World Trade Organization
Least Developed Countries Group

Review of legislation currently notified to the WTO Secretariat
(Paragraph 1.9 of the Decision)

8 October 2015
Recalling Paragraph 1.9 of the Decision

• Preferential rules of origin for LDCs shall be notified as per the established procedures.

• The objectives of notification are to enhance transparency, make the rules better understood, and promote an exchange of experiences as well as mainstreaming of best practices.

• Note: These notifications are made pursuant to the Transparency Mechanism for Preferential Trade Arrangements (PTAs). It is also noted that the Agreement on Rules of Origin stipulates that Members provide their preferential rules of origin to the Secretariat.
Utilization rates (UR)

- Customs based: the ratio among goods eligible for FTA treatment with those that have effectively received it

\[
UR = \frac{\text{Imports receiving preferential treatment}}{\text{Imports covered by the preferential agreement}} \times 100
\]

- One difficulty:
  - Utilization rates by customs are not publically available for the majority of countries
## Utilization rates: an example

<table>
<thead>
<tr>
<th>Year</th>
<th>Product Code (NL)</th>
<th>Product Description</th>
<th>Year</th>
<th>Product Code (NL)</th>
<th>Product Description</th>
<th>MFN Appl. (%)</th>
<th>GSP (%)</th>
<th>LDC (%)</th>
<th>Total</th>
<th>Dutiable</th>
<th>Covered</th>
<th>MFN-Received</th>
<th>Receiving Pref.</th>
<th>UR</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>6</td>
<td>ALL PRODUCTS:</td>
<td>2013</td>
<td>61091000</td>
<td>T-shirts</td>
<td>12.0</td>
<td>9.6</td>
<td>0.0</td>
<td>2'824</td>
<td>2'824</td>
<td>2'820</td>
<td>96</td>
<td>2'724</td>
<td>97</td>
</tr>
<tr>
<td>2013</td>
<td>27101241</td>
<td>Motor spirit</td>
<td>2013</td>
<td>87120030</td>
<td>Bicycles</td>
<td>14.0</td>
<td>10.5</td>
<td>0.0</td>
<td>385</td>
<td>385</td>
<td>385</td>
<td>53</td>
<td>331</td>
<td>86</td>
</tr>
<tr>
<td>2013</td>
<td>62034290</td>
<td>Men's or boys' shirts</td>
<td>2013</td>
<td>27111294</td>
<td>Liquid propane</td>
<td>0.7</td>
<td>0.0</td>
<td>0.0</td>
<td>162</td>
<td>162</td>
<td>162</td>
<td>41</td>
<td>120</td>
<td>74</td>
</tr>
<tr>
<td>2013</td>
<td>24012035</td>
<td>Light air-cured tobacco</td>
<td>2013</td>
<td>62052000</td>
<td>Men's or boys' shirts</td>
<td>12.0</td>
<td>9.6</td>
<td>0.0</td>
<td>737</td>
<td>737</td>
<td>735</td>
<td>36</td>
<td>699</td>
<td>95</td>
</tr>
<tr>
<td>2013</td>
<td>61099020</td>
<td>T-shirts, singlets and other vests of wool</td>
<td>2013</td>
<td>62121090</td>
<td>Brassieres</td>
<td>6.5</td>
<td>5.2</td>
<td>0.0</td>
<td>132</td>
<td>132</td>
<td>132</td>
<td>29</td>
<td>103</td>
<td>78</td>
</tr>
<tr>
<td>2013</td>
<td>62034235</td>
<td>Men's or boys' trousers and breeches</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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</tbody>
</table>
Conclusion

• The LDCs recommend that preference-giving countries notify utilization rates according to the suggested format to UNCTAD and WTO.

• Utilization rates may provide indications on the stringency of rules of origin and are a valuable tool to monitor the effectiveness of trade preferences.
Thank you for your attention

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