

Negotiating Group on Market Access**NAMA NEGOTIATING GROUP
Meeting of 20-24 March 2006**Report by the Chairman on his consultations
(24 March 2006)**1. Formula, Flexibilities and Unbound tariffs**

1. Having discussed the three interlinked issues of the formula, the treatment of unbound tariffs and paragraph 8 flexibilities in turn, yesterday I invited Members to address the three issues together, in an integrated discussion. I underlined the urgent need to begin the process of building convergence on the numbers ... to begin to “find each other” somewhere between our well-rehearsed positions.

2. One Member made the point that, for them, paragraph 8 flexibilities were a stand-alone provision and not linked to the formula and unbound tariffs and the importance of less than full reciprocity. Another Member responded that, linked or not at the level of principle, for practical reasons the decision on paragraph 8 could only be made at the same time as the formula and the treatment of unbound.

3. A couple of Members indicated that it would be difficult to go further than what had already been achieved this week and that, in particular, convergence on the numbers was not possible at this stage. One indicated that the inter-linkages between the numbers and the architecture both within the NAMA and between the NAMA and Agriculture negotiations made this situation unavoidable. This Member suggested that the best we could do, at this point, was to continue to discuss and to deepen our understanding of each other’s positions.

4. For this reason, Members were more comfortable addressing my second question, which was how we could move forward and intensify the process.

5. A suggestion was made by one Member that additional simulations, modelled on those undertaken by the group of ten Members, should be undertaken by other Members, to increase the information available to Members and help them assess the choices before them. This Member indicated his delegation’s willingness to ask the Secretariat to do, this provided that some trading partners were willing to join them.

6. This suggestion was supported by others, who felt that extending the simulation base would help delegations to deepen their understanding of issues and would also represent more accurately the diversity in the tariff profiles of Members. One Member noted that all delegations will have to prepare their schedules for submission within a few months and that participating in this exercise would give them a head start in this work. Members who had participated in the simulation exercise underlined the technical challenges that they had faced in preparing the data, in the required format, reinforcing the message about the practical benefits of participating in simulations now.

7. It was agreed that the Chair would consult with the Secretariat on the possibility of running simulations for others and whether there were any technical issues which needed to be addressed.

8. Following this exchange, I was asked to indicate how I intended to organize the work in the weeks ahead - before the next NAMA week – and how the work on additional simulations might fit into this work program.

9. In this connection I referred to the remarks I made on Monday regarding the consultations I had undertaken between NAMA Weeks (JOB(06)/62), in which I had specified how I intended to pursue consultations on each of those issues. As to the precise timing of the consultations, I indicated that I would provide further details to all Members by fax.

10. During these discussions, one Member noted that I had proposed a multilateral review of AVE submissions at the April NAMA Week and that, if concerns were not raised on the submission, the matter of the AVEs should be considered closed. This Member noted that the legal right to challenge AVEs could only be closed at the time of the verification of schedules, which should normally take place in the Fall. This was agreed by other Members, who nevertheless agreed that a multilateral review of AVE submissions would be a useful exercise to undertake during the next NAMA week.

2. NTBs

11. This was a short meeting, in which we took up a couple of issues

12. The first was where we stood on vertical and horizontal proposals which were to arrive before 30 April. Also at the same time, reports were requested from those Members who had informed us at the last NAMA week on specific work they were undertaking on NTBs.

13. Japan explained that they intended to submit their proposal on enhanced transparency on export restriction measures by end April.

14. South Africa explained that on the NAMA-11's "TBT experiment", three meetings of the NAMA-11 Group and other interested Members had been held. One of these meetings was with TBT officials, with the Chair of the TBT Committee also in attendance. Now with all the information in hand the NAMA-11 were working internally and trying to develop an approach specific to TBT. In South Africa's view, one conclusion which had emerged from the discussions was that the horizontal approach was the way forward to deal with NTBs.

15. The EC indicated that they would be making a proposal with as many Members as possible by the next NAMA week concerning a mechanism to address NTBs progressively, i.e. a mechanism which will facilitate the resolution of such NTBs in the future. They also indicated that another challenge was to find a system which would pre-empt such NTBs.

16. India indicated that it had circulated the questionnaire it had used to conduct its survey of NTBs among the private sector. In this connection, one delegation wondered whether this questionnaire might not serve as a basis for drawing up a standard questionnaire which may be used potentially by other developing Members. I indicated that I would look into this with the Secretariat.

17. The next question I had was on the transparency aspect of the request/offer process. Should the bilateral request/offers be shown to all Members or should the process be conducted in a confidential bilateral manner. On this subject no comments were made.

18. My next question was about the format of such bilateral requests/offers which the Secretariat had prepared and distributed. I understand it is available at the back of the room. One small change was requested by one Member, namely in Annex I, to include under column 6 on "Observations" the reference to document TN/MA/W/25 which contains, you will recall, the first set of notifications. While one Member questioned the use of such references, the view was expressed that it would be useful background information. In the draft (attached) circulated in this room, the reference to document TN/MA/W/25 has been included.

19. On the format, some uncertainty was expressed by one Member about the need to mention the Member maintaining the NTB. This I believe is a concern which may be more relevant in the event it is agreed that the process should be transparent.

20. Apart from these comments, no other remarks were made on the format.

21. My last point was on the concern expressed by the LDCs on the deadline for the submission of NTB proposals. Members were sympathetic to the idea of waiving this deadline for LDCs, in view of the capacity constraints of these Members. However, one Member did point out that the danger of submitting NTB requests later rather than sooner was that such requests became more difficult to address. The view was also expressed that all Members may need some flexibility in respect of the time-frame.

22. So, that was the result of my NTB consultation.
