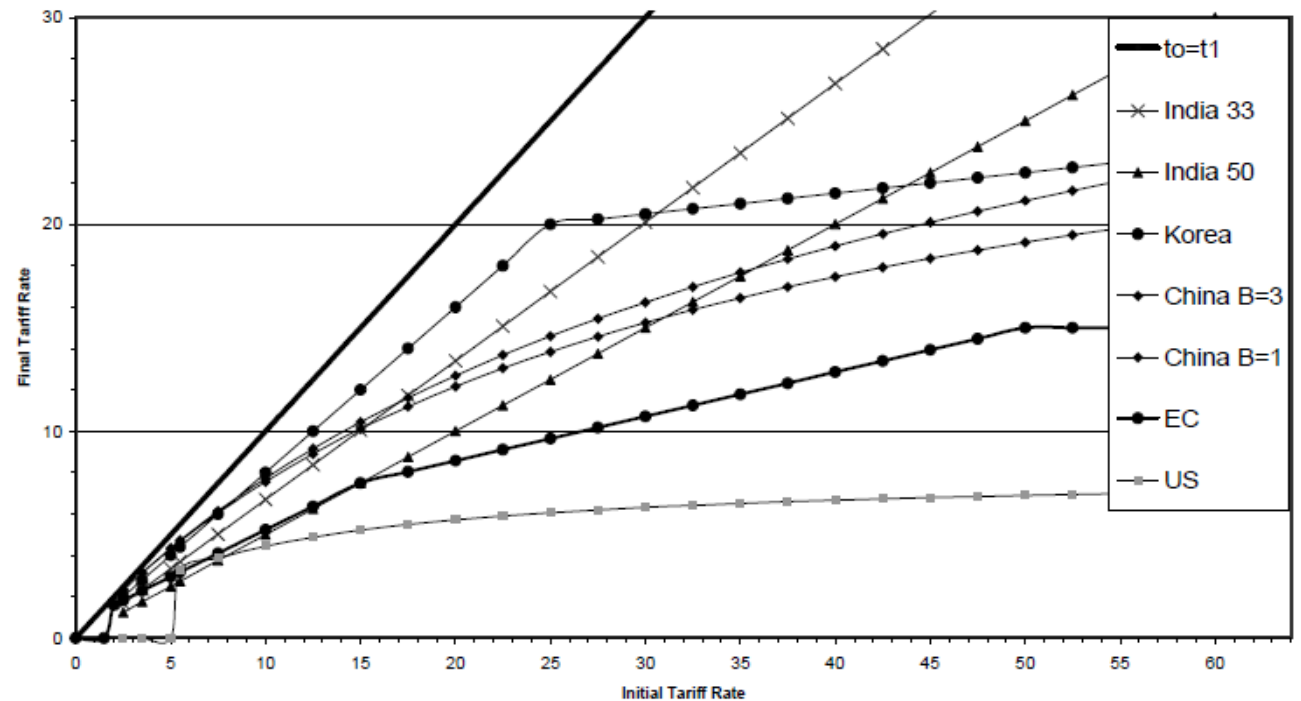
2. Two types of formula can be used in negotiations. The first is one that reduces the applicable tariff rates by the same percentage, regardless of the initial tariff rate. These are called *tariff independent* formulae. The second type of formula is called *tariff dependent*, since the percentage reduction in tariff rates depends on the initial tariff rate subject to negotiations. It includes the so-called harmonisation formulae which have the effect of reducing the dispersion of the applicable tariff rates.

3. To assess how these two types of formulae reduce different tariff rates a hypothetical tariff profile is used for a numerical analysis. It shows how a range of initial tariff rates is reduced using different formulae and different specifications. Some key descriptive statistics of the old and new tariff profiles are also provided in the numerical analysis. These are the tariff average, maximum, standard deviation, coefficient of variation and escalation ratio. The standard deviation is a measure of absolute dispersion of the tariff profile. It is dependent on the average level of the tariffs. The coefficient of variation is a measure of relative dispersion. It is defined as the standard deviation divided by the average and usually presented in percent, i.e. multiplied by 100. It is not affected by the average levels of tariffs. Tariff escalation is measured in this note as an arbitrary ratio of two tariff lines in the lower and upper spectrum of the tariff profile.

¹ This document has been prepared under the Secretariat's own responsibility and is not intended to prejudice the positions of any Members and to their rights and obligations under the WTO.

Approaches to tariff reductions under WTO

Figure 3: Comparison of formula proposals for line by line reductions



<https://docs.wto.org/dol2fe/Pages/SS/directdoc.aspx?filename=Q:/TN/MA/S3R2.pdf&Open=True>

Tariff reductions in trade agreements

- GATT Article XXIV, the requirement for an FTA to be WTO-compatible is that "substantially all trade" be liberalized
- No agreement on what “substantially” or “trade” is.
- South-south FTAs may be arguably covered under the Enabling Clause and does not contain any numerical thresholds or requirement as to the level of liberalization.

https://unctad.org/system/files/official-document/ditc2015misc3_en.pdf

Types of elimination

- Excluded (sensitive list)
 - Complete exclusion (i.e., no liberalization);
 - Subject to tariff reduction only and not elimination (with or without transition period);
- Covered
 - Subject to longer transition period;
 - Subject to shorter transition period, and;
 - Immediate elimination (i.e., zero tariffs at the entry into force).

https://unctad.org/system/files/official-document/ditc2015misc3_en.pdf

Potential criteria for selecting "sensitive products"

- (i) minimization of possible import surge;
- (ii) continued protection of highly protected products; and
- (iii) minimization of possible tariff revenue losses.

For each criterion, possible indicators would be:

- (i) attract highest dutiable imports;
- (ii) attract highest tariffs, or;
- (iii) account for highest tariff revenue,

https://unctad.org/system/files/official-document/ditc2015misc3_en.pdf

Defining tariff elimination schedules

- Different RTAs have used different approaches on tariff elimination modalities (staging).
- In its simplest form, all base rates, whatever the level, can be subject to equal annual reduction of X per cent over Y years, and some low rates ("nuisance tariffs") such as lower than 5 per cent, can be immediately eliminated.

https://unctad.org/system/files/official-document/ditc2015misc3_en.pdf

Defining tariff elimination schedules

Key parameters:

- (i) the length of implementation period;
- (ii) the level of annual reduction;
- (iii) the number and levels for tariff bands;
- (iv) complementary staging methods such as grace period and stand-still;
- (v) SDT for countries with special needs; and
- (vi) reduction modalities for sensitive products if required.

https://unctad.org/system/files/official-document/ditc2015misc3_en.pdf

Defining tariff elimination schedules

In addition, there exist also more systemic questions of:

- (a) whether a uniform modality apply to all tariffs mechanically (or different tariff lines can be negotiated line-by-line without any modalities) ;
- (b) whether a uniform modality is based solely on the level of initial base rates (or whether different modalities apply to the same initial tariff rates), and;
- (c) whether resulting preferential rates apply to all members (if plurilateral).

https://unctad.org/system/files/official-document/ditc2015misc3_en.pdf

Equal annual reduction

- The speed of annual reduction is basically determined by the length of implementation period, as the longer the period, the smaller the annual cuts, and hence slower liberalization

https://unctad.org/system/files/official-document/ditc2015misc3_en.pdf

Equal annual reduction

Table 9: Tariff elimination schedules - Example 1 (applied rate)

X = based rate (applied MFN rate)	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Annual cut (percentage points)	Annual cut (% of base)
5%<X	50	40	30	20	10	0	10	20
	35	28	21	14	7	0	7	20
	20	16	12	8	4	0	4	20
	10	8	6	4	2	0	2	20
X ≤ 5%	5	0	0	0	0	0	n.a.	n.a.

https://unctad.org/system/files/official-document/ditc2015misc3_en.pdf

Different staging arrangements

- One major approach that aims to address import sensitivity of different tariff bands, particularly higher tariffs, would be to set different staging arrangements depending on the initial base rates, so that the higher the tariffs, the longer the implementation period

https://unctad.org/system/files/official-document/ditc2015misc3_en.pdf

Table 10: Tariff elimination schedules - Example 2 (applied rate)

X= base rate	Y0	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Annual cut (percentage points)	Annual cut (% of base)
X ≥ 35%	50	45	40	35	30	25	20	15	10	5	0	5	10
20% ≤ X < 35%	35	30	25	20	15	10	5	0	0	0	0	5	14
10% ≤ X < 20%	20	15	10	5	0	0	0	0	0	0	0	5	25
5% < X < 10%	10	5	0	0	0	0	0	0	0	0	0	5	50
X ≤ 5%	5	0	0	0	0	0	0	0	0	0	0	n.a.	n.a.

https://unctad.org/system/files/official-document/ditc2015misc3_en.pdf

Table 11: Tariff elimination schedules - Example 3 (applied rate)

X= base rate	Y0	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11	Y12	Y13	Y14	Y15	Annual cut (percentage points)	Annual cut (% of base)
X ≥ 35%	50	47	43	40	37	33	30	27	23	20	17	13	10	7	3	0	3	7
20% ≤ X < 35%	35	30	25	20	15	10	5	0	0	0	0	0	0	0	0	0	5	14
10% ≤ X < 20%	20	13	7	0	0	0	0	0	0	0	0	0	0	0	0	0	7	33
5% < X < 10%	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10	100
X ≤ 5%	5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	n.a.	n.a.

https://unctad.org/system/files/official-document/ditc2015misc3_en.pdf

Non-equal annual reduction

- The use of non-equal annual reduction, combined with grace period and stand-still arrangements, will provide a variety of tariff reduction patterns.

Figure 6 (a): Example 5 (Per cent of base rate)

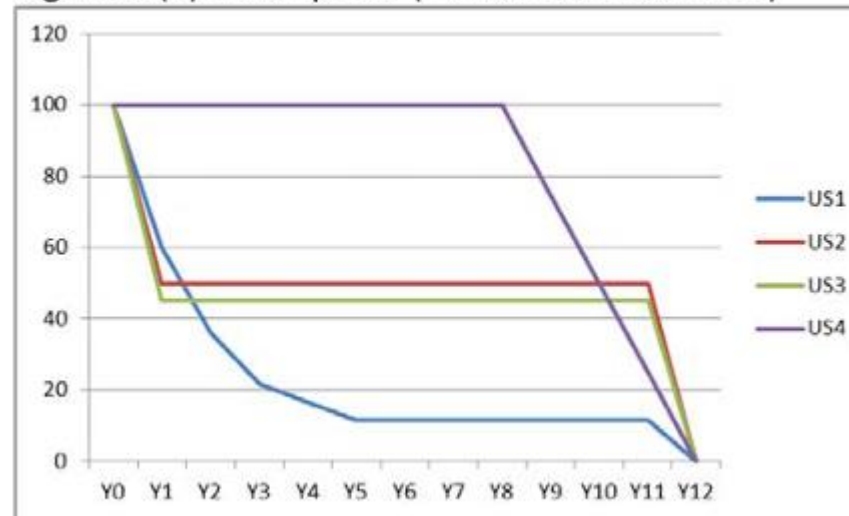
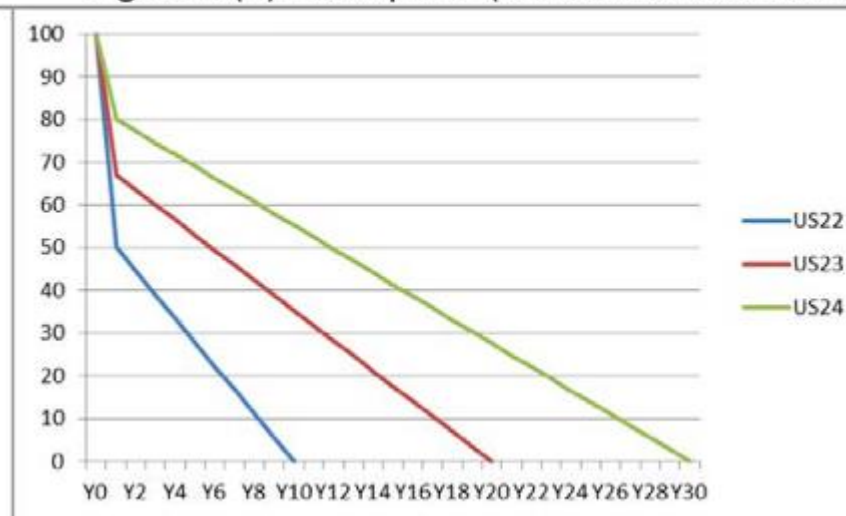


Figure 6 (b): Example 6 (Per cent of base rate)



Trade Agreement Tariff Schedules: example

The screenshot shows a web browser displaying the official text of the Australia-India Economic Cooperation and Trade Agreement (AI-ECTA) Annex 2A (Tariff Schedule of India). The page features a header with the agreement title and a navigation breadcrumb trail. A sidebar on the left contains a table of contents with the current section highlighted. The main content area includes a 'DOWNLOAD PRINT VERSION' section with links to a DOCX file and a PDF file (16 MB). Below this, there are three numbered paragraphs detailing customs duties and rounding rules.

Australia-India Economic Cooperation and Trade Agreement (AI-ECTA)

Australia-India ECTA Annex 2A (Tariff Commitments) Section 2A (Tariff Schedule of India)

DOWNLOAD PRINT VERSION
Annex 2A (Tariff Commitments) Section 2A (Tariff Schedule of India)

- [Notes for Schedule of India \[DOCX\]](#)
- [Schedule of Tariff Commitments of India \[PDF 16 MB\] | \[DOCX 2.6 MB\]](#)

1. Unless otherwise provided in this Section, for the purposes of the elimination or reduction of customs duties in accordance with this Section, in the case of *ad valorem* duties, any fraction less than 0.1 of a percentage point shall be rounded to the nearest one decimal place (in the case of 0.05 per cent, the fraction is rounded to 0.1 per cent), and in the case of specific duties any fraction smaller than 0.01 of one Indian Rupee shall be rounded to the nearest two decimal places (in the case of 0.005, the fraction is rounded to 0.01).

2. The base rate of customs duty (Basic Customs duty + Agriculture Infrastructure and Development Cess) and staging category for an item are indicated in the Schedule of Specific Tariff Commitments of India on Trade in Goods.

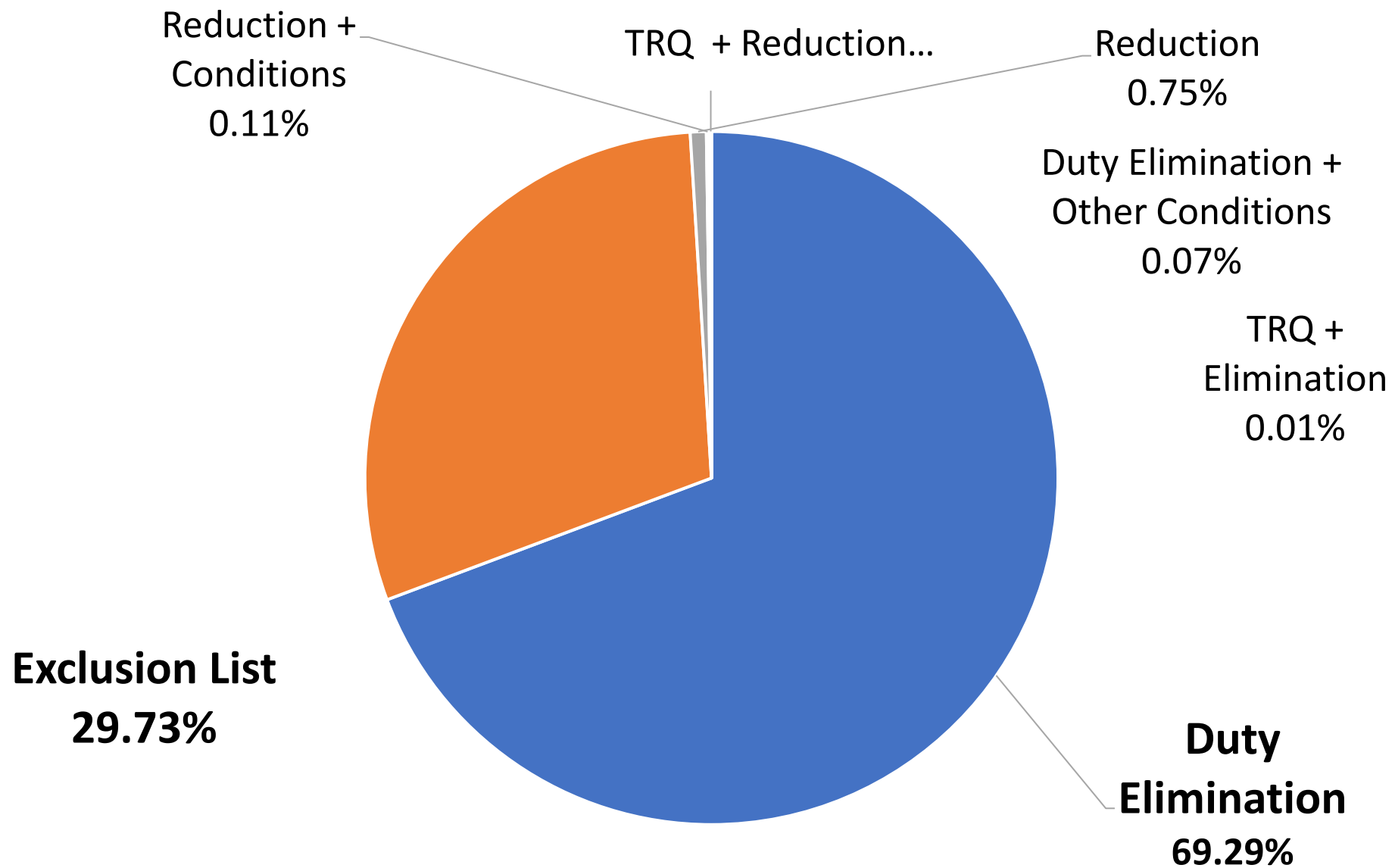
3. Unless otherwise provided in this Section, for the purposes of this Section, the term "year"

<https://www.dfat.gov.au/trade/agreements/negotiations/aifta/australia-india-ecta-official-text/annex-2a-tariff-commitments-section-2a-tariff-schedule-india>

Trade Agreement Tariff Schedules

S. No.	HS Code	Description by Book	Customs Effective Rates	AIDC	Number of years in which duty will be eliminated/reduced.	Duty elimination (E), Reduction (R), TRQ (T), Other condition (C), Exclusion List (EL)	Condition for liberalisation-Duty reduction, other conditions
437	5021010	Pigs' , hogs' or boars' bristles and hair	30		7	E	
438	5021020	Waste of pigs', hogs' or boars' bristles and hair	30		7	E	
	50290	Badger Hair And Othr Brsh Mking Hair And Their Waste					
439	5029010	Badger hair and other brush making hair	30		7	E	
440	5029020	Yak tail hair	30		7	E	
441	5029090	Other	30		7	E	
	504	Guts-Bladders And Stomaches Of Animals (Othr Than Fish),Whole And Pieces Thereof					
	50400	Guts-Bladders And Stomaches Of Animals (Othr Than Frsh),Whole And Pieces Thereof					
442	5040010	Guts of cattle for natural food casings	30		EL	EL	
443	5040020	Guts of sheep and goats for natural food casings	30		7	E	
444	5040031	Of wild animals	30		EL	EL	
445	5040039	Other	30		7	E	
446	5040041	Of wild animals	30		EL	EL	
447	5040049	Other	30		7	E	
448	5040051	Of wild animals	30		EL	EL	
449	5040059	Other	30		7	E	
	505	Clind,Disinfctd Fethrd Skns And Othr Pts,Ofbrds/Fethr Fr					

<https://www.dfat.gov.au/trade/agreements/negotiations/aifta/australia-india-ecta-official-text/annex-2a-tariff-commitments-section-2a-tariff-schedule-india>

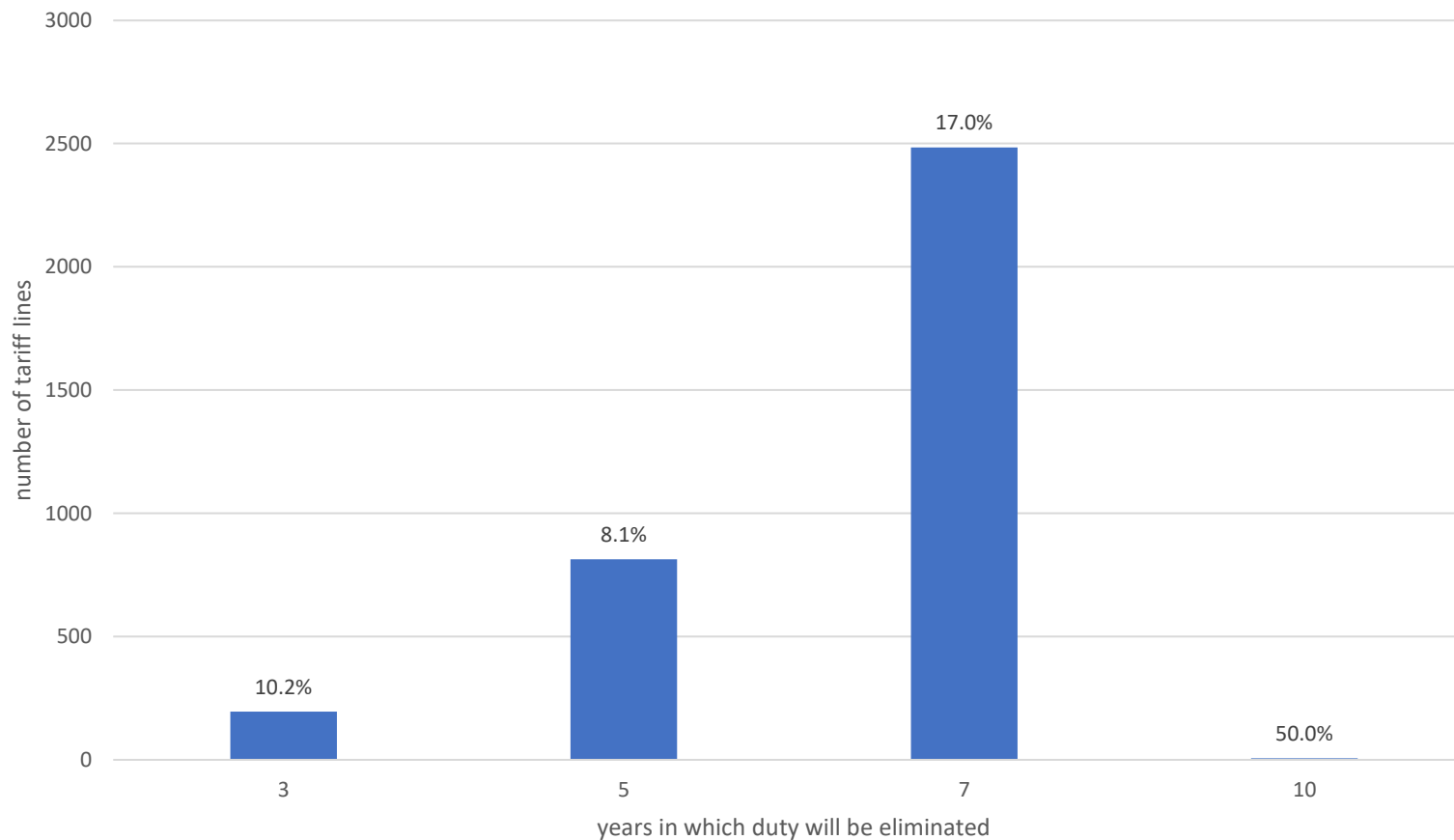


Trade Agreement Tariff Schedules

S. No.	HS Code	Description by Book	Customs Effective Rates	AIDC	Number of years in which duty will be eliminated /reduced.	Duty elimination (E), Reduction (R), TRQ (T), Other condition (C), Exclusion List (EL)	Condition for liberalisation-Duty reduction, other conditions
437	5021010	Pigs' , hogs' or boars' bristles and hair	30		7	E	
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440	5029020	Yak tail hair	30		7	E	
441	5029090	Other	30		7	E	
	504	Guts-Bladders And Stomaches Of Animals (Othr Than Fish),Whole And Pieces Thereof					
	50400	Guts-Bladders And Stomaches Of Animals (Othr Than Frsh),Whole And Pieces Thereof					
442	5040010	Guts of cattle for natural food casings	30		EL	EL	
443	5040020	Guts of sheep and goats for natural food casings	30		7	E	
444	5040031	Of wild animals	30		EL	EL	
445	5040039	Other	30		7	E	
446	5040041	Of wild animals	30		EL	EL	
447	5040049	Other	30		7	E	
448	5040051	Of wild animals	30		EL	EL	
449	5040059	Other	30		7	E	
	505	Clind,Disinfctd Fethrd Skns And Othr Pts Ofbrds/Fethr Fr					

<https://www.dfat.gov.au/trade/agreements/negotiations/aifta/australia-india-cta-official-text/annex-2a-tariff-commitments-section-2a-tariff-schedule-india>

Duty Elimination: how long



TRQ: examples

S. No.	HS Code	Description by Book	Customs Effective Rates	AIDC	Number of years in which duty will be eliminated /reduced.	Duty elimination (E), Reduction (R), TRQ (T), Other condition (C), Exclusion List (EL)	Condition for liberalisation-Duty reduction, other conditions
611	7133910	guar seeds	0		7	E	
612	7133990	other	0		7	E	
	71340	Lentils (Mosur),Dried And Shld					
613	7134000	lentils	10	20	TRQ	T+R	Annual TRQ of 1.5 Lakh Tonnes at 50% of MFN duty on the day of imports
	71350	Broad Beans And Horse Beans Dried					

TRQ: examples

	802	Other Nuts, Fresh Or Dried, Whether Or Not Shelled Or Peeled				
	80211	Almonds Frsh Or Dried in Shell				
638	8021100	in shell	Rs 35 per kg	TRQ	T+R	A combined annual TRQ of 34000 Tonnes for the two tariff lines (HS 8021100 and 8021200) at 50% of MFN duty on the day of imports
	80212	Shelled Almonds Frsh Or Dried				
639	8021200	Shelled	Rs 100 per kg	TRQ	T+R	A combined annual TRQ of 34000 Tonnes for the two tariff lines (HS 8021100 and 8021200) at 50% of MFN duty on the day of imports

US-Chile Agreement and safeguards

- 1. A Party may impose a safeguard measure described in paragraph 2, during the transition period only, if as a result of the reduction or elimination of a duty pursuant to this Agreement, ¹ a good originating in the territory of the other Party is being imported into the Party's territory in such increased quantities, in absolute terms or relative to domestic production, and under such conditions as to constitute a substantial cause of serious injury, or threat thereof, to a domestic industry producing a like or directly competitive good.
- 1. A Party may apply a safeguard measure, including any extension thereof, for no longer than three years. Regardless of its duration, such measure shall terminate at the end of the transition period.
- 2. In order to facilitate adjustment in a situation where the expected duration of a safeguard measure is over one year, the Party applying the measure shall progressively liberalize it at regular intervals during the period of application.
- 5. On the termination of a safeguard measure, the rate of duty shall be no higher than the rate that, according to the Party's Schedule to Annex 3.3 (Tariff Elimination), would have been in effect one year after the imposition of the measure. Beginning on January 1 of the year following the termination of the action, the Party that has applied the measure shall:
 - 1. A Party shall impose a safeguard measure only following an investigation by the Party's competent authorities in accordance with Articles 3 and 4.2(c) of the Safeguards Agreement; and to this end, Articles 3 and 4.2(c) of the Safeguards Agreement are incorporated into and made a part of this Agreement, *mutatis mutandis*.
 - 1. Each Party retains its rights and obligations under the WTO Agreement with regard to the application of antidumping and countervailing duties.

More safeguards

- WASHINGTON (Reuters) - The Trump administration will seek changes to the North American Free Trade Agreement (NAFTA) allowing it to reimpose tariffs if a flood of imports from Canada and Mexico causes “a threat of serious injury” to U.S. industry, according a draft document sent to Congress.
- The administration also will seek to eliminate a requirement in the 23-year-old trade deal that anti-dumping and anti-subsidy disputes be settled via a special dispute panel. Some U.S. industries, including lumber, have complained that the mechanism is ineffective in stopping unfair subsidies.
- <https://www.reuters.com/article/usa-trump-nafta-idUSL2N1H7219>

More safeguards

- The EU's most sensitive sector in the negotiations was without doubt passenger cars. The final result of the negotiations led to a phasing out of the 10% tariff on cars over 7 years. This is longer than in the agreement with Korea which has a transition period of 3 to 5 years. In exchange Japan eliminated a large number of non-tariff measures on cars and signed up to all UNECE regulations. As a result there will be considerable cost savings for European cars exported to Japan. **In the event that Japan reintroduced barriers or failed to sign up to future guidelines the EU** could re-introduce the tariffs (so-called "snap-back").

https://trade.ec.europa.eu/doclib/docs/2018/july/tradoc_157115.pdf

- Pork Japan applies a very complex import scheme, including a gate price of 524 yen/kg (= 4.15 Euro) and safeguards. Japan will maintain this scheme but will reduce the specific duty considerably. The specific duty for low value cuts will be reduced from 482 yen/kg (3.82 Euro) to 50 yen/kg (= 0.40 Euro) within 10 years. In addition, the 4.3% ad valorem duty for high value cuts will be phased out over 10 years. The sensitive Japanese pig meat sector will be safeguarded during the liberalisation phase. The trigger volume for the so-called second safeguard for low value cuts is 63,000 tons (82% of current exports below the gate price). However, in case the safeguard level is reached, the increase in the duty is small (the “snap-back duty”) and the safeguard will disappear after 10 years.

https://trade.ec.europa.eu/doclib/docs/2018/july/tradoc_157115.pdf

- Beef Japan opens up a new opportunity for the European beef sector including bovine offal by reducing tariffs from 38.9% to 9% over 15 years. The tariff reduction will be accompanied by a volume-based safeguard with a snapback duty triggered in the case of non-compliance. The safeguard trigger volume is growing from 43,500 tons at entry into force up to 50,500 tons over 10 years. This volume reflects the increasing share of worldwide EU beef exports in recent years. The safeguard will expire if it is not triggered over 4 consecutive years after year 15. EU interest in beef exports to Japan is high, and exports are resuming gradually after the long-lasting BSE ban which was only lifted in 2013 before the start of negotiations. Many Member States have announced export interest and 10 Member States are eligible for export. The authorization procedure is in the pipeline for another 8 Member States.

**CHAPTER 9
TRADE REMEDY MEASURES**

**Article 86
Safeguard Measures**

Each Member State which is a WTO member retains its rights and obligations under Article XIX of GATT 1994, and the *Agreement on Safeguards* or Article 5 of the *Agreement on Agriculture*.

**Article 87
Anti-dumping and Countervailing Duties**

1. Member States affirm their rights and obligations with respect to each other relating to the application of anti-dumping under Article VI of GATT 1994 and the *Agreement on Implementation of Article VI of General Agreement on Tariffs and Trade 1994* as contained in Annex 1A to the WTO Agreement.

2. Member States affirm their rights and obligations with respect to each other relating to subsidies and countervailing measures under Article XVI of GATT 1994 and the *Agreement on Subsidies and Countervailing Measures* as contained in Annex 1A to the WTO Agreement.

**CHAPTER 10
INSTITUTIONAL PROVISIONS**

**Article 88
Advisory and Consultative Mechanism**

The ASEAN Consultations to Solve Trade and Investment Issues (ACT) and the ASEAN Compliance Monitoring Body (ACB) as contained in the *Declaration on ASEAN Concord II (Bali Concord II)* may be invoked to settle disputes that may arise from this Agreement. Any Member State who does not wish to avail of the

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<https://asean.org/asean2020/wp-content/uploads/2020/12/ASEAN-Trade-in-Goods-Agreement.pdf>

THANK YOU