



# european community

# NEWS

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## EC TABLES DETAILED MARKET ACCESS OFFER IN GENEVA

The European Community this week submitted to the Geneva-based GATT (General Agreement on Tariffs and Trade) a new market access package for industrial products.

According to an analysis made public in Brussels today, the latest EC offer is the most concrete and ambitious interpretation yet of the Tokyo "Quad" Conclusions, agreed July 6 at the Quadrilateral meeting between the Community, the United States, Canada and Japan on the eve of the Tokyo Summit.

The EC has presented its offer in detailed "schedule form" in Geneva - the only Quad member to do so at this time.

The tariff reductions are, of course, wholly conditional on equally bold offers coming from the EC's GATT partners. The Community intends to show that the Quad Conclusions genuinely can provide the basis for an ambitious tariff-cutting package, both by making deep overall reductions in tariffs and by substantially lowering the high protective wall of so-called "peak" tariffs. The table below indicates the level of these peaks and their damaging effect on imports into all four Quad partners.

### What does the EC's new offer contain?

**Peaks:** the Quad calls for the maximum achievable package of cuts in peak tariffs, i.e. those above 15 percent, recognizing the objective of reaching 50 percent reductions, and allowing certain agreed exceptions.

The EC aims to make cuts of at least 50 percent in over 75 percent of its industrial peaks. These concern mainly textiles, footwear, electronics, vehicle chassis, etc. This is an absolute figure, not an average. It includes cutting all our textiles peaks. In addition, the EC will keep its exceptions to a minimum, and even on those it will offer cuts of between 15-20 percent.

**Harmonization:** the Quad report calls for the reduction of worldwide tariffs down to harmonized levels.

In chemicals, the EC proposes to make an overall cut of 24 percent broadly in line with what the industry itself has agreed. This will affect some 10 billion ECU of imports into the EC.

In textiles and clothing, the EC's eventual aim is to bring Less Developed Countries (LDCs), the US and Japan around to the harmonization principle. The EC's conditional offer is to cut textiles tariffs by an average of at least 28 percent, and clothing by an average of 12 percent. The EC is also offering to cut all textiles peaks by at least 50 percent.

**Respecting the overall tariff cut of 33 percent:** the Quad report calls for overall cuts of at least one third in industrial goods. Consequently, we propose to ensure an average tariff cut of at least 33 percent across

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the board on industrial products, offering bold cuts in areas of considerable importance to our trading partners within the Quad.

The EC's proposed cuts fall broadly into three categories in order to achieve this objective:

- cuts of 15-20 percent: non-ferrous metals, cars and trucks, ceramics, agricultural equipment, consumer electronics
- cuts of 25-30 percent: most industrial goods, mainly in footwear, leather, glass and rubber
- cuts of over 35 percent: industrial electronics, wood and paper, scientific equipment

**Zero-for-Zero:** the Quad report also calls for total abolition of tariffs in eight sectors - pharmaceuticals, construction equipment, medical equipment, steel (subject to reaching a Multilateral Steel Agreement), beer, and (subject to certain exemptions) furniture, farm equipment and spirits. The Community is ready to commit itself to all of these. It has expressed its willingness to consider further zero-for-zero tariff cuts in toys and vegetable oils, on condition that others make similar concessions (these are not mentioned in the schedules as they go beyond the Tokyo Report).

EC Market Access Offer  
Comparison of Tariff Peaks with Quad members  
(based on 1988 trade data)

Trader	Tariff Peaks (number)	Value of Imports (in billions ECU)	Reduction offered (%) (trade weighted)
EC	101	1.12	37.18 %
US	663	17.37	7.3 %
Japan	457	2.66	26.3 %
Canada	918	2.58	35.6 %

ECU = \$1.15 on October 22, 1993

Press Contacts: Ella Krucoff  
(202) 862-9540

Maeve O'Beirne  
(202) 862-9549