

**Expert Group meeting for Least Developed Countries
on the preparation for the
World Trade Organization Ministerial Conference,
Bali, Indonesia**

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Duty-Free, Quota-Free for the Least Developed

by

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Feature Article

Duty-Free, Quota-Free for the Least Developed

One of the key issues for the upcoming Bali ministerial conference of the World Trade Organization (WTO) is a set of reforms intended to aid the least developed countries, generally known as the "LDC package," including the achievement of the long-sought goal of duty-free, quota-free (DFQF) treatment for all imports from all LDCs. This is an objective that predates even the Doha Round of multilateral trade negotiations, having been enshrined as one of the [Millennium Development Goals](#) that the United Nations adopted in 2000 before it also became a part of the [Doha Ministerial Declaration](#) (see [paragraph 42](#)) the next year.

The DFQF pledge has thus far been left to the preference-granting countries to implement, and several of them have undertaken wide-ranging programs on an autonomous basis. The United States has taken only partial steps towards this end, offering something approximating DFQF access for most but by no means all imports from the LDCs. While the United States has several programs in place that offer preferential access to its market for imports from Haiti and many African LDCs, they do not ensure that all imports from those countries enjoy fully free access. The LDCs are, as a group, subject to higher average tariffs than other US trading partners.

US trade policy is not geared to the granting of preferences to LDCs *per se*. While there are some provisions in US law that offer special recognition to this subset of developing countries, US policymakers tend to place more emphasis on a country's geographic location than on its income level when designing preferential trade programs. Unlike the European Union, where ties to most of the LDCs are strengthened by past colonial relations, there are only two LDCs with which the United States has special relationships. One of these is based on proximity and a diaspora community (i.e., Haiti), and the other on the country's unique historical origins (i.e., Liberia).

The LDCs to which the United States extends the closest approximation of DFQF treatment are all in either the Americas (Haiti) or in sub-Saharan Africa. Those LDCs that are located in Asia and the Pacific are granted only limited preferences, and most notably are not given DFQF treatment for their apparel exports. This restriction is especially consequential for Bangladesh and Cambodia.

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Figure 1: Dutiability of US Imports from LDCs, 2000-2012

Percentages

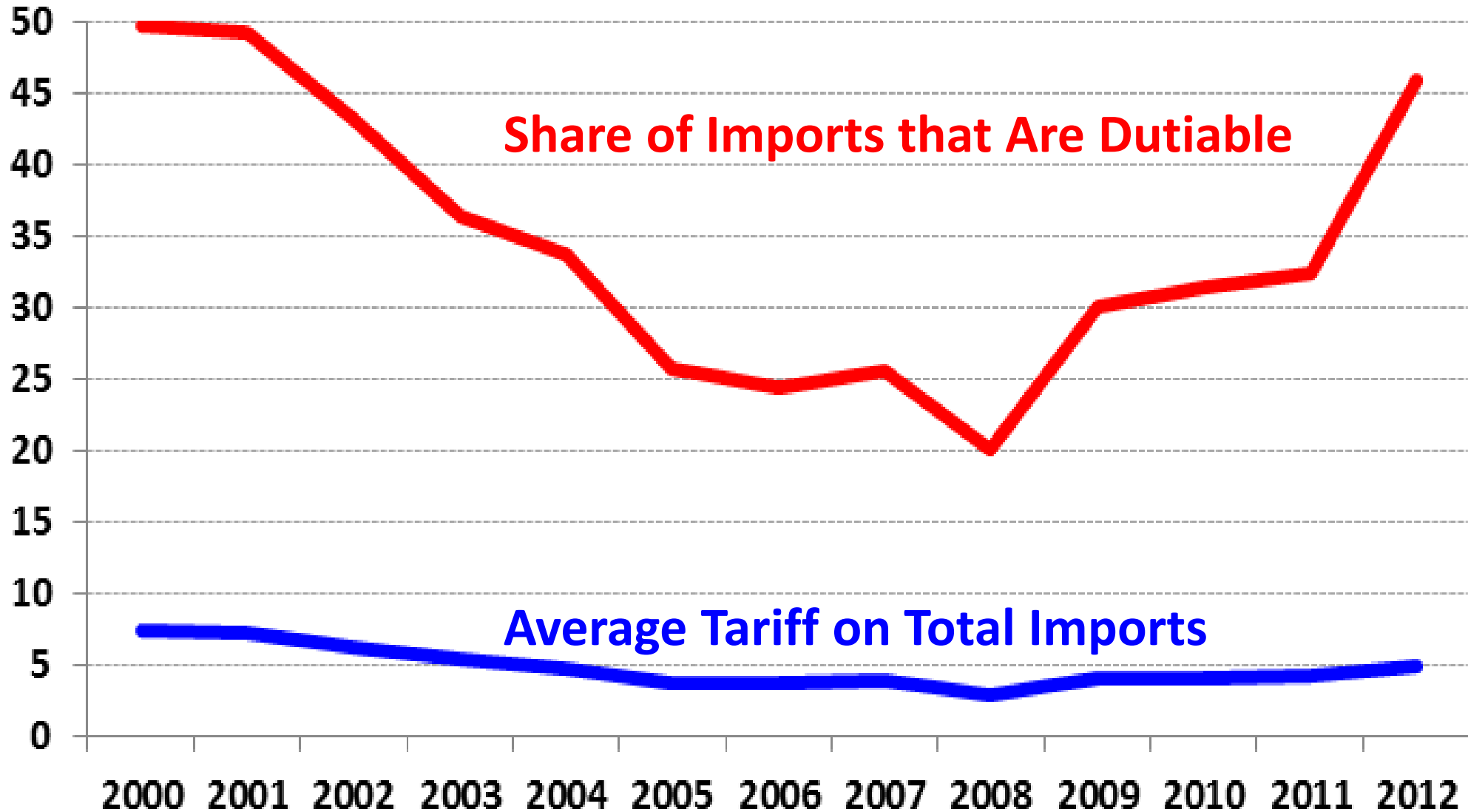


Figure 2: Composition of US Imports from LDCs, 2000-2012

Imports for Consumption, Customs Value, in Billions of Dollars

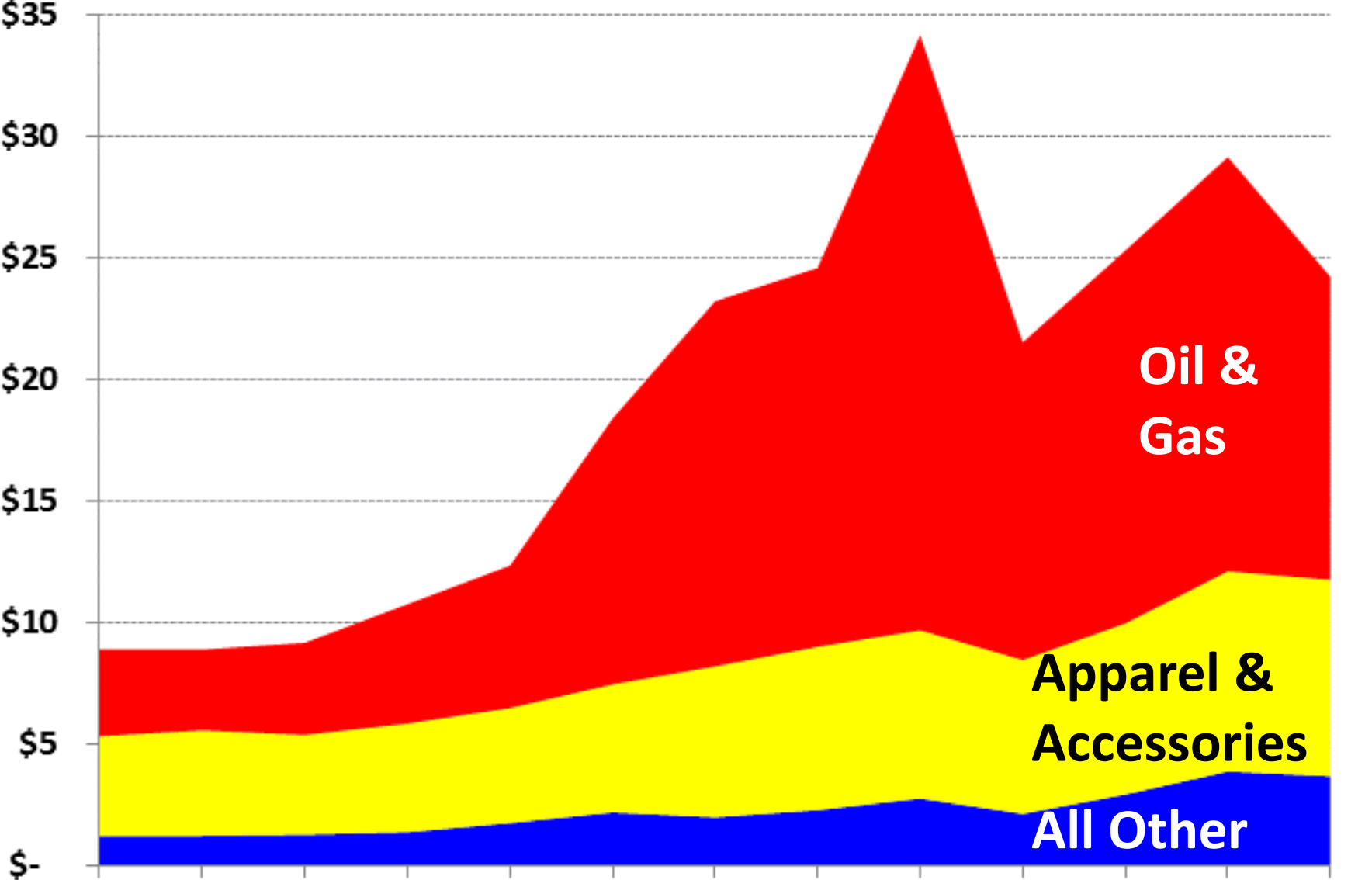


Figure 3: Tariff Treatment of US Imports from LDCs, 2000-2012

Imports for Consumption, Customs Value, in Billions of Dollars

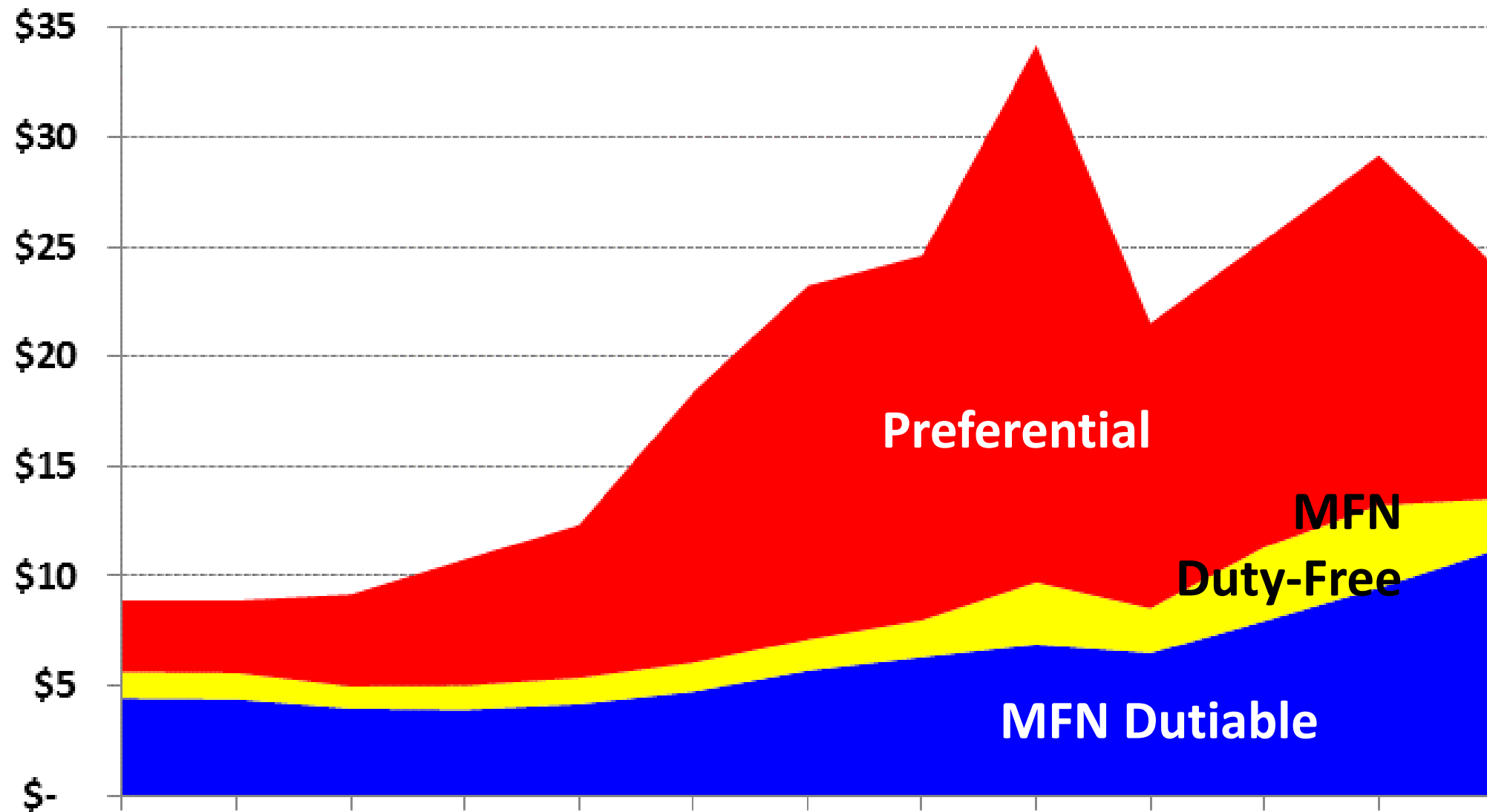


Figure 4: Origin of US Imports from LDCs, 2000-2012

Imports for Consumption, Customs Value, in Billions of Dollars

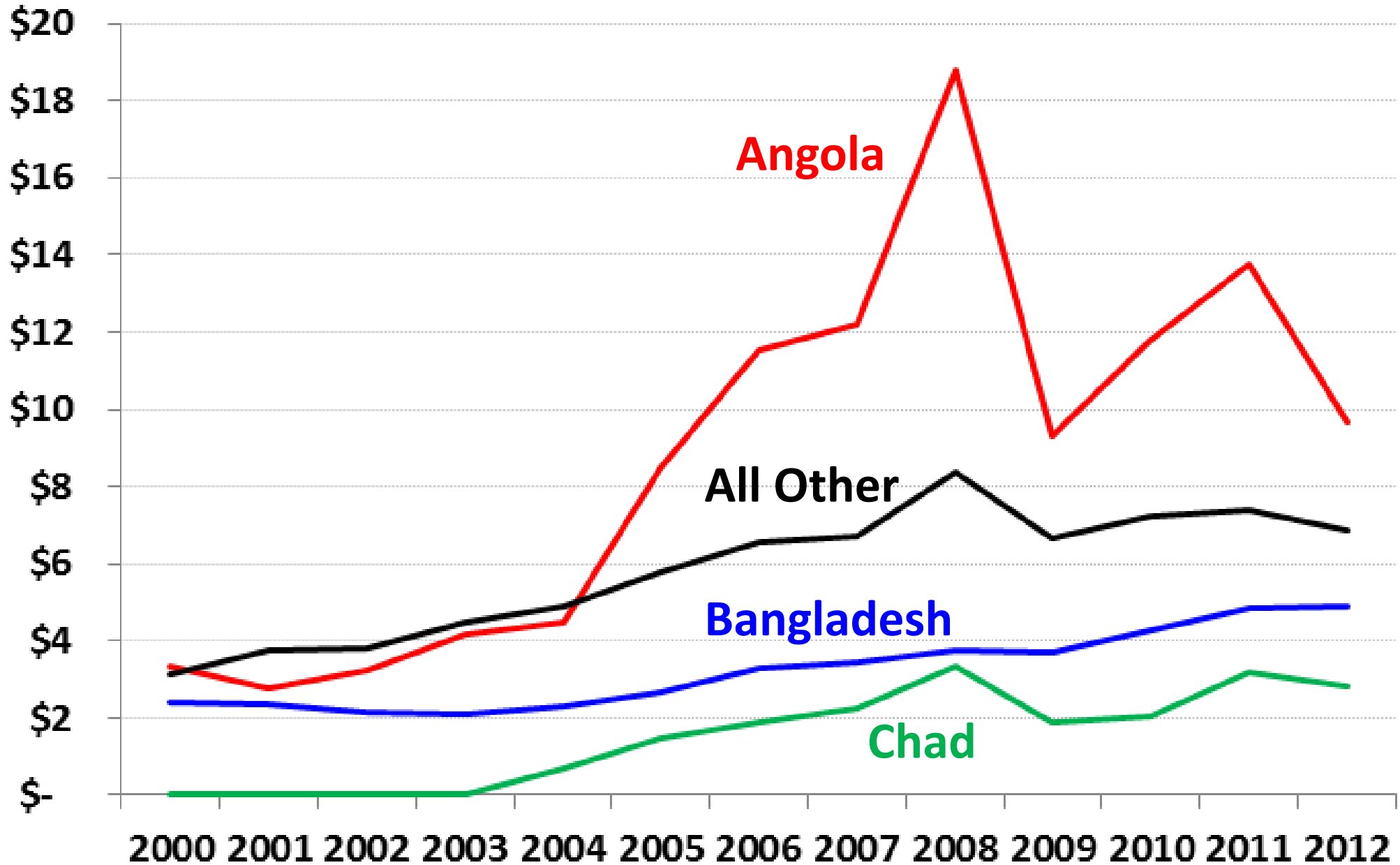


Table 2: US Imports from LDCs Designated for Full Preferences under AGOA or HOPE, 2012

	Total Imports (\$Millions)	% Preferential	Tariffs Paid (\$Thousands)	Average Tariff	Share Oil and Gas	Share Apparel
Benin	\$2.7	1.83	\$4	0.15	0.00	0.00
Burkina Faso	\$2.3	3.08	\$2	0.09	0.00	0.13
Cape Verde	\$1.3	9.75	\$10	0.76	0.00	1.45
Chad	\$2,376.7	83.90	\$202	0.01	84.10	0.00
Ethiopia	\$183.0	11.97	\$94	0.05	0.00	6.16
The Gambia	\$0.3	6.30	\$5	1.43	0.00	2.01
Haiti	\$774.0	56.50	\$456	0.06	0.00	94.32
Lesotho	\$310.6	96.79	\$74	0.02	0.00	96.90
Liberia	\$144.1	0.05	\$9	0.01	0.00	0.00
Malawi	\$62.0	85.70	\$23	0.04	0.00	9.23
Mozambique	\$38.5	0.17	\$410	1.06	0.00	0.00
Niger	\$81.7	0.15	\$34	0.04	0.00	0.00
Rwanda	\$33.3	1.13	\$8	0.02	0.00	0.03
Senegal	\$16.8	36.46	\$12	0.07	0.00	0.14
Sierra Leone	\$17.9	0.84	\$104	0.58	0.00	0.65
Tanzania	\$115.6	10.25	\$56	0.05	0.00	6.53
Uganda	\$34.5	5.33	\$36	0.10	0.00	0.45
Zambia	\$63.0	0.37	\$3	0.00	0.00	0.01
Total	\$4,258.3	66.41	\$1,542	0.04	46.90	24.80

Table 3: US Imports from LDCs Designated for Partial AGOA Preferences, 2012

	Total Imports (\$Millions)	% Preferential	Tariffs Paid (\$Thousands)	Average Tariff	Share Oil and Gas	Share Apparel
Angola	\$9,647.0	75.59	\$1,706	0.02	92.78	0.00
Burundi	\$4.8	0.37	\$0	0.00	0.00	0.02
Comoros	\$2.0	0.00	\$1	0.05	0.00	0.36
Djibouti	\$11.9	0.00	\$2	0.02	0.00	0.01
Guinea	\$103.1	0.09	\$7	0.01	0.00	0.02
Guinea-Bissau	\$0.1	0.00	\$0	0.00	0.00	0.00
Mauritania	\$0.7	3.47	\$3	0.43	0.00	0.43
Sao Tome & Prin.	\$0.6	5.24	\$4	0.72	0.00	0.00
South Sudan	\$0.0	0.00	\$0	0.00	0.00	0.00
Togo	\$51.9	85.77	\$13	0.03	0.00	0.02
Total	\$9,822.1	74.70	\$1,736	0.02	91.10	0.00

Table 4: US Imports from LDCs Limited to GSP-LDBC Preferences, 2012

	Total Imports (\$Millions)	% Preferential	Tariffs Paid (\$Thousands)	Average Tariff	Share Oil and Gas	Share Apparel
Afghanistan	\$33.2	0.37	\$29	0.09	0.00	0.09
Bangladesh*	\$4,878.4	0.71	\$731,823	15.00	0.00	90.96
Bhutan	\$0.6	15.69	\$7	1.14	0.00	0.00
Cambodia	\$2,675.3	1.30	\$451,832	16.89	0.00	94.21
Central African Rep.	\$4.1	0.00	\$0	0.00	0.00	0.00
Congo (DROC)	\$132.8	70.55	\$8	0.01	69.13	0.00
Kiribati	\$0.6	2.52	\$3	0.50	0.00	3.52
Madagascar	\$109.6	1.81	\$7,855	7.17	0.00	39.35
Mali	\$3.6	3.46	\$18	0.49	0.00	1.37
Nepal	\$83.3	5.42	\$2,485	2.98	0.00	20.44
Samoa	\$2.4	42.07	\$14	0.59	0.00	0.38
Solomon Islands	\$1.6	56.17	\$1	0.06	0.00	0.00
Timor-Leste	\$0.1	0.00	\$0	0.00	0.00	0.00
Tuvalu	\$0.0	0.00	\$1	2.50	0.00	0.00
Vanuatu	\$2.6	8.32	\$2	0.08	0.00	0.00
Yemen	\$87.1	0.07	\$2	0.00	96.89	0.01
Total	\$8,015.3	2.15	\$1,194,080	14.90	2.20	87.56

Table 5: US Imports from LDCs Limited to Ordinary GSP Preferences, 2012

	Total Imports (\$Millions)	% Preferential	Tariffs Paid (\$Thousands)	Average Tariff	Share Oil and Gas	Share Apparel
Eritrea	\$0.2	14.00	\$1	0.50	0.00	0.00
Maldives	\$17.6	0.04	\$0	0.00	0.00	0.00
Somalia	\$7.4	0.00	\$0	0.00	0.00	0.00
Total	\$25.2	14.04	\$1	0.00	0.00	0.00

Table 6: US Imports from LDCs Receiving No Preferences, 2012

	Total Imports (\$Millions)	% Preferential	Tariffs Paid (\$Thousands)	Average Tariff	Share Oil and Gas	Share Apparel
Equatorial Guinea	\$1,647.0	0.00	\$6,503	0.39	0.00	0.00
Laos	\$25.4	0.00	\$2,510	9.88	0.00	46.03
Myanmar	\$0.0	0.00	\$0	0.00	0.00	0.00
Sudan	\$6.5	0.00	\$0	0.00	0.00	0.00
Total	\$1,678.9	0.00	\$9,013	0.54	0.00	0.70