

**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

$$UR = \frac{\textit{Imports receiving preferential treatment}}{\textit{Imports covered by the preferential agreement}} * 100$$

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

Utilization rates: an example

Year	Product Code (NL)	Product Description	Tariff Rates			Values of Imports from Partner Countries (in \$ 000 000)					
			MFN Appl. (%)	GSP (%)	LDC (%)	Total	Dut-iable	Covered	MFN-Received	Recei-ving Pref.	UR
4	6	7	8	9	10	11	12	13	14	15	15
2013		ALL PRODUCTS:	.	.	.	47'715	22'813	22'583	1'183	21'400	95%
2013	61091000	T-shirts	12.0	9.6	0.0	2'824	2'824	2'820	96	2'724	97%
2013	27101241	Motor spirit	4.7	0.0	0.0	63	63	63	63	0	0%
2013	87120030	Bicycles	14.0	10.5	0.0	385	385	385	53	331	86%
2013	62034290	Men's or boys' shorts	12.0	9.6	0.0	291	291	290	43	247	85%
2013	27111294	Liquid propane	0.7	0.0	0.0	162	162	162	41	120	74%
2013	24012035	Light air-cured tobacco	.	.	0.0	333	333	296	41	255	86%
2013	62052000	Men's or boys' shirts	12.0	9.6	0.0	737	737	735	36	699	95%
2013	61099020	T-shirts, singlets and other vests of wool	12.0	9.6	0.0	253	253	252	34	218	87%
2013	62121090	Brassieres	6.5	5.2	0.0	132	132	132	29	103	78%
2013	62034235	Men's or boys' trousers and breeches	12.0	9.6	0.0	923	923	920	23	897	98%

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

Supriya Kumar Kundu

E-mail: economicministergeneva@gmail.com

Representative of Bangladesh at the WTO LDC Group