

**Committee on Agriculture  
Special Session**

**G-10 PROPOSAL ON THE TREATMENT OF SENSITIVE PRODUCTS**

The following communication, dated 18 April 2006, is being circulated at the request of the Delegation of Switzerland, on behalf of the G-10.

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1. The treatment of sensitive products should result in substantial market access that will nonetheless still be lower than that granted by the result of the full tariff cut. (The market access improvement of sensitive products will be evaluated by the results of both tariff cuts and tariff quota commitments.)
  2. The combinations of tariff cut and TRQ commitment will be:
    - 1/2 of the full tariff cut which results from applying the tariff reduction formula and the TRQ expansion by 20% of the current final commitment, subject to the adjustment in 4) below,
    - 1/5 of the full tariff cut and TRQ expansion by 35%, and
    - 4/5 of the full tariff cut and TRQ expansion by 5%
  3. Instead of the combinations in 2) above, Members may opt for other combinations, in which case the treatment will be decided in schedules negotiations taking into account the relationship between tariff cuts and TRQ commitments above.
  4. The TRQ commitments determined by 2) and 3) above will be adjusted by coefficients using a tiered formula which is based on the current level of access commitment as a percentage of domestic consumption.

% of current TRQ to consumption	TRQ commitment multiplied by:
$0 < b \leq 2.5\%$	3
$2.5 < b \leq 5\%$	2
$5 < b \leq 10\%$	1
$10 < b \leq 30\%$	1/3
$30\% < b$	1/5

For products whose TRQ are exceptionally high in terms of the percentage to the domestic consumption, the degree of TRQ commitments will be further adjusted in the schedules negotiations in an equitable manner.

When a part of the existing TRQ is designated as sensitive and the corresponding consumption data are not available, the percentage of the existing TRQ as a whole to the corresponding consumption will be used in the tiered formula.

5. When a product currently not subject to TRQ is designated as sensitive, Members may choose not to create a new TRQ, provided that the tariff cut extrapolated based on the sliding scale in 3) above will be achieved in a shorter implementation period. Alternatively, a Member may opt for a longer implementation period for the full tariff cut required by the tiered formula.

6. Any changes in descriptions of existing tariff quotas set down in the Section I-B, part 1 of the Schedules of Members concerned, which result in improved market access opportunities, shall be regarded as TRQ commitments. The way to evaluate these elements in the combinations of tariff cuts and TRQ commitments will be negotiated when the revised Schedules are submitted by Members.

