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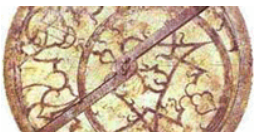

The cost of water in manufacturing tariffs
A 30 products, 33 billion dollars cost story

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The value of binding

Several decades of negotiations and unilateral trade reforms have led to large reductions in applied tariffs on industrial goods. This has contributed to dramatic increases in trade and facilitated the integration of production processes across national borders to take advantage of resources in different economies.

During the same period, GATT and WTO negotiations have induced their Members to make commitments in the form of bound tariff rates, that is, rates that countries agree no to exceed without compensating their trading partners.

As a result today, many applied tariffs are much lower than the bound rates—a difference that is referred to as *tariff water*, or sometimes also *binding overhang*.

Messerlin (2008) observed that '*the largest economies apply mostly moderate or low tariffs in manufacturing. But most of them have never made the commitment that they will keep these tariffs at their current [applied] levels*.' He argued further that one of the main benefits to expect from the current Doha negotiations was a reduction in the risks associated with tariff water, which influence producer decisions. The risks are that countries, which are applying tariffs below their bound rates might—particularly in hard times like today—might increase their applied tariffs up to their bound level since, when doing so, they are not constrained by any WTO obligation to compensate their affected trading partners.[2]

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[2] For example, Mexico doubled its tariffs during its 1982 financial crisis.

Analysing tariff water

A recent paper (Bouët and Laborde 2008) has provided the first estimates of the welfare costs of such a reversal of the applied tariffs to their bound level. These estimates confirm Messerlin's hypothesis that such costs could be large—from 134 to 353 billion dollars, that is, 2.5 to 7 times larger than the benefits that might be expected from the tariff cuts under discussions in the Doha Round (estimated to be in the order of 50 billions of dollars).

The purpose of this paper is to complement the Bouët-Laborde approach which uses a computable general equilibrium economic model, which is based on assumptions that are sometimes met with scepticism by non-economists. Moreover, it is not the purpose of the Bouët-Laborde approach to give a sense of whether the risks of tariff increases are plausible or not. As a result, the present paper has two very precise goals.

First, the paper identifies at a very detailed level, products for which the possible cost of increasing applied tariffs is high because the existing tariff water is high. Are such products concentrated in a few sectors, or, on the contrary, are they widespread across the manufacturing sector? If concentrated in a few sectors, are these sectors facing difficulties that are likely to grow with the current world financial crisis, or not? Are these sectors "influential"—that is, benefiting from a positive support in the public opinion, skilled at lobbying and having a strong record in capturing protection at the borders? A positive answer to these questions would suggest a substantial probability of potentially serious trade conflict—an aspect which the Bouët-Laborde approach does not examine, but that is of prime relevance for public decision, including for the coming WTO Ministerial to be held in Geneva in mid-December.

Second, the paper estimates the costs associated with the possible increase in applied tariffs for the products identified and for all industrial products—the costs of tariff water. The methodology is very simple—calculating tariff water and trade flows at a very detailed product level for a selection of countries (see Box 1). This simple calculation does not require any assumptions about how trade operators might react to tariff increases. This simple estimate of the additional cost required to acquire a given bundle of goods offers interesting insights since it is related to the intensity of pressures to increase protection:

- A large estimated cost signals to an industry the possibility of effective protection: room for a large increase in tariff on an large volume of imports, hence that increasing the tariff without having to compensate foreigners may be the powerful instrument that industries in trouble might be looking for.
- By contrast, a small cost suggests that there is little room to increase the corresponding tariff or that the corresponding volume of imports is low—and therefore increasing this tariff is unlikely to allow a large increase in domestic production.

The signal for large effective protection might be particularly interesting for an industry in trouble which might not be able to secure another form of assistance. However, it is important to remember that the cost of the tariff usually outstrips that of a direct subsidy,

because the tariff is more distorting, especially when large than the equivalent direct subsidy.

Box 1 **Method and sources**

This paper is based on statistics from the WTO provided through the Integrated Tariff Analysis System (ITAS) made available on the Productivity Commission website. The tariffs used are post-Uruguay Round bound rates and estimated applied rates. The sample of countries used in this paper is limited by the sample in ITAS, but it is quite satisfactory since it represents 75 per cent of the activity and 78 per cent of the imports of the 26 largest WTO members that have not consolidated a significant part of their tariffs (see table 1 in Messerlin 2008).

Annex A gathers a 'hit parade' of industrial commodities that are associated with relatively high tariff water. This is obtained by

- ordering commodities by decreasing value of water
- within each water level class, ordering the commodities in decreasing order of the associated amount of trade

The value of water is calculated as follows:

- calculate the change in the price of a good that would arise from increasing the tariff from its applied to its bound level; this is known as the 'power of the tariff', 1+t, where t is the tariff expressed in decimals (eg 30 per cent is expressed as 0.3)
- apply this change in price to the corresponding value of the trade flow.

This method is also applied to calculate the value of water in table 2.

Data and documentation:

http://www.pc.gov.au/research/economic-models-frameworks/itas2

http://www.pc.gov.au/research/staffworkingpaper/itas

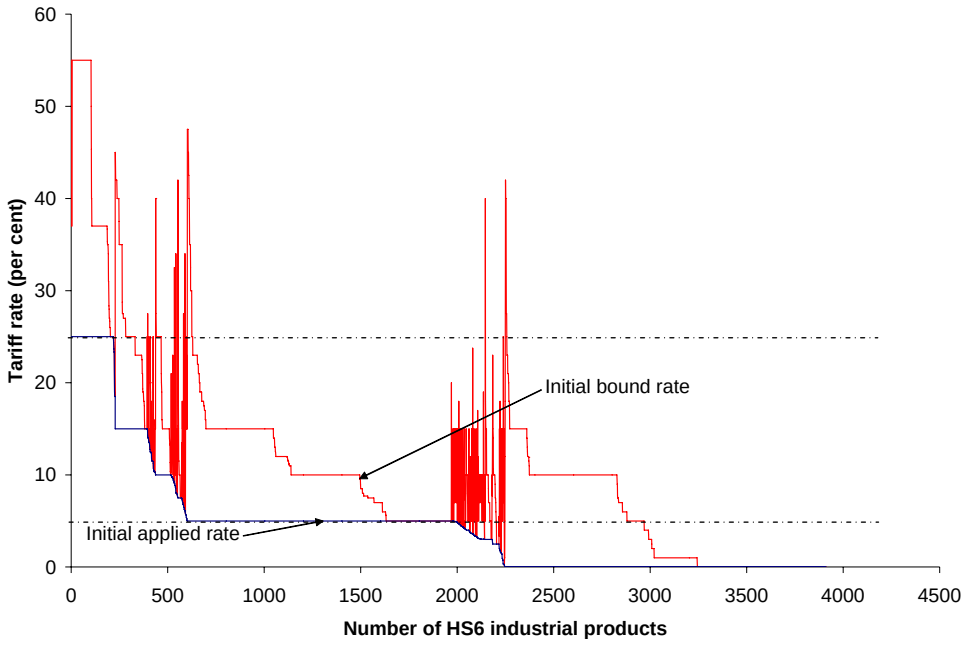
Water varies across trade flows

Several economies have consolidated their tariffs – that is, there is no difference between their bound and applied rates. This is the case for only eight economies: Canada, China, the European Union, Hong Kong, Japan, Macao, Taiwan, and the United States.

Tariff water is not a monopoly of large emerging economies. It exists everywhere. This is the case for example in Australia. In this country, some goods (the first 200 items or so in figure 1) attract an applied rate of 25 per cent, but the corresponding bound rates vary between 25 and 55 per cent. For a class of goods subject to 5 to 10 per cent tariffs (items 450 to 1950 in figure 1), the bound rates vary between 5 and 47.5 per cent. Some goods that attract no tariff (zero applied rate) have bound rates of 10 per cent or more (items between 2250 and 2800). In short, Australia is a good example of tariff water concentrated in a relatively limited number of products.

Figure 1 **Bound and applied rates on industrial products, Australia**

HS6 items ordered in decreasing order of applied, then bound rates[a]



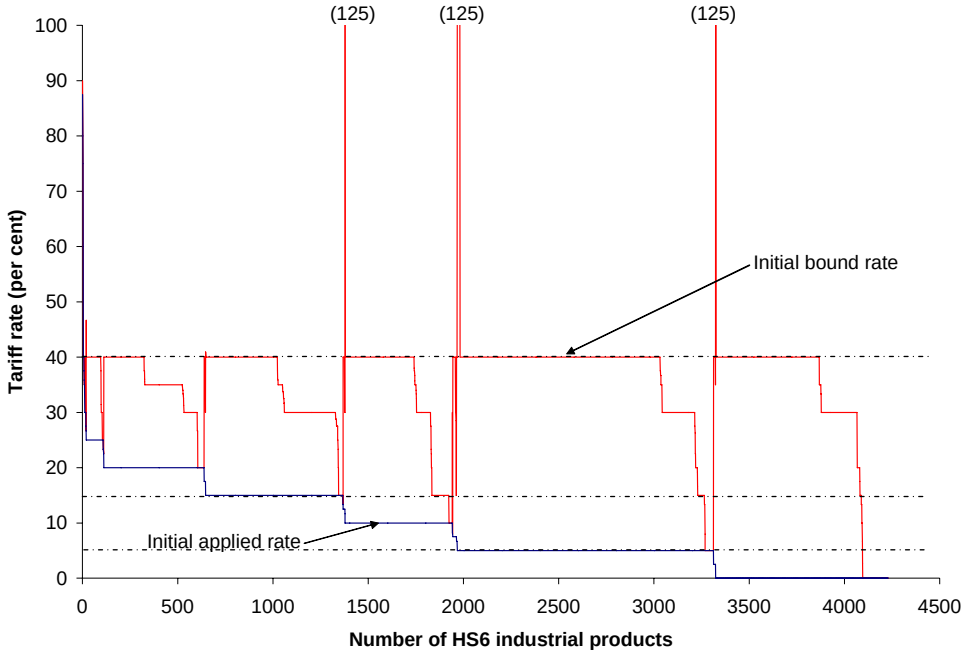
[a] Since the commodities are ordered in decreasing order of applied rates, the bound rates are represented by the jagged line (red line) above the line of applied rates (blue line).

Source: Forbes et al 2004

Indonesia (figure 2) is a good example of tariff water in an emerging country. In this country, the bound rates for a large majority of industrial products is 40 per cent. However, most goods attract an applied tariff of 20 per cent or less. This feature—almost systematic tariff water in the whole spectrum of goods—is more frequent in emerging economies. It reflects unilateral tariff liberalizations that have been undertaken during the last two decades without being "backed" by commitments taken in GATT or WTO Rounds.

Figure 2 **Bound and applied rates on industrial products, Indonesia**

HS6 items ordered in decreasing order of applied, then bound rates[a]



[a] Since the commodities are ordered in decreasing order of applied rates, the bound rates are represented by the jagged line (red line) above the line of applied rates (blue line).

Source: Forbes et al 2004

The risks associated with the existence of water in the tariffs are therefore very uneven across the imports of the countries examined. Among a selection of 12 countries shown in table 1, the volume of trade affected by water varies between 19 per cent in Malaysia and more than 90 per cent in Brazil. Although a large proportion Mexico's imports occur under NAFTA rules—therefore duty-free—tariff water affects nearly all its imports. Singapore does not apply any tariffs currently, but tariffs could increase on 27 per cent of its imports.

Table 1 **Trade flows, tariffs[a] and tariff water for selected countries**

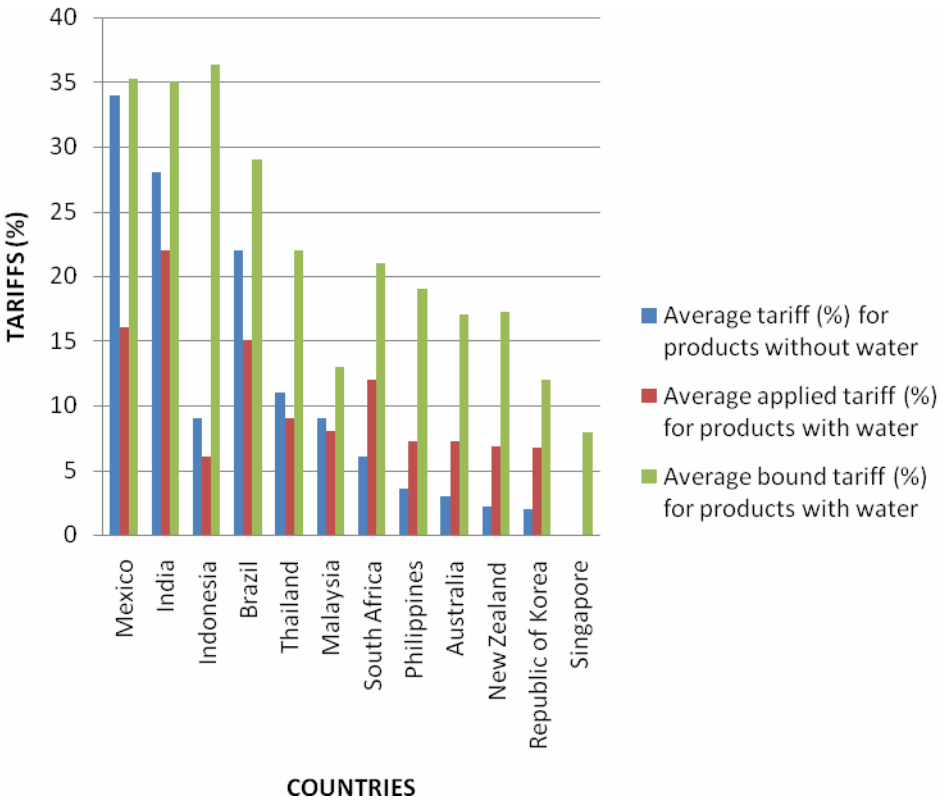
Industrial products

		Products without water			*Products with water*			
	Total imports	*Imports*	*Share of total imports*	*Average tariff[a]*	*Imports*	*Share of total imports*	*Average bound tariff*	*Average applied tariff[a]*
	$ million	$ million	%	%	$ million	%	%	%
Mexico	153 466	4 444	3	34	149 021	97	35	16
India	18 839	12 274	65	28	6 565	35	35	22
Indonesia	29 560	4 771	16	9	24 789	84	36	6
Brazil	44 726	3 469	8	22	41 257	92	29	15
Thailand	35 508	22 941	65	11	12 567	35	22	9
Malaysia	66 594	54 083	81	9	12 511	19	13	8
S Africa	18 581	14 229	77	6	4 352	23	21	12
Philippines	26 508	17 468	66	4	9 040	34	19	7
Australia	34 763	11 736	34	3	23 027	66	17	7
N Zealand	11 479	4 493	39	2	6 986	61	17	7
R of Korea	82 392	54 065	66	2	28 327	34	12	7
Singapore	93 077	67 681	73	0	25 396	27	8	0

a The average national tariff (not shown) is the average of the tariffs for products with and without water.

Source: authors' calculations based on ITAS data

Figure 3 **Bound and applied tariffs for imports with and without water**



Source: authors' calculations based on ITAS data

For what products is water high?

Does the fact that the risks related to water in the tariffs are very uneven across the imports of the countries examined mean that such risks are widely spread over the whole spectrum of goods? The surprising answer is no: water and its cost are concentrated in certain products.

The table in annex A provides a 'hit parade' of large trade flows that are characterised by high water in the countries selected. The hit parade of manufactured commodities is concentrated in automotive, electrical and electronic products, which have low applied rates but high bound rates. For instance, imports of automobiles and engines into Australia, Korea and Mexico top the list in terms of water and trade flows, with water of 10-30 percentage points and imports in the order of $5.6 billion.

Another sector which emerges as exposed to tariff water is electronics and electrical equipment. Imports of such products associated with substantial tariff water add up to more than $13 billion.

These results answer the first question raised at the beginning of this paper. The risk of tariff increases is concentrated in two sectors. The first—the automotive sector—is facing one of its worst crises of the post-World War II era, with US firms asking for massive rescue packages, with European carmakers not faring much better, and with the first signs of problems spreading to Asia (for instance, GM-Daewoo). The automotive sector benefits from a positive image in the public opinion. It has always been good at lobbying, and has very often benefited from high protection at the borders when facing difficulties. The second sector is in a better economic situation, but its capacity to obtain protection from governments through a variety of instruments has always been strong. To conclude, the concentration in these sectors suggests that the probability of tariff increases is not small in two sectors large and sensitive enough to trigger further protectionist reactions.

It is worth noting that the relationships and motivations within a production chain can be quite varied. Automotive assemblers do not typically favour tariffs on parts, which are inputs into their production process, or argue for tariff relief on their inputs while lobbying for a tariff on imports of finished vehicles. Parts manufacturers, in turn, can be seen using similar arguments, especially with regard to steel tariffs. Interestingly, all three parts of the automotive production chain across several counties are present in the 'hit parade'—motor vehicles, engines and gear boxes, and articles of iron and steel.

What is tariff water worth?

A first estimate of the value of water can be obtained by calculating the cost of current imports if the higher bound rate was applied instead of the relatively low applied rates that are currently applied. As underlined at the beginning of the paper, such estimates give a sense of the magnitude of the pressures on the whole trading system to be expected. A

small estimate would suggest that eliminating tariff water, although concentrated in two sensitive and powerful sectors, might not be as attractive as curing any problems that might afflict these sectors. A high estimate would suggest the contrary.

For the selected countries, the cost of water on all their imports of manufactured products is estimated at nearly $33 billion. This is the additional cost of industrial products that would be associated with an increase in tariffs from their current levels to their bound rates. Some of the main contributors include automotive products, mechanical appliances and plastic products. For several countries (for example, Indonesia, Brazil, Singapore and Australia) the import bill could increase between $2 billion and $8 billion.

The result obtained for Mexico assumes that it would abide by NAFTA and not raise tariffs on its imports from Canada and the US—a reasonable hypothesis since during its mid-1990s financial crisis, Mexico increased its tariffs on 500 products originating from non-NAFTA countries but maintained its commitment to NAFTA. If accurate, this assumption signals the possible costs of trade diversion that might be caused by the existing preferential agreements (as it happened during the 1930s).

Table 2 **The value of water in manufacturing trade, selected countries**

Change in the value of industrial imports due to increasing tariffs from applied to bound rates

	$ million
Mexico	5 609
India	539
Indonesia	7 532
Brazil	5 342
Thailand	2 035
Malaysia	1 087
South Africa	387
Philippines	2 052
Australia	2 086
New Zealand	898
Rep of Korea	1 864
Singapore	3 266
Total	*32 697*

Source: authors' calculations based on ITAS data

The results above deserve a last observation. Some of the data on the applied rates used in this study are a bit dated. It is possible that in the interim, some applied rates have been reduced or will be reduced. For example, in Australia, the rate applied to automotive products is legislated to be reduced to 5 per cent in 2010—no doubt a positive outcome in term of trade liberalisation. This does not invalidate the analysis here. In the contrary, this means that the costs estimated here can be thought of as lower bounds, as for a given set of bound rates, reducing applied rates increases the amount of water in the tariff, and therefore increases its possible cost.

Summary

This paper has shown through the detailed analysis of a representative selection of large economies with water in their tariffs on industrial products that the risks posed by the existence of maintaining bound rates above applied rates could be serious for two reasons. First, tariff water is concentrated in a few sectors (eg automotive, electronic and electrical products), some of them undergoing their worst industrial crisis since World War II, and all of them benefiting from a positive reputation in the public opinion and being experts in the art of getting border protection when needed. Second, the potentially large cost of water in the tariff reveals that tariff increases have a magnitude making them an option attractive for industries engulfed in deep problems.

There is therefore great value in reducing this risk in terms of achieving further reductions in bound rates. Achieving this outcome in the context of the Doha Development Round could be a significant benefit to industries in offering increased certainty in the prices that they face. This preoccupation should dominate in the Ministerial to be held this mid-December in Geneva. The Trade Ministers could apply fresh lessons learnt from the financial crisis: preemptive actions are more efficient than reactions, and the wider and faster the better. In the trade context, “wider” means that the Doha negotiations have an absolute priority on preferential trade negotiations, and “faster” that the Doha negotiators should deliver key tangible results before Christmas—the elimination of tariff water being one of these results.

References

Bouët, A., and Laborde, D. 2008, ‘The cost of a non-Doha’ Draft IFPRI Briefing Note, November.

Forbes, M.D., Fry, J.M., Jomini, P.A. and Strzelecki, A. 2004, An Integrated Tariff Analysis System: Software and Database, Productivity Commission Staff Working Paper, Melbourne, November.

Messerlin, P. 2008. ‘Walking a Tightrope: World Trade in Manufacturing and the Benefits of Binding’, GMF-GEM Policy Brief, June.

Annex A: Detailed list of products

Bound tariffs, applied tariffs, tariff water, import values, and water cost

Sector HS-6 code / country	bound tariff	applied tariff	tariff water	value of imports ($ million)	price change[a] (%)	"value of water" ($ million)
Automotive						
870324 Motor cars and vehicles designed for the transport of persons (excl. for ten or more persons, snow, golf or similar veh) with spark-ignition internal combustion reciprocating piston engine with a cyl cap exc 3000cc						
AUSTRALIA	28	15	13	517	11	56
MEXICO	50	20	30	133	25	33
N ZEALAND	18	12	6	227	5	12
R KOREA	37	8	29	35	27	9
870323 Motor cars and vehicles designed for the transport of persons (excl. for ten or more persons, snow, golf or similar veh) with spark-ignition internal combustion reciprocating piston engine with a cyl cap exc 1500cc but not exc 3000cc						
AUSTRALIA	28	15	13	2 273	11	247
MEXICO	50	20	30	959	25	240
N ZEALAND	18	12	6	760	5	40
R KOREA	37	8	29	33	27	9
S AFRICA	50	47	3	429	2	9
840734 Reciprocating piston engines of a kind used for the propulsion of vehicles of Chapter 87, of a cylinder capacity exc 1,000 cc						
AUSTRALIA	34	8	26	66	24	16
BRAZIL	35	21	15	151	12	18
INDONESIA	33	15	18	228	15	35
INDIA	40	27	13	1	10	0
MEXICO	45	15	30	335	26	89
N ZEALAND	12	10	2	2	2	0
R KOREA	13	8	5	153	5	7
SINGAPORE	10	0	10	3	10	0
THAILAND	30	20	10	32	8	3
870431 Motor vehicles for the transport of goods (excl. dumpers designed for off-highway use) with spark-ignition internal combustion piston engine, g.v.w. not exc 5 tonnes						
AUSTRALIA	15	5	10	376	10	36
MEXICO	46	23	23	283	19	53
MALAYSIA	35	33	2	28	1	0
PHILIPPINES	40	22	19	7	15	1
S AFRICA	47	47	0	2	0	0
THAILAND	80	60	20	1	13	0
870840 Gear boxes for motor vehicles for the transport of persons or goods & special purpose motor vehicles (excl. for tractors used on railway station platforms)						
BRAZIL	25	21	5	205	4	8
MEXICO	38	18	20	23	17	4
PHILIPPINES	20	7	14	34	13	4
R KOREA	13	8	5	459	5	21

a Projected price change corresponding to an increase in tariff from its applied to its bound rate; in effect, the change in the power of the tariff (1+t)

Sector HS-6 code / country	bound tariff	applied tariff	"water"	value of imports ($ million)	price change[a] (%)	"value of water" ($ million)
Aviation						
880330 Parts of aeroplanes or helicopters (excl. propellers, rotors and under-carriages and parts thereof)						
AUSTRALIA	1	0	1	582	1	6
BRAZIL	35	0	35	701	35	245
MEXICO	35	3	32	7	31	2
PHILIPPINES	10	3	7	13	7	1
THAILAND	10	5	5	345	5	16
880240 Aeroplanes and other aircraft, of an unladen weight exc 15000 kg						
AUSTRALIA	5	0	5	628	5	31
BRAZIL	20	0	20	1	20	0
INDIA	3	0	3	420	3	13
MEXICO	35	3	32	7	31	2
PHILIPPINES	10	3	7	29	7	2
THAILAND	10	1	9	1.429	9	127
Electricity and electronic products						
854230 Monolithic integrated circuits(excl. smart' cards metal ocide semiconductors (MOS technology) circuits obtained by bipolar technology and circuits obtained by a combination of bipolar and MOS technologies (BIMOS technology))"						
BRAZIL	35	12	23	388	21	80
MEXICO	35	0	35	840	35	294
854213 Metal oxide semiconductors(MOS technology)						
BRAZIL	32	12	20	890	18	161
MEXICO	35	2	34	205	33	67
854219 Monolithic digital integrated circuits (incl. circuits obtained by combining bipolar & MOS technologies- BIMOS technology)(excl. smart' cards metal oxide semiconductors-MOS technology and circuits obtained by bipolar technology)"						
BRAZIL	29	13	16	82	14	12
MEXICO	35	2	34	125	33	41
854240 Hybrid integrated circuits						
BRAZIL	35	23	12	34	10	3
MEXICO	35	0	35	527	35	185
850239 Generating sets nes (exc. wind-powered)						
BRAZIL	35	0	35	522	35	183
INDONESIA	40	10	30	27	27	7
INDIA	40	27	13	69	10	7
MEXICO	37	23	14	412	11	46
MALAYSIA	30	0	30	14	30	4
N ZEALAND	17	5	12	0	11	0
SINGAPORE	5	0	5	7	5	0
854449 Insulated electric conductors nes, for a voltage not exc 80 V, not fitted with connectors						
BRAZIL	35	19	17	377	14	53
INDONESIA	29	15	14	29	12	3
MEXICO	33	18	15	43	12	5
N ZEALAND	25	7	18	4	17	1

[a] Projected price change corresponding to an increase in tariff from its applied to its bound rate; in effect, the change in the power of the tariff (1+t)

Sector HS-6 code / country	bound tariff	applied tariff	"water"	value of imports ($ million)	price change[a] (%)	"value of water" ($ million)
850300 Parts suitable for use solely or principally with electric motors, generators, generating sets and rotary converters						
AUSTRALIA	15	8	7	45	6	3
BRAZIL	30	17	14	42	12	5
INDONESIA	40	0	40	60	40	24
MEXICO	35	13	22	47	19	9
N ZEALAND	17	7	10	3	10	0
PHILIPPINES	15	3	12	120	12	14
R KOREA	13	8	5	104	5	5
852290 Parts and accessories of turntables, record-players (excl. pick-up cartridges), cassette-players and other sound reproducing apparatus, magnetic tape recorder and other sound recording apparatus, video recording or reproducing apparatus						
BRAZIL	35	19	17	118	14	16
INDONESIA	34	10	24	15	22	3
MEXICO	35	18	17	222	14	32
PHILIPPINES	30	10	20	149	18	27
R KOREA	11	8	3	407	3	11
SINGAPORE	5	0	5	765	5	38
854011 Colour cathode-ray television picture tubes (incl. video monitor cathode-ray tubes)						
BRAZIL	35	21	15	133	12	16
INDONESIA	40	0	40	117	40	47
INDIA	40	32	8	64	6	4
MEXICO	35	18	17	114	14	16
MALAYSIA	5	0	5	660	5	33
N ZEALAND	10	0	10	0	10	0
PHILIPPINES	20	3	17	56	17	9
SINGAPORE	10	0	10	102	10	10
TAIWAN	5	1	4	686	4	27
853890 Parts suitable for use solely or principally with the apparatus of 8535 or 8536						
BRAZIL	27	23	4	125	3	4
INDONESIA	40	5	35	106	33	35
MEXICO	35	13	22	96	19	19
N ZEALAND	22	7	15	13	14	2
R KOREA	13	8	5	227	5	11
S AFRICA	10	8	2	28	2	1
853400 Printed circuits						
BRAZIL	25	13	13	201	11	22
MEXICO	26	18	8	401	7	27
N ZEALAND	30	4	26	14	25	3
S AFRICA	5	0	5	22	5	1

a Projected price change corresponding to an increase in tariff from its applied to its bound rate; in effect, the change in the power of the tariff (1+t)

Sector HS-6 code / country	bound tariff	applied tariff	"water"	value of imports ($ million)	price change[a] (%)	"value of water" ($ million)
852812 Colour television receivers, whether or not incorporating radio-broadcast receivers						
AUSTRALIA	15	5	10	278	10	26
BRAZIL	35	23	13	6	10	1
INDONESIA	40	20	20	4	17	1
MEXICO	35	30	5	35	4	1
SINGAPORE	10	0	10	369	10	37
THAILAND	30	20	10	18	8	1
851750 Electrical apparatus for carrier-current line systems or for digital line systems (excl. telephone sets, videophones, facsimile machines and teleprinters)						
BRAZIL	35	28	7	317	5	17
MEXICO	35	23	12	256	10	25
MALAYSIA	6	0	6	46	6	3
N ZEALAND	24	4	20	55	19	10
847170 Storage units for ADP machines (excl. digital processing units and input output units)						
BRAZIL	35	19	16	344	13	46
MEXICO	35	6	29	224	27	61
847330 Parts and accessories (excl. covers, carrying cases and the like) of the machines of 8471						
BRAZIL	30	23	7	700	6	39
MEXICO	36	0	36	612	36	220
Metals						
720449 Ferrous waste and scrap nes						
AUSTRALIA	1	0	1	1	1	0
INDONESIA	40	0	40	109	40	44
MEXICO	35	3	32	19	31	6
MALAYSIA	5	0	5	73	5	4
R KOREA	2	1	1	611	1	6
THAILAND	10	1	9	92	9	8
740311 Unwrought refined copper cathodes and sections of cathodes						
BRAZIL	10	9	2	233	1	3
INDONESIA	40	0	40	148	40	59
MEXICO	35	13	22	257	19	50
MALAYSIA	2	0	2	364	2	7
R KOREA	10	5	5	722	5	34
SINGAPORE	10	0	10	178	10	18
732690 Articles nes of iron or steel						
AUSTRALIA	15	8	7	92	7	6
BRAZIL	35	21	15	21	12	3
INDONESIA	40	10	30	46	27	12
MEXICO	35	18	17	189	14	27
MALAYSIA	17	15	2	219	2	4
N ZEALAND	19	7	12	20	11	2
R KOREA	13	8	5	201	5	9
S AFRICA	15	8	7	28	6	2

a Projected price change corresponding to an increase in tariff from its applied to its bound rate; in effect, the change in the power of the tariff (1+t)

Sector **HS-6 code / country**	**bound tariff**	**applied tariff**	**"water"**	**value of imports ($ million)**	**price change[a] (%)**	**"value of water" ($ million)**
Other						
710231 Non-industrial diamonds, unworked or simply sawn, cleaved or bruted, not mounted or set						
INDIA	40	0	40	2.760	40	1.104
MEXICO	35	3	32	2	31	1
710812 Unwrought gold (excl. powder)						
MEXICO	35	0	35	496	35	174
R KOREA	5	3	2	3.161	2	61
THAILAND	1	0	1	232	1	2
848180 Valves nes, taps, cocks and similar appliances for pipes, boiler shells, tanks, vats or the like (incl. thermostatically controlled valves)						
AUSTRALIA	10	5	5	163	4	7
BRAZIL	28	21	7	128	6	8
INDONESIA	40	10	30	195	27	53
INDIA	40	27	13	71	10	7
MEXICO	35	18	17	116	14	17
N ZEALAND	8	7	1	44	0	0
PHILIPPINES	13	10	3	37	3	1
R KOREA	13	8	5	404	5	19
S AFRICA	19	15	4	72	3	2
SINGAPORE	7	0	7	243	7	16
THAILAND	30	5	25	105	24	25
Pharmaceuticals						
300490 Medicaments for therapeutic or prophylactic use (excl. HS 3002, 3005 or 3006, contain antibiotics, hormones or HS 2937, alkaloids or derivs & vitamins or HS 2936) in measured dose (incl. for transdermal admin systems) for retail sale						
BRAZIL	33	17	16	663	14	92
INDONESIA	26	5	21	33	20	7
MEXICO	32	15	17	312	15	47
PHILIPPINES	9	7	2	179	1	3
Precision instruments						
903180 Measuring or checking instruments, appliances and machines nes						
BRAZIL	22	16	5	149	4	7
INDONESIA	30	10	20	20	18	4
INDIA	40	27	13	53	10	5
MEXICO	29	23	6	89	5	5
MALAYSIA	5	0	5	421	5	21
N ZEALAND	30	7	23	13	21	3
PHILIPPINES	10	3	7	68	7	5
THAILAND	30	5	25	225	24	54

a Projected price change corresponding to an increase in tariff from its applied to its bound rate; in effect, the change in the power of the tariff (1+t)