<u>NAMA 11 Ministerial Communiqué</u>
<u>29 June 2006, Geneva</u>

Ministers of the NAMA 11 group of developing countries[1] met in Geneva on 29 June 2006, to assess the progress of negotiations and to contribute to the objective of achieving a fair, balanced and development oriented set of NAMA modalities predicated on the following mandated principles:

- placing development concerns at the heart of the negotiations;
- ensuring "less than full reciprocity in reduction commitments" for developing countries;
- comparable level of ambition with agricultural market access; and
- appropriate flexibilities to manage adjustment costs and address development needs.

Ministers *call* attention to the comprehensive set of proposals submitted by NAMA 11 on all elements of the modalities, including those of concern to other developing countries. Our endeavour will be to address all these concerns for a fair and balanced outcome.

Ministers *recall* the unprecedented agreement for all Members to undertake tariff cuts in NAMA using a Swiss formula with coefficients. Whatever the coefficients agreed, this formula will entail deep line-by-line cuts, particularly on the higher tariffs. This represents a significant contribution by developing countries.

Ministers *noting* that the objective of an ambitious outcome can be achieved only through tariff reductions greater than those in previous Rounds, express concern that developed countries are offering a reduction of only 20% to 30%. In sharp contrast, in this development Round, developing country Members are being asked to undertake tariff reductions of 60% to 70%. This inverts the mandate of "less than full reciprocity in reduction commitments" by developing countries.

Ministers *recall* that some proposals have sought to ensure "less than full reciprocity in reduction commitments" through an appropriate spread between the coefficients. A Swiss formula with two coefficients, based on reductions from bound rates, may also deliver on this mandate, provided that there is a difference of at least 25 points between the coefficients for developed and developing countries. This is imperative to take into account their respective levels of industrialization and competitiveness; social and economic situations; and their capacity to bear the costs of adjustment.

Ministers *note* the substantial autonomous tariff liberalisation by developing countries since the Uruguay Round resulting in dramatic increases in imports; whereas developed countries continue to retain tariff peaks, high tariffs and tariff escalation, particularly on the products of export interest of developing countries. This imbalance has to be rectified.

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[1] Argentina, Bolivarian Republic of Venezuela, Brazil, Egypt, India, Indonesia, Namibia, Philippines, South Africa and Tunisia

Ministers *stress* that the numbers in brackets in paragraph 8 are the bare minimum and as such a higher number of tariff lines and larger trade coverage would be required by developing countries to address specific situations. We reiterate that a fair mark-up on unbound tariffs is needed to address the sensitivity attached to both low and high unbound tariff lines.

Ministers *underscore* that an ambitious result in NAMA is possible, but not at the expense of the development dimension of the Round. Developing countries cannot be expected to pay for the Round whilst developed countries make minimal reductions to their own industrial tariffs and continue to retain their subsidies and allow only limited market access in Agriculture.
