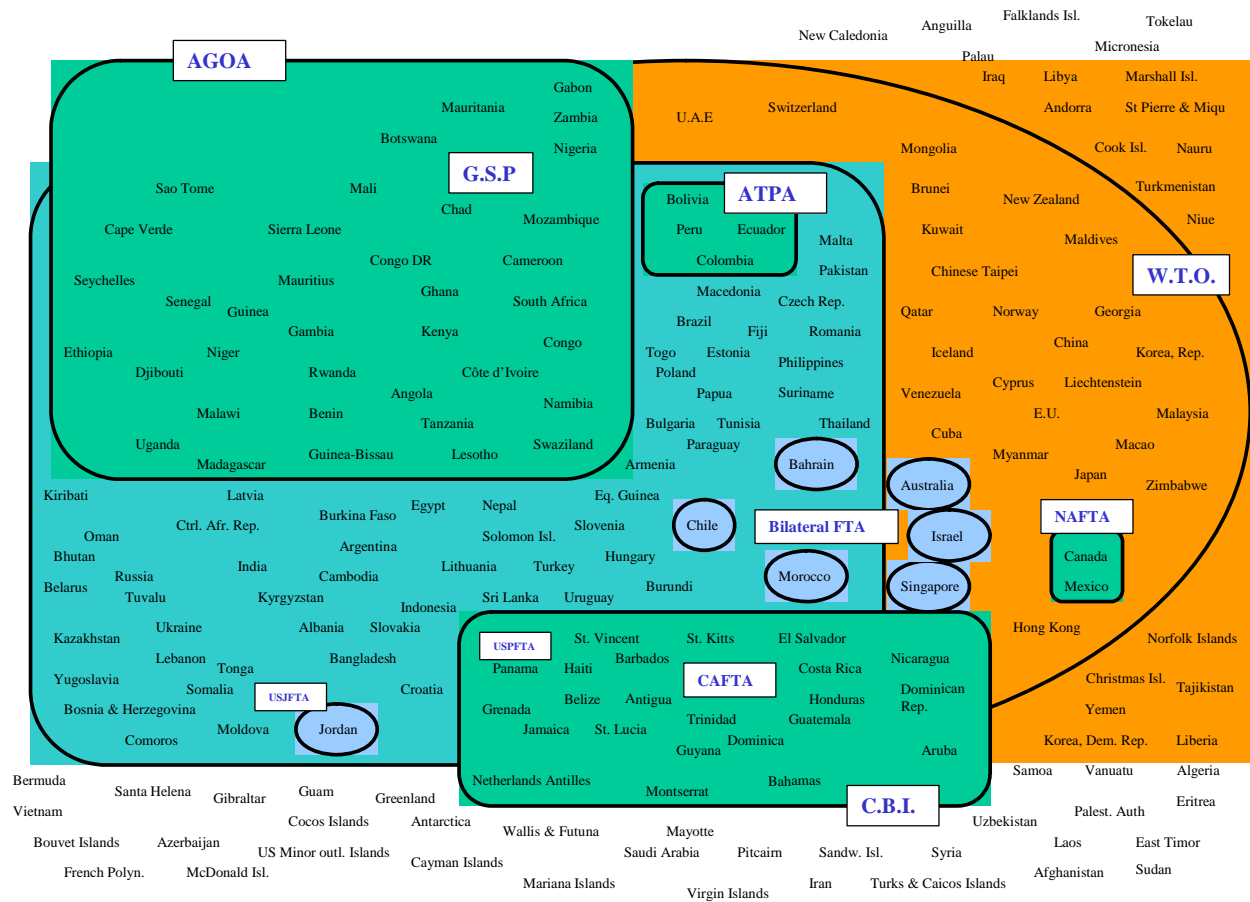




**Figure 6.2 U.S. Trade Policy, 2004**



*Note:* AGOA = African Growth and Opportunity Act; ATPA = Andean Trade Preference Act; CAFTA = Central American Free Trade Agreement; NAFTA = North American Free Trade Agreement; CBI = Caribbean Basin Initiative; GSP = Generalized System of Preferences; USJFTA = United States-Jordan Free Trade Agreement; USPFTA = United States-Panama Free Trade Agreement; WTO = World Trade Organization.

*Source:* MacMap-HS6.

<<Typesetter: In figure, please change C.B.I. to CBI, W.T.O. to WTO, and G.S.P. to GSP>>

**Table 6.1 Decomposition of the Average Duty Faced by Each Exporting Country, 2001**

*percent, ad valorem equivalent duty*

Agriculture					Industry				
	Applied duty	Apparent margin	Composit ion effect	True margin		Applied duty	Apparent margin	Composit ion effect	True margin
Lesotho	18.4	0.8	-24.1	24.9	Seychelles	3.8	0.7	-7.2	8.6
Aruba	26.7	-7.6	-32.2	24.6	Lesotho	5.4	-0.8	-7	6.9
Gambia, The	16.6	2.6	-13.3	15.9	Haiti	5.3	-0.7	-6.5	6.5
St. Vincent	22.3	-3.2	-13.4	10.2	Madagascar	4.1	0.5	-5	6.2
Uruguay	25.4	-6.3	-16	9.7	Bangladesh	5.3	-0.7	-6.2	6.2
Yugoslavia, former	15.9	3.3	-5.2	8.5	Cambodia	6.0	-1.5	-6.7	6.0
St. Lucia	18.6	0.6	-7.5	8.0	Mauritius	7.3	-2.7	-7.3	5.3
Guyana	87.1	-67.9	-75.6	7.6	Maldives	9.2	-4.6	-9.2	5.3
Suriname	38.8	-19.6	-27.3	7.6	Nicaragua	5.7	-1.2	-5.4	4.9
Turkmenistan	3.3	15.8	8.4	7.5	Honduras	5.9	-1.4	-5.5	4.8
Virgin Islands	12.0	7.1	0.4	6.8	Fiji	4.8	-0.2	-4.3	4.8
Mali	2.9	16.3	9.9	6.4	Palau	5.1	-0.5	-4.6	4.7
Burkina Faso	9.2	9.9	4.0	5.9	Djibouti	12.0	-7.4	-11.3	4.7
Benin	8.2	10.9	5.6	5.3	Nepal	10.1	-5.5	-9.3	4.5
Dominica	17.1	2.1	-3	5.1	Greenland	4.1	0.5	-3.1	4.3
Malawi	21.6	-2.5	-7.3	4.9	Dominican Republic	4.3	0.3	-3.2	4.2
Kiribati	10.3	8.9	4.0	4.8	El Salvador	9.6	-5.0	-8.3	4.0
Kazakhstan	21.4	-2.3	-6.3	4.0	St. Pierre and Miquelon	2.8	1.8	-1.4	3.9
Vanuatu	4.1	15.1	11.2	3.9	Tonga	3.3	1.3	-1.8	3.8
Argentina	18.7	0.5	-3.4	3.8	Belize	3.9	0.7	-2.2	3.7
Belize	42.8	-23.6	-27.4	3.8	Guatemala	9.6	-5	-7.8	3.6
Sudan	10.1	9.0	5.7	3.3	Pakistan	6.2	-1.6	-4.3	3.4
Iraq	30.5	-11.4	-14.4	3.0	Tunisia	4.8	-0.2	-2.9	3.4
Saudi Arabia	29.0	-9.8	-12.7	2.9	Morocco	4.7	-0.2	-2.7	3.3
Togo	8.6	10.5	7.8	2.7	Cape Verde	3.6	1.0	-1.5	3.2
Andorra	12.1	7.1	4.6	2.4	Turkey	6.5	-1.9	-4.3	3.1
Turks and Caicos	17.5	1.7	-0.7	2.3	Falkland Islands	2.8	1.8	-0.6	3.1
Croatia	22.0	-2.9	-5.0	2.0	Turks and Caicos	3.9	0.7	-1.6	3.0
Dominican Rep.	21.2	-2	-4.0	2.0	Malawi	15.3	-10.7	-13.0	3.0
Eritrea	8.8	10.3	8.5	1.9	Sierra Leone	2.9	1.7	-0.5	2.9
Zimbabwe	23.5	-4.4	-6.2	1.8	Mozambique	2.4	2.2	0.0	2.9
Botswana	35.9	-16.8	-18.5	1.7	Albania	4.9	-0.3	-2.4	2.8
Bolivia	13.7	5.4	3.9	1.5	Uganda	6.1	-1.5	-3.5	2.7
Egypt, Arab Rep. of	14.0	5.2	3.9	1.3	Senegal	10.4	-5.8	-7.7	2.7
Jamaica	33.2	-14.1	-15.3	1.2	Micronesia	9.6	-5.0	-6.9	2.6

*Note:* Countries are ranked by decreasing true preference margin, and the table is limited to the first 35 countries.

*Source:* Authors' calculations, based on MACMap-HS6 version 1.

**Table 6.2 Average World Applied and MFN Tariff Protection Rates, 2001**

*percent*

Sector	Applied duty faced	MFN duty faced	MFN-applied margin
Agriculture	19.1	26.8	7.6
Industry	4.6	5.3	0.7

*Source:* Authors' calculations, based on MAcMap-HS6 version 1.

**Table 6.3 Average True Preferential Margin by Country, by Sector and Commodity***percent*

Country	By sector		By commodity					
	Agriculture	Industry	Sugar	Meat	Banana	Vegetables, fruit	Textiles, apparel	Other
Lesotho	24.9	6.9	-6.0	47.4	-7.2	8.2	5.2	4.6
Aruba	24.6	1.1	52.9	-7.4	-7.2	-5.0	-1.4	1.2
Gambia, The	15.9	2.5	-11.6	-8.6	-7.2	-0.5	0.0	14.5
St. Vincent	10.2	1.5	-11.6	-9.2	13.6	-2.9	-1.6	2.6
Uruguay	9.7	2.3	-5.2	13.6	-2.5	0.3	0.8	6.1
Yugoslavia, former	8.5	1.3	78.5	-8.1	-7.1	-1.0	1.6	1.2
St. Lucia	8.0	2.2	-11.6	-1.7	13.8	6.0	3.6	0.2
Guyana	7.6	1.5	-3.1	-8.5	9.5	1.2	4.2	4.1
Suriname	7.6	2.0	16.0	-8.6	11.6	2.4	1.4	1.5
Turkmenistan	7.5	0.1	-11.4	-9.2	-7.2	-4.5	-1.5	0.1
Virgin Islands	6.8	0.4	15.7	-8.5	14.9	-1.7	0.1	-0.3
Mali	6.4	0.7	-5.3	-6.4	-7.2	1.2	0.4	9.8
Burkina Faso	5.9	0.9	12.4	-8.0	-5.4	1.3	-0.4	9.5
Benin	5.3	1.1	-8.3	8.3	-7.2	-3.6	-0.8	11.4
Dominica	5.1	0.8	-11.6	-2.0	11.8	-2.8	2.6	-0.1
Malawi	4.9	3.0	-5.1	-8.4	-7.2	11.1	1.4	11.6
Kiribati	4.8	1.7	-11.6	-9.2	-7.2	-4.6	2.2	0.7
Kazakhstan	4.0	0.2	11.3	-8.9	-6.5	-2.9	0.1	-0.0
Vanuatu	3.9	0.9	-11.6	53.1	-7.2	31.2	2.8	0.3
Argentina	3.8	0.6	-5.9	2.8	-6.4	-0.6	-1.2	4.5
Belize	3.8	3.7	-2.9	-7.6	13.9	-0.4	3.9	4.1
Sudan	3.3	0.6	-4.3	-7.8	-6.4	-2.2	-0.6	1.1
Iraq	3.0	-0.0	-0.8	-0.6	-4.9	-2.4	-0.1	-1.0
Saudi Arabia	2.9	0.1	0.5	-0.5	-7.2	-0.2	-1.0	-0.9
Togo	2.7	0.9	-9.5	-2.8	-7.2	2.8	6.2	3.0
Andorra	2.4	1.4	51.6	9.7	-7.2	3.0	1.8	0.3
Turks and Caicos	2.3	3.0	-11.6	-9.2	-7.2	-4.6	2.1	2.9
Croatia	2.0	1.8	61.3	-5.5	14.9	0.5	2.9	0.6
Dominican Republic	2.0	4.2	-4.6	-8.7	14.1	2.0	3.9	2.0
Eritrea	1.9	1.5	-11.6	9.5	-7.2	4.1	-0.2	1.2
Zimbabwe	1.8	1.8	-1.1	-3.4	1.0	0.7	1.7	4.7
Botswana	1.7	0.9	-7.1	2.0	-7.2	-2.6	1.8	-0.5
Bolivia	1.5	0.9	8.6	-8.6	-0.2	-2.7	1.8	2.3
Egypt, Arab Rep. of	1.3	2.2	-9.7	-7.2	-4.6	0.7	2.6	1.7
Jamaica	1.2	2.5	-3.4	-5.0	14.5	2.4	3.8	1.8

*Note:* Countries are ranked by decreasing order of initial true preference margin in agriculture. The commodity figures are computed in the same way as indicated above for true preference margins by large sector: average preferential margin for the country (that is, the average across markets and products concerned of MFN duty minus the applied duty faced by the country), minus world average preferential margin for the products concerned.

*Source:* Authors' calculations, based on MacMap-HS6 version 1.

**Table 6.4 Simulation of the Impact of a Proportional Cut in Bound Duties under Scenarios 1 and 2**

Country	Initial true margin		Scenario 1		Scenario 2	
	Farm	Nonfarm	Farm	Nonfarm	Farm	Nonfarm
Lesotho	24.9	6.9	3.2	5.3	7.7	6.3
Aruba	24.6	1.1	-3.3	-0.5	21.2	0.5
Gambia, The	15.9	2.5	2.1	1.0	2.1	2.0
St. Vincent	10.2	1.5	1.8	-0.1	8.1	0.9
Uruguay	9.7	2.3	2.6	0.7	6.4	1.7
Yugoslavia, former	8.5	1.3	-3.3	-1.2	2.0	-0.2
St. Lucia	8.0	2.2	-1.1	0.6	6.8	1.6
Guyana	7.6	1.5	-0.7	-0.1	1.3	1.0
Suriname	7.6	2.0	3.9	0.5	13.3	1.6
Turkmenistan	7.5	0.1	3.1	-3.2	2.5	-2.1
Virgin Islands	6.8	0.4	1.5	-1.8	3.1	-0.8
Mali	6.4	0.7	3.1	-0.9	2.4	0.1
Burkina Faso	5.9	0.9	2.6	-0.8	1.9	0.3
Benin	5.3	1.1	2.6	-0.5	2.0	0.5
Dominica	5.1	0.8	-0.9	-0.8	5.1	0.2
Malawi	4.9	3.0	3.6	1.3	2.6	2.4
Kiribati	4.8	1.6	0.5	-0.8	1.0	0.2
Kazakhstan	4.0	0.2	-3.3	-1.5	-1.1	-0.5
Vanuatu	3.9	0.9	0.6	-1.1	3.8	0.0
Argentina	3.8	0.6	1.7	-1.1	1.4	0.0
Belize	3.8	3.7	0.3	2.3	2.6	3.3
Sudan	3.3	0.6	-2.7	-1.4	-2.1	-0.3
Iraq	3.0	-0.1	-6.1	-1.7	-3.2	-0.7
Saudi Arabia	2.9	0.1	-12.8	-1.6	-12.5	-0.6
Togo	2.7	0.9	2.0	-0.7	1.3	0.3
Andorra	2.4	1.4	-0.6	-0.1	3.5	0.9
Turks and Caicos	2.3	3.0	-6.1	1.4	5.0	2.5
Croatia	2.0	1.8	1.5	0.1	3.2	1.1
Dominican Republic	2.0	4.2	1.5	2.6	2.1	3.7
Eritrea	1.9	1.5	-3.1	-0.1	0.5	0.9
Zimbabwe	1.8	1.8	2.2	0.2	1.6	1.2
Botswana	1.7	0.9	1.0	-0.7	2.1	0.3
Bolivia	1.5	0.9	-0.5	-0.7	-1.2	0.3
Egypt, Arab Rep. of	1.3	2.2	1.2	0.6	0.5	1.6
Jamaica	1.2	2.5	0.1	1.0	0.6	2.0

*Note:* Countries are ranked by decreasing true preference margin. Only countries with a true preference margin higher than 1 percent are shown in agriculture (1.5 percent for industry). See text for explanation of scenarios.

*Source:* Authors' calculations based on MAcMap-HS6 version 1.

**Table 6.5 TRQ Rents Received by Developing Country, in 2001 and after Scenarios 1 and 2**

Country	2001 (US\$ millions)	TRQ rents received (as % of GDP)		
		2001	Scenario 1	Scenario 2
Guyana	59.8	8.28	3.28	7.89
Fiji	51.4	3.26	1.27	3.09
Mauritius	125.8	2.89	1.37	2.68
Belize	20.5	2.40	1.09	2.32
Ecuador	267.3	1.60	0.72	1.55
Panama	143.1	1.44	0.67	1.40
Costa Rica	228.2	1.37	0.63	1.33
St. Kitts and Nevis	4.1	1.26	0.59	1.16
Malawi	17.3	0.99	0.62	0.92
Jamaica	51.3	0.68	0.29	0.65
St. Vincent	2.3	0.67	0.48	0.67
Swaziland	6.0	0.52	0.21	0.49
Barbados	13.5	0.52	0.19	0.49
Honduras	31.7	0.50	0.26	0.48
Dominica	1.3	0.47	0.34	0.47
St. Lucia	3.3	0.46	0.33	0.46
Nicaragua	8.3	0.33	0.21	0.32
Zimbabwe	30.6	0.33	0.22	0.32
Suriname	2.3	0.26	0.21	0.26
Colombia	199.0	0.25	0.12	0.24
Côte d'Ivoire	23.3	0.25	0.16	0.24
Zambia	7.6	0.24	0.18	0.23
Dominican Republic	50.4	0.22	0.17	0.22
Cameroon	17.4	0.20	0.15	0.20
Trinidad and Tobago	14.5	0.18	0.09	0.16
Guatemala	30.0	0.15	0.08	0.14

*Note:* Developing countries only, ranked by decreasing order of rents received in 2001 as a percentage of gross domestic product (GDP), and limited to countries for which this value is higher than 0.15 percent. See text for explanation of scenarios.

*Source:* Authors' calculations, based on MACMap-HS6 version 1.

**Table 6.6 Sectoral and Geographical Breakdown in the Simulation Exercise**

Sector	Counterparts in GTAP
Rice	Paddy rice, processed rice
Wheat	Wheat
Cereals	Cereal grains nec
VegFruits	Vegetables, fruit, nuts
Oilseeds	Oil seeds
Sugar	Sugar cane, sugar beet, sugar
Fibers	Plant-based fibers
OthAgr	Crops nec, animal products nec; wool, silk-worm cocoons
Meat	Cattle, sheep, goat, horses; meat: cattle, sheep, goat, horse; meat products nec
Milk	Raw milk, dairy products
Fats	Vegetable oils and fats
Food	Food products nec, beverages and tobacco products
Clothing	Wearing apparel, leather products
AgrInputs	Chemical, rubber, plastic products; machinery and equipment nec
Other	Forestry; fishing; coal; oil; gas; minerals nec; textiles; wood products; paper products, publishing; petroleum, coal products; mineral products nec; ferrous metals; metals nec; metal products; motor vehicles and parts; transport equipment nec; electronic equipment; manufactures nec
TrT	Trade; transport nec; sea transport; air transport
OthSer	Electricity; gas manufacture, distribution; water; construction; communication; financial services nec; insurance; business services nec; recreation and other services; public administration/defense/health/education; dwellings

Note: nec = not elsewhere classified.

## **Geographical Breakdown**

1. ANZCERTA : Australia, New Zealand
2. Bangladesh
3. BraArg: Brazil, Argentina
4. CairnsAsia: Indonesia, Malaysia, Philippines, Thailand
5. Canada
6. CentrAmCar: Central America, Rest of FTAA, rest of Caribbean
7. China
8. DdAsia: Rest of developed Asia—Hong Kong (China), Singapore, Taiwan (China)
9. EU25: European Union—25 countries
10. EFTA: Iceland, Norway, Switzerland
11. India
12. Japan
13. Korea, Rep. of
14. MorTun: Morocco, Tunisia
15. OthLatAm: Other Latin America (Chile, Colombia, Mexico, Peru, Uruguay, R.B. Venezuela, rest of Andean Pact, rest of South America)
16. Row: Rest of the world (Albania, Bulgaria, Croatia, Romania, Russian Federation, Sri Lanka, Vietnam, rest of former Soviet Union, rest of East Asia, rest of Oceania, rest of Southeast Asia, rest of South Asia, rest of Middle East, rest of North Africa, rest of North America)
17. SADCxSA: South African Development Community except South Africa
18. SouthAf: South Africa
19. SSAxSADC: Sub-Saharan Africa except SADC
20. Turkey
21. US: United States

*Source:* Authors.

**Table 6.7 Simulated Impact of Two Alternative Agricultural Tariff Cut Scenarios on World Trade and Welfare**

*percent change*

Scenario	Including preferences (a)	Excluding preferences (b)	Ratio (a) / (b)
<b>Scenario 1</b>			
World trade	0.80	1.22	1.5
World agricultural exports	13.59	21.08	1.6
World welfare	0.14	0.18	1.3
<b>Scenario 2</b>			
World trade	0.25	0.49	2.0
World agricultural exports	4.21	8.72	2.1
World welfare	0.02	0.06	3.0
<b>Ratio (2)/ (1)</b>			
World trade	0.3	0.4	
World agricultural exports	0.3	0.4	
World welfare	0.1	0.3	

*Note:* See text for explanation of scenarios.

*Source:* Authors' MIRAGE-Agr model simulation results.

**Table 6.8 Simulated Impact of Two Alternative Agricultural Tariff Cut Scenarios on International Prices of Developing Country Exports**

*percent change*

	Scenario 1		Scenario 2	
	Including preferences	Excluding preferences	Including preferences	Excluding preferences
Export				
Cereals	1.1	1.85	0.31	0.75
Fats	0.77	1.14	0.21	0.44
Fibers	0.38	0.79	0.08	0.29
Food	0.54	0.9	0.13	0.36
Meat	1.39	2.07	0.33	0.61
Milk	0.63	1.18	0.19	0.68
Oilseeds	1.31	2	0.32	0.56
OthAgr	0.67	1.34	0.2	0.52
Other	0.42	0.67	0.1	0.28
Rice	0.99	1.33	0.19	0.51
Sugar	1.5	2.12	0.36	0.72
VegFruits	0.89	1.46	0.19	0.57
Wheat	0.79	1.27	0.51	1.99
Clothing	0.41	0.68	0.09	0.3
AgrInputs	0.43	0.69	0.11	0.29
OthSer	0.48	0.76	0.12	0.31
TrT	0.45	0.73	0.11	0.32

*Note:* See text for explanation of scenarios.

*Source:* Authors' MIRAGE-Agr model simulation results.

**Table 6.9 Simulated Impact of Scenario 1 on Welfare, Terms of Trade, and Returns to Land, by Region**

*percent change*

Region	Welfare		Terms of trade		Returns to land	
	Including preferences	Excluding preferences	Including preferences	Excluding preferences	Including preferences	Excluding preferences
ANZCERTA	0.06	0.23	1.04	2.28	9.25	8.83
Bangladesh	-0.04	-0.05	-0.02	0.01	0.04	0.04
BraArg	0.10	0.16	1.22	1.75	0.20	0.32
CairnsAsia	0.29	0.48	0.18	0.28	0.67	1.01
Canada	0.19	0.74	-0.07	-0.22	-0.23	-1.75
CentrAmCar	-0.09	-0.05	0.39	0.65	1.13	1.30
China	0.06	0.09	0.12	0.24	0.03	0.47
DdAsia	-0.01	0.01	-0.03	-0.02	-1.06	2.45
EFTA	0.50	2.07	-0.06	-0.23	-2.30	-3.37
EU25	0.16	0.21	-0.20	-0.33	-0.65	-0.92
India	0.09	0.10	0.34	0.39	1.49	1.26
Japan	1.08	1.37	-0.34	-0.50	-13.67	-19.19
Korea, Rep. of	1.95	2.13	-0.22	-0.31	-5.64	-4.23
MorTun	1.20	1.59	-0.14	0.04	-0.13	-1.28
OthLatAm	0.04	0.08	0.14	0.33	-0.12	0.07
RoW	0.09	0.11	0.09	0.18	-0.67	-0.71
SADCxSA	0.13	0.42	0.86	1.67	1.49	1.71
SouthAf	0.12	0.20	0.15	0.34	1.00	5.50
SSAxSADC	-0.02	0.00	-0.03	0.17	-0.16	-0.37
Turkey	0.10	0.15	0.15	0.40	-0.13	0.37
United States	-0.02	-0.02	0.05	-0.02	2.22	1.86

*Note:* See text for explanation of scenario 1. See table 6.6 for geographical breakdown.

*Source:* Authors' MIRAGE-Agr model simulation results.

**Table 6.10 Detailed Impact of Two Tariff-cutting Scenarios on Selected Sub-Saharan Countries**

*percent change*

Indicator affected	Scenario 1		Scenario 2	
	Including preferences	Excluding preferences	Including preferences	Excluding preferences
Agricultural exports (volume)	-3.90	0.58	-1.36	0.16
Agricultural imports (volume)	2.01	3.17	0.26	0.53
Agricultural real wages	-0.35	0.19	-0.09	0.06
Agro-food production	-0.57	-0.29	-0.16	0.00
Agro-food production price	0.05	0.57	0.01	0.24
Exports (volume)	0.08	0.61	-0.02	0.16
GDP (volume)	0.01	0.01	0.00	0.00
Imports (volume)	-0.05	0.29	-0.04	0.06
Nonagricultural unskilled real wages	-0.04	0.09	-0.02	0.04
Real effective exchange rate	-0.03	0.21	-0.01	0.09
Real return to capital	0.14	0.09	0.03	0.05
Real return to land	-0.16	-0.37	-0.07	-0.15
Real return to natural resources	0.64	0.34	0.16	0.10
Skilled real wages	0.05	-0.01	0.00	0.03
Terms of trade	-0.03	0.17	-0.02	0.07
Unskilled real wages	-0.24	0.15	-0.07	0.05
Welfare	-0.02	0.00	-0.01	0.01

*Note:* See text for explanation of scenarios.

*Source:* Authors' MIRAGE-Agr model simulation results.