

**Committee on Agriculture  
Special Session****G-20 SUBMISSION  
GUIDELINES FOR MODALITIES IN TARIFF ESCALATION**

The following communication, dated 17 December 2007, is being circulated at the request of the G-20.

---

**Scope**

1. Tariff escalation treatment shall apply to developed country Members' tariff Schedules only. Such treatment is to be applied to the products listed in the Annex, G-20 Draft List for Tariff Escalation, after application of the full cut under the tiered formula for tariff reduction.
2. Tariff escalation tends to reinforce the specialization of developing countries in the export of commodities with lower value-added, while developed countries retain larger shares of more dynamic markets for processed goods. In developing countries, tariff escalation responds to the need for industrialization and more value-added products for exports.
3. The list should be read as a focused one. Instances of tariff escalation might exist or continue to exist after tariff escalation treatment either inside or outside the list to be agreed. In the negotiation of the Annexed List, the G-20 may consider further additions or exclusions.

**Identifying Escalation**

4. Processed products (list) with tradable primary products. If, after application of the full cut under the tiered formula for tariff reduction, the bound tariff on an agricultural product in its processed form be greater than the bound tariff on the product in its primary form, independently from the bands these products are situated in.

**Thresholds**

5. Cases of effective escalation must be addressed.

**Limitation**

6. No reduction below the level of the primary product duty after the formula cut.

**Treatment**

7. [The bound tariff for the processed product shall be reduced by applying a factor of [1.3] to the reduction which would otherwise have been required under the tiered formula.]

or

[The bound tariff for the processed product shall be reduced by applying the cut of the top band for developed countries (75%) instead of the cut in the band. To products situated in the highest band the factor of 1.3 will apply.]

8. The escalation treatment is to be seen as a complementary approach to the tariff formula cut. In this sense, if a product in the Annexed List, whether in primary or processed form, is first identified as sensitive, the additional reduction arising from tariff escalation treatment shall not apply. In the case of tropical products, the additional reduction shall also not apply if the general treatment for tropical products offers deeper cuts than the one adopted for tariff escalation.

**Annex**  
**G-20 Draft List for Tariff Escalation**

Live Animals

<b>Primary product</b>	<b>Processed product</b>
0101.90- Horses, asses, mules and hinnies. Lives (other than pure bred breeding animals)	0205. 00 Meat of horses, asses, mules or hinnies, fresh, chilled or frozen.
0102.90 Live bovine animals other than pure bred breeding animals	0201.10 – Meat of bovine animals, fresh or chilled; Carcasses and half-carcasses  Meat of bovine animals, fresh or chilled. 0201.20 – Bovine cuts bone in, fresh or chilled 0201.30 – Boneless  Meat of bovine animals, frozen. 0201.20 – Bovine cuts bone in, fresh or chilled 0202.30 – Boneless  0206.10 – Edible offal of bovine animals, fresh or chilled  Edible offal of bovine animals, frozen. 0206.21 – Bovine tongues, frozen 0206.22 – Bovine livers, frozen 0206.29 – Other  1602.50 – Prepared or preserved meat, meat offal or blood of bovine animals
0104.10 Live Sheep or goats	0204.22 – Sheep cuts, bone in, fresh or chilled 0204.23 – Sheep cuts, boneless, fresh or chilled 0204.30 – Carcasses and half-carcasses of lamb, frozen.  Other meat of sheep, frozen. 0204.41 – Sheep carcasses and half carcasses, frozen  0204.42 – Other cuts with bone in 0204.43 – Boneless
0105 - Gallus, chickens, ducks, geese, turkeys, spotted, domestic species, Lives	0207.12 – Meat of the species Gallus domesticus; Not cut in pieces, frozen 0207.13 – Of the species Gallus domesticus; Cuts and offal, fresh or chilled

Primary product	Processed product
0106 – Other live animals	0208.10 - Meat and edible offal of rabbits or hares, fresh, chilled or frozen. 0208.50 - Meat and edible offal of reptiles (including snakes and turtles), fresh, chilled or frozen. 0410.00 - Edible products of animal origin, not elsewhere specified or included. 2104.10 – Preparations for soups, broths or clear soups; soups, broths or clear soups, prepared.

Milk

Primary product	Processed Product
0401.10 } Milk and cream, not concentrated 0401.20 } nor containing added sugar or 0401.30 } sweetening matter	0402.10 - Milk and cream concentrated. In powder, granules, content by weight not exceeding 1.5%  0402.21 - Milk and cream concentrated. In powder, granules – by weight exceeding 1.5%  0402.29 - Milk and cream concentrated. In powder, granules – other  0402.91 - Milk and cream concentrated. Other. Not containing added sugar  0402.99 - Milk and cream concentrated. Other. Condensed milk  0403.10 - Yoghurt  0403.90 - Other (incl. butter milk powder)  0404.10 - Whey and modified whey  0404.90 - Other (i.e. products consisting of natural milk constituents)  0405.10 - Butter  0405.20 - Dairy spreads  0405.90 - Other (including Anhydrous milk fat)  0406.10 - Cheese and curd. Fresh  0406.20 - Cheese and curd. Grated or powdered cheese   0406.30 - Cheese and curd. Processed (process) cheese, not grated or powdered  0406.40 - Cheese and curd. Blue veined cheese

Primary product	Processed Product
	0406.90 - Cheese and curd. Other cheese 1702.11 - Lactose and lactose syrup 3501.10 - Casein 3502.20 - Milk albumin

Vegetables

Primary product	Processed product
0701.90 – Potatoes, fresh or chilled; Other than seed	0710.10 – Potatoes (uncooked or cooked by steaming or boiling in water), frozen  1105.20 – Flecks, granules and pellets of potatoes  1108.13- Potato starch  2004.10 – Potatoes prepared or preserved otherwise than by vinegar or acetic acid, frozen 2005.20- Potatoes (Other vegetables prepared or preserved otherwise than by vinegar or acetic acid, not frozen, other than products of heading 20.06.)
0702.00 – Tomatoes, fresh or chilled	Tomatoes prepared or preserved otherwise than by vinegar or acetic acid. 2002.10 – Tomatoes, whole or in pieces 2002.90 – Other  2009.50 – Tomato juice, unfermented and not containing added sugar or other sweetening matter 2103.20 – Tomato ketchup & other tomato sauces
0703.10- Onions and Shallots, fresh or chilled	0712.20 –Onions (Dried vegetables, whole, cut, sliced, broken or in powder, but not further prepared.)
0709.20- Asparagus fresh or chilled	200560 - Asparagus, prepared or preserved, not frozen/vinegar
0709.51- Mushrooms of the genus Agaricus, fresh or chilled	0711.51 Mushrooms of the genus Agaricus, provisionally preserved 0712.31-Mushrooms of the genus <i>Agaricus</i> , dried, whole, cut, sliced, broken or in powder, but not further prepared. 2003.10 Mushrooms of the genus Agaricus, prepared or preserved otherwise than by vinegar or acetic acid.
0709.52 - Truffles	2003.20 – Truffles, prepared or preserved otherwise than by vinegar or acetic acid

<b>Primary product</b>	<b>Processed product</b>
0709.90 – other vegetables (olive)	150990 Olive oil and its fractions, whether or not refined, but not chemically modified:- Other  200570 Olives, prepared or preserved otherwise than by vinegar or acetic acid (excl. frozen)
0711.20 Olives, fresh or chilled, other than for oil production	1509.10 - Olives Virgin oil but chemically modified

Fruits

<b>Primary product</b>	<b>Processed product</b>
0801.11- Coconuts	Coconut (copra) oil and fractions thereof, whether or not refined, but not chemically modified.  1513.11 --Crude oil 1513.19 --Other  2306.50-Of coconut or copra (Oil-cake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of vegetable fats or oils, other than those of heading 23.04 or 23.05.)  2308 vegetable materials and vegetable waste
0805.10 – Oranges, fresh or dried 0805.20- Mandarins (including tangerines and satsumas); clamentines, wilkings and similar citrus hybrids	Orange juice, unfermented and not containing added spirit, whether or not containing added sugar or sweetening matter. 2009.11 – Orange juice, frozen 2009.12 – Orange juice, not frozen, of a Brix value not exceeding 20 2009.19 – Other 2009.80- juice of any other single fruit of vegetable 2009.31- juice of any other single citrus fruit 2009.39- juice of any other single citrus fruit Essential oils of citrus fruit. 3301.12 – Of orange
0805.40 – Grapefruit, fresh or dried	Grapefruit juice, unfermented and not containing added spirit, whether or not containing added sugar or sweetening matter. 2009.21 – Of a Brix value not exceeding 20 2009.29 – Other

Primary product	Processed product
0805.50 – Lemons ( <i>Citrus limon</i> , <i>limonum</i> ) & limes ( <i>Citrus aurantifolia</i> , <i>latifolia</i> ), fresh or dried.	2007.91 –Citrus fruit preparations: Jams, fruit jellies, marmalades, fruit or nut purée and fruit or nut pastes, obtained by cooking, whether or not containing added sugar or other sweetening matter 2009.31 –Juice of any other single citrus fruit (other than orange and grapefruit); of a Brix value lower or similar to 20). Unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter
0806.10 – Grapes, fresh	0806.20 – Grapes, dried 2009.61 – Grapejuice (including grape must) of a Brix value not exceeding 30. 2009.69 – Other grape juice.
0808.10 – Apples, fresh	2007.99 – Apple puree, compot 0813.30 – Apples, dried  Apple juice, unfermented and not containing added spirit, whether or not containing added sugar or sweetening matter. 2009.71 – Of a Brix value not exceeding 20 2009.79 – Other
0804.30 – Pineapple, fresh or dried	2008.20 – Pineapples, Otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter. 2009.41 – pineapples juice of brix value not exceeding 20 0209.49 – other pineapple juice
0804.50 – Guavas, Mangos and mangosteens	2009.80- juice of any other single fruit of vegetable
0809.10 – Apricots, fresh	2008.50 – Apricots, Otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter.
0810.10 – Strawberries, fresh	0811.10 - Strawberries, uncooked, cooked by steaming, boiling in water, frozen, whether or not containing added sugar or other sweetening matter 2007.99 – jams 2008.80 – strawberries preserved
08- Edible Fruit and Nuts	2008.92 – Mixtures fruits or other nuts, otherwise prepared or preserved, not elsewhere specified or included

Primary product	Processed product
	<p>2007.10 – Homogenized preparations: jams, fruit jellies, marmalades, fruit or nut purée and fruit or nut pastes, obtained by cooking, whether or not containing added sugar or other sweetening matter.</p> <p>2007.99 – Other jams, fruit jellies, marmalades, fruit or nut purée and fruit or nut pastes, obtained by cooking, whether or not containing added sugar or other sweetening matter.</p> <p>2009.80 – Juice of any other single fruit or vegetable (other than juice of any single citrus fruit, pineapple, tomato, grape, or apple) unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter</p> <p>2009.90 – Mixtures of juices (of fruit, nuts and other edible parts of plants). Unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter.</p>
0808.20 – Pears and quinces, fresh	<p>2008.40 – Pears, Otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter.</p> <p>2008.40.11 – Pears prepared or preserved not elsewhere specified or included, containing added spirit</p> <p>2008.40.51- Pears prepared or preserved not elsewhere specified or included not containing added spirit</p> <p>2009.80 – Juice of any single fruit or vegetable (other than juice of any single citrus fruit, pineapple, tomato, grape, or apple) unfermented and not containing added spirit, whether or not containing added sugar or other sweetening matter</p>
0809.30 – Peaches, including nectarines, fresh	<p>2008.70 – Peaches including nectarines, Otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter.</p> <p>2008.70.11 – Apricots (peaches) including nectarines and dehydrated nectarines prepared or preserved not elsewhere specified or included containing added spirit.</p>

Primary product	Processed product
	2008.70.61 - Apricots (peaches) including nectarines and dehydrated nectarines prepared or preserved not elsewhere specified or included not containing added spirit
0809.40 – Plums & sloes, fresh	0813.20 – Prunes, dried

Spices

Primary Product	Processed Product
0910.10 – Ginger	2006.00 – Other fruits and vegetables and nuts, preserved by sugar <sup>1</sup> 2008.99 – Other fruits and edible parts of the plant, prepared or preserved <sup>1</sup>

Coffee

Primary Product	Processed Product
0901.11 - Coffee, not roasted: Not decaffeinated	0901.12 – Coffee, not roasted, decaffeinated 0901.21 - Coffee, roasted: Not decaffeinated 0901.22 - Coffee, roasted: Decaffeinated 2101.11 - Extracts, essences and concentrates

Cereals

Primary Product	Processed Product
1001.10 – Durum Wheat	11.01 - Wheat or meslin flour <sup>1</sup> 11.03.11 - Groats and meal, of wheat <sup>1</sup>
1001.90 - Wheat: Other	11.01 - Wheat or meslin flour <sup>1</sup> 11.03.11 - Groats and meal, of wheat <sup>1</sup> 11.03.20 – Pellets <sup>1</sup> 1108.11 - Wheat starch 11.09 - Wheat gluten, whether or not dried 19.02.11 – Uncooked pasta not stuffed, cooked or otherwise prepared containing egg 1902.19 – Other pasta, not stuffed, cooked or otherwise prepared (other than those containing egg) 1902.20 – Stuffed pasta, stuffed, whether or not cooked or otherwise prepared 1902.30- Other pasta.

<sup>1</sup> In cases where the HS heading can be associated with more than one primary product, the tariff escalation modality would only apply if a Member has scheduled the processed product at the product specific level.

Primary Product	Processed Product
	1905.20 – Ginger bread 1905.31- Sweet biscuit, waffles, wafer (containing sweetening matter) 190532 – Waffles and wafers whether or not stuffed
10.03 - Barley	11.03.19 Groats and meal, of other cereals <sup>1</sup> 11.03.20 Pellets <sup>1</sup> 1104.19 - Rolled or flaked grains, of other cereals <sup>1</sup> 1104.29 - Other worked grains, of other cereals <sup>1</sup>  Malt, whether or not roasted 1107.10 - Not roasted 1107.20 - Malt, Roasted
10.04 - Oats	11.03.19 Groats and meal, of other cereals <sup>1</sup> 11.03.20 Pellets <sup>1</sup> Cereal Grains Otherwise Worked (for example, hulled, rolled, flaked, pearled, sliced or kibbled), except rice of heading 10.06; germ of cereals, whole, rolled, flaked or ground 1104 1104.12 - Rolled or flaked grains: Of oats 1104.22 - Other worked grains: Of oats
1005.90 –Maize (corn) other than seed	1102.20 –Maize (corn) flour  1103.13 – Cereal groats and meal of corn  1108.12 – Starches of corn  1901.10 –Preparations for infant use, put up for retail sale 1901.20 – Mixes and doughs for the preparation of bakers' wares of heading 1905 (where heading 1905: Bread, pastry, cakes, biscuits and other bakers' wares, etc.)  1515.29 – Other fixed maize oil other than not refined, but not chemically modified  1904.10 – Prepared foods obtained by the swelling or roasting of cereals or cereal products
1006.10 - Rice  1001.10 - Durum wheat	1006.20- Husked (brown) rice  1006.30- semi milled or wholly milled rice, whether or not polished or glazed  1006.40- Broken Rice

Primary Product	Processed Product
	<p>1102.30- Rice flour</p> <p>0904.10 Prepared foods obtained by the swelling or roasting of cereals or cereal products.</p> <p>0904.20 prepared foods obtained from the unroasted cereal flakes or from mixtures of unroasted and roasted cereal flakes or swelled cereals</p> <p>2302.20 Bran, sharps and other residues of rice</p> <p>1904.20 – Prepared foods obtained from unroasted cereal flakes or from mixtures of unroasted cereal flakes and roasted cereal flakes or swelled cereals unroasted cereal flakes and roasted cereal flakes or swelled cereals</p>

Oilseeds

Primary Product	Processed Product
12.01 - Soya Beans, whether or not broken	<p>1208.10 - Flours and meals of soya bean</p> <p>1507.10 - Crude oil, whether or not degummed, of soya bean oil and its fractions, not chemically modified.</p> <p>1507.90 – refined oil of soybeans and its fractions, but not chemically modified.</p> <p>2304.00- Oil cakes of soybeans.</p>
1202.10 - Ground-nuts, not roasted or otherwise cooked, whether or not shelled or broken: In shell	<p>Ground-nuts, not roasted or otherwise cooked, whether or not shelled or broken:</p> <p>1202.20 - Shelled, whether or not broken</p> <p>Flours and Meals of Oilseeds or oleaginous fruits, other than those of mustard,</p> <p>12.08.90 – Other than of soybeans<sup>1</sup></p> <p>Ground-nut oil and its fractions, whether or not refined, but not chemically modified.</p> <p>1508.10 - Crude oil</p>

<sup>1</sup> In cases where the HS heading can be associated with more than one primary product, the tariff escalation modality would only apply if a Member has scheduled the processed product at the product specific level.

Primary Product	Processed Product
	1508.90 - Other Fruit, nuts and other edible parts of plants, otherwise prepared or preserved, whether or not containing added sugar or other sweetening matter or spirit, not elsewhere specified or included. 2008.11 – Ground nuts
1205.10 – Low erucic acid rape or colza seed	12.08.90 – Flours and Meals of Oilseeds or oleaginous fruits, other than those of mustard, Other than of soybeans <sup>1</sup> 1514.11 – Crude Oil 1514.19 – Other
1205.90 - Rape or colza seeds, whether or not broken	12.08.90 – Flours and Meals of Oilseeds or oleaginous fruits, other than those of mustard, other than of soybeans <sup>1</sup> 1514.91 - Crude rape, colza or mustard oil and fractions thereof, whether or not refined, but not chemically modified. 1514.99 – Other
12.06 - Sunflower seeds, whether or not broken	Sunflower-seed, safflower or cotton-seed oil and fractions thereof, whether or not refined, but not chemically modified. Sunflower-seed or safflower oil and fractions thereof: 1512.11 - Crude oil 1512.19 – Other
1207.60 - Safflower seeds	Flours and Meals of Oilseeds or oleaginous fruits, other than those of mustard, 12.08.90 – Other than of soybeans <sup>1</sup>  Sunflower-seed, safflower or cotton-seed oil and fractions thereof, whether or not refined, but not chemically modified. Sunflower-seed or safflower oil and fractions thereof: 1512.11 - Crude oil 1512.19 - Other
Other oil seeds and oleaginous fruits, whether or not broken  1207.10 – Palm nuts and kernels	Flours and Meals of Oilseeds or oleaginous fruits, other than those of mustard, 1208.90 – Other than of soybeans <sup>1</sup>  Palm oil and its refractions, whether or not refined, but not chemically modified  1511.10 - Crude oil 1511.90 – Other

Primary Product	Processed Product
<p>Other oil seeds and oleaginous fruits, whether or not broken</p> <p>1207.20 - Cotton seeds</p>	<p>Flours and Meals of Oilseeds or oleaginous fruits, other than those of mustard, 1208.90 – Other than of soybeans<sup>1</sup></p> <p>Sunflower-seed, safflower or cotton-seed oil and fractions thereof, whether or not refined, but not chemically modified.</p> <p>Cotton-seed oil and its fractions: 1512.21 - Crude oil, whether or not gossypol has been removed 1512.29 – Other</p> <p>2306.10 – Of cotton seeds: Oilcake and other solid residues, whether or not ground or in the form of pellets, resulting from the extraction of vegetable fats or oils.</p>

Sugar

Primary product	Processed product
<p>1701.11 – Raw cane sugar, not containing added flavouring or colouring matter</p> <p>1701.12 – Raw beet sugar, not containing added flavouring or colouring matter</p>	<p>1701.91 – Cane or beet sugar containing added flavouring or colouring matter</p> <p>1701.99 – Cane or beet sugar, other than containing added flavouring or colouring matter</p> <p>1704 – Sugar confectionery (including white chocolate) not containing cocoa</p> <p>1702.40 – glucose and glucose syrup, containing in the dray state at least 20% but less than 50% by weight of fructose, excluding invert sugar.</p> <p>2302.50 – of leguminous plants</p>

---

<sup>1</sup> In cases where the HS heading can be associated with more than one primary product, the tariff escalation modality would only apply if a Member has scheduled the processed product at the product specific level.

Cocoa

<b>Primary product</b>	<b>Processed product</b>
1801.00 – Cocoa beans, whole or broken, raw or roasted	1803.10 – Cocoa paste, not defatted 1803.20 – Cocoa paste, wholly or partly defatted  1805.00 – Cocoa powder, not containing added sugar or other sweetening matter  1804.00 – Cocoa butter, fat and oil  1806.10 – cocoa powder, containing added sugar or other sweetening matter  1806.20 – other preparations  1806.31 – filled preparations in blocks, slabs or bars weighing more than 2kg.

Tobacco

<b>Primary Product</b>	<b>Processed Product</b>
2401.10 – Tobacco, not stemmed or stripped	2402.10 – Cigars, cheroots and cigarillos, containing tobacco 2402.20 – Cigarettes containing tobacco  2403.10 – Smoking tobacco, whether or not containing tobacco substitutes in any proportion

Wool

<b>Primary product</b>	<b>Processed product</b>
5101.11- Wool, not carded or combed	1505.00 – Wool fat and fat derived substances, including lanoline

\_\_\_\_\_