

(Draft - Comments Welcome)

Strategic Products and New Safeguard Mechanism

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1. Background

In the modalities that have been proposed for adoption under the new agreement on agriculture, which will replace the existing provisions of the old agreement, a mechanism has been suggested for granting flexibility under market access to the developing countries to take care of their development needs. This is in response to the several suggestions made in the first two rounds of negotiations, wherein, a number of developing countries had advocated special provisions for dealing with their problems of food security, rural poverty etc. Also, a countervailing mechanism, which can be used to ward the threat of highly subsidised imports and extreme variations in international prices.

Therefore, in the draft proposals it has been indicated that developing country members shall have the flexibility of declaring up to a certain fixed number of agricultural products (actual number is yet to be specified) at 6-digit or 4-digit level as being strategic products (SP) with respect to food security, rural development and/or livelihood security concerns. For these products, which are to be identified and marked as SP, the simple average reduction of final bound levels of tariffs shall be 10 per cent subject to a minimum cut of 5 per cent per tariff line as against a much higher level of reductions in bound tariffs for other non SP products. Further, for these products the developing country members will not be required to expand the existing levels of tariff rate quotas.

Over and above an idea of a possible new special safeguard mechanism to enable developing countries to effectively take account of their development needs, including food security, rural development and livelihood security concerns, has also been put forward. Although the precise mechanism is subject to further technical work, the details of which are yet to be worked out. But, the broad agreement is to designate products on which the new safeguard mechanism is to be applied as SSM

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products. This is on top of the items already covered under the special safeguards that are designated as SSG products with the condition that the new safeguard mechanism shall not be taken concurrently with measures listed under Article 5.

The identification of strategic products and structure of the new safeguard mechanism are, therefore, of very vital significance for the developing countries. Accordingly, these are the two aspects that are discussed in this paper.

2. Strategic Products

There could be several ways of identifying products that are of strategic nature for a particular country. One way of defining strategic products could be their shares in the value of agricultural output of a country. Products, which account for a significant share of the total value of agricultural output, would then be categorised as important and strategic. Another way of defining strategic products may be the share of products in the total value of agricultural trade of a country (exports and imports). This is particularly true if exports/imports of a few products account for a considerable share in total agricultural trade.

One more method of identifying strategic products might be the share of total number of people dependent on them for employment. This is highly relevant in a country, where majority of the population is still employed in the agricultural sector and there is a large mass of unemployed people in rural areas. Yet another way of selecting strategic products could possibly be the shares of products in consumption basket of the poor. This is again important in a country, where there is widespread poverty, under-nourishment and hunger.

Obviously, the choice of a particular criterion to select strategic products would vary from country to country, but it is quite apparent that no single criterion would be able to satisfy all the member countries because different criteria will produce a different set of strategic products depending on their importance in the preferred criteria.

Another difficulty with any single criteria is the cut-off value, above which the product groups/products would be treated as strategic. If the value is kept low the categorisation may lead to selection of large number of items, which may not be agreeable to the member countries.

Further, it may also happen that a process like this may lead to the selection of those items on which there is sufficient flexibility to reduce tariffs, which is reflected

in the large differences between the applied and bound rates of tariffs. But it is equally important to bear in mind that the selection should be made on the basis of an objective assessment rather than in an *ad hoc* manner.

Though one way of evolving all-inclusive criterion is to combine all the four criteria suggested above and develop a single determinant by assigning appropriate weights to each of the four measures suggested above.

One major limitation of this exercise, however, is that all the relevant variables needed to identify strategic products particularly at 6-digit level are simply not available barring the only exception of trade data, which are available at 6-digit or 8-digit level.

The only way to overcome this limitation is that first identify broad categories of product groups on the basis of any of these four criteria or a combination of them. After which the selection of tariff lines within these broad groups can be made on the basis of their relative importance in these product groups at the national level. Because covering all the items from these product groups grown in all the regions would lead to the selection of a large number of items.

The approach suggested above is consistent with the categories of products covered under the existing safeguard mechanism, wherein the product categories are defined at aggregate levels such as – (i) cereals, (ii) oilseeds, fats and oils, (iii) sugar and confectionery, (iv) dairy products, (v) animals and products thereof, (vi) eggs, (vii) beverages and spirits, (viii) fruits and vegetables, (ix) tobacco, (x) fibres, (xi) coffee, tea, mate, cocoa preparations, spices, and (xii) other agricultural products.

If this approach is accepted under the new mechanism that is being proposed, it will be easier to choose a few products (at 4-digit or 6-digit level) from each of these selected groups depending upon their relative importance in the national economies of developing country members.

2.1 Strategic Product Groups as defined by their shares in the Value of Agricultural Output

In terms of broad categories of products - cereals, dairy products and fruits and vegetables are the three categories of products, which together account for about 61 per cent share of the total value of agricultural production and would be the prime candidates to be classified as strategic products (Table 1).

2.2 Strategic Product Groups as defined by their shares in Agricultural Trade

In terms of shares in the total value of agricultural trade, three important broad categories of products are oilseeds and edible oils, fruits and vegetables and cereals, which jointly account for approximately 55 per cent share. Hence these three product groups would be the leading groups to be designated as strategic products.

	Share in Value of Agriculture Output (Per cent) TE 2000-01	Share in Value of Agriculture Trade (Exports and Imports) (Per cent) TE 2001-02	Share in Consumption Basket of the Poor (Per cent) 1999-2000	Share in Farm Level Employment (Per cent) TE 1999-2000	Composite Index Using equal weights
Cereals	27.50	11.07	43.89	41.48	30.99
Pulses	3.43	4.74	6.25	5.31	4.93
Oilseeds and edible oils	5.84	25.88	6.80	7.91	11.61
Fruits and vegetables	15.97	16.17	11.86	7.18	12.79
Fibres	2.33	4.55	0.00	5.83	3.18
Sugar	4.86	3.39	3.63	4.37	4.06
Spices	2.89	3.78	4.10	0.36	2.78
Beverages	1.44	10.05	3.41	0.70	3.90
Dairy products	17.25	0.50	17.05	21.89	14.17
Other products	18.48	19.87	3.00	4.60	11.49

Notes:
Column 1 has been computed on the basis of National Accounts Statistics
Column 2 has been computed on the basis of DGCIS data on Trade
Column 3 has been computed from consumption expenditure data published by the National Sample Survey Organisation
Column 4 has been computed from the cost of cultivation data published by the Ministry of Agriculture

2.2 Strategic Product Groups as defined by their shares in Agricultural Trade

In terms of shares in the total value of agricultural trade, three important broad categories of products are oilseeds and edible oils, fruits and vegetables and cereals, which jointly account for approximately 55 per cent share. Hence these three product groups would be the leading groups to be designated as strategic products.

Table 1: Strategic Product Groups Based on Alternative Criteria					
	Share in Value of Agriculture Output (Per cent) TE 2000-01	Share in Value of Agriculture Trade (Exports and Imports) (Per cent) TE 2001-02	Share in Consumption Basket of the Poor (Per cent) 1999-2000	Share in Farm Level Employment (Per cent) TE 1999-2000	Composite Index Using equal weights
Cereals	27.50	11.07	43.89	41.48	30.99
Pulses	3.43	4.74	6.25	5.31	4.93
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Fruits and vegetables	15.97	16.17	11.86	7.18	12.79
Fibres	2.33	4.55	0.00	5.83	3.18
Sugar	4.86	3.39	3.63	4.37	4.06
Spices	2.89	3.78	4.10	0.36	2.78
Beverages	1.44	10.05	3.41	0.70	3.90
Dairy products	17.25	0.50	17.05	21.89	14.17
Other products	18.48	19.87	3.00	4.60	11.49

Notes:

Column 1 has been computed on the basis of National Accounts Statistics

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Column 4 has been computed from the cost of cultivation data published by the Ministry of Agriculture

2.3 Strategic Product Groups as defined by their shares in Consumption Basket of the Poor²

The three broad groups of commodities that emerge, as strategic groups from the point of view of their significantly large shares in the consumption basket of the poor are - cereals, dairy products and fruits and vegetables, which collectively account for almost about 73 per cent of the total expenditure on food.

2.4 Strategic Product Groups as defined by their shares in Farm Employment

The four broad categories of products in terms of their shares in total farm level employment, which account for a little over 78 per cent share of the total employment generated at the farm level include - cereals, dairy, oilseeds and edible oils and fruits and vegetables.

2.5 Strategic Product Groups as defined by a weighted Composite Index of the four criteria

When all the four criteria suggested above are combined into one composite index by assigning an equal weight to each one of them, cereals occupy the first rank, followed by dairy, fruits and vegetables and oilseeds and edible oils in that order.

In the context of strategic product groups, it is also important to keep in view the changes that are taking place in the agricultural sector. The developments in this sector during the past three decades show that the relative importance of dairy and fruits and vegetable sectors is growing quite significantly. These changes are being driven by the changes in the consumption basket, which has also changed in many ways due to increase in incomes. The changes in the consumption pattern reveal that the share of cereals and cereal products is coming down both in urban as well as rural areas quite significantly. On the other hand, shares of milk and milk products and fruits and vegetables have increased substantially during the same period both in rural and urban areas. Relatively high estimates of expenditure elasticity for milk and milk products, meat and fruits and vegetables clearly reveal that the demand for these commodities will rise faster in the future as income levels go up. Hence these two sectors are quite important.

² Four poorest quartiles of the urban and rural population.

It is quite obvious from the above that the top four product groups, which could be classified as strategic are cereals, milk and milk products, fruits and vegetables and edible oils, which figure quite prominently in most of the criteria suggested for classification as strategic products. Dairy Quite clearly, only important products from these groups need to be selected as strategic items depending upon their relative importance in each of these groups at 6-digit or 4-digit level.

2.6 Strategic Products at 6-digit level

2.6.1 Cereals – The important products among cereals are rice, wheat, sorghum, bajra and maize. These five cereals account for nearly 98 per cent of the total value of the output of cereals. There are fourteen important tariff lines at the 6-digit level comprising grains and flours of these products (Table 2).

2.6.2 Dairy products – The share of dairy products in the total value of agricultural output is quite significant – in the region of 17 per cent. The important products in this group are milk, skimmed milk powder, butter, cheese and other dairy products. At the 6-digit level there are 20 tariff lines listed under dairy products (Table 3).

Table 2: Important Cereals and Cereal Products.

	Bound Rate
1001.10 - Durum wheat	100
1001.90 - Other, excluding spelt	100
Ex	
1001.90 - Spelt	80
Ex	
1005.10 - Maize (corn) Seed	70
1005.90 - Maize (corn) Other	60
1006.10 - Rice in the husk (paddy or rough)	80
1006.20 - Husked (brown) rice	80
1006.30 - Semi-milled or wholly milled rice, whether or not polished or glazed	70
1006.40 - Broken rice	80
1007.00 Grain sorghum	80
1008.20 - Millet	70
1101.00 Wheat or meslin flour	150
1102.20 - Maize (corn) flour	150
1102.30 - Rice flour	150

Table 3: Important milk and milk products.

	Bound Rate
0401.10 -Of a fat content, by weight, not exceeding 1%	100
0401.20 -Of a fat content, by weight, exceeding 1% but not exceeding 6%	100
0401.30 -Of a fat content, by weight, exceeding 6%	40
0402.10 -In powder, granules or other solid forms, of a fat content, by weight, not exceeding 1.5%	60
0402.21 --Not containing added sugar or other sweetening matter	60
0402.29 --Other	40
0402.91 --Not containing added sugar or other sweetening matter	40
0402.99 --Other	40
0403.10 -Yogurt	150
0403.90 -Other	150
0404.10 -Whey, whether or not concentrated or containing added sugar or other sweetening matter	40
0404.90 -Other	150
0405.10 -Butter	40
Ex.0405.2 -Dairy Spreads with milk fat content of at least 75% but less than 80%, 0 by weight	40
0405.90 -Other	40
0406.10 -Fresh cheese (including whey cheese), not fermented, and curd	40
0406.20 -Grated or powdered cheese, of all kinds	40
0406.30 -Processed cheese, not grated or powdered	40
0406.40 -Blue-veined cheese	40
0406.90 -Other cheese	40

2.6.3 Fruits and Vegetables – These commodities account for about 17 per cent share in the total value of agricultural output. There are a large number of items under this group comprising of raw fruits and vegetables, their products and juices. Among fruits the important ones include - banana, apple, citrus group, grapes, litchi, mango, papaya, guava, pineapple and sapota. Similarly among vegetables, the important ones include potato, onion, tomato, peas, cabbage, cauliflower, okra and brinjal. There are about 51 tariff lines at 6-digit level that are important from this group. Among these products there are quite a few products on the bound rates are sufficiently high, which implies that normal reductions in their bound tariffs would not affect their domestic production adversely. Thus, if there are limits on the total number of strategic products these can be excluded to accommodate other items on which the bound tariffs are low. There are quite a few items on which the bound rates of tariffs are close to or equal to the current applied rates include – grapefruit, grapes, apples, pears and quinces, plums and sloes, almonds, oranges, lemons and nuts among fruits and onions, mushrooms and truffles, and other vegetables including mixtures among vegetables, respectively.

Table 4: Important vegetables, fruits and their products.

0701.10	- Seed	100
0701.90	- Other	100
0702.00	Tomatoes, fresh or chilled	100
0703.10	- Onions and shallots	100
0705.11	-- Cabbage lettuce (head lettuce)	100
0708.10	- Peas (<i>Pisum sativum</i>)	100
0710.10	- Potatoes	150
0710.21	-- Peas (<i>Pisum sativum</i>)	150
0710.29	-- Other	150
0712.20	- Onions	35
0712.30	- Mushrooms and truffles	35
0712.90	- Other vegetables; mixtures of vegetables	35
0713.10	- Peas (<i>Pisum sativum</i>)	50
0803.00	Bananas, including plantains, fresh or dried	100
0804.30	-Pineapples	100
0804.50	-Guavas, mangoes and mangosteens	100
0805.10	-Oranges	40
0805.20	-Mandarins (including tangerines and satsumas); clementines, wilkings and similar citrus hybrids	100
	-Lemons (<i>Citrus limon</i> , <i>Citrus limonum</i>) and limes (<i>Citrus aurantifolia</i>)	40
0805.30		40
0805.40	-Grapefruit	25
0805.90	-Other	100
0806.10	-Fresh grapes	40
0806.20	-Dried grapes	100
0807.20	-Papaws (papayas)	100
0808.10	-Apples	50
0808.20	-Pears and quinces	35
0809.10	-Apricots	100
0809.20	-Cherries	100
0809.30	-Peaches, including nectarines	100
0809.40	-Plums and sloes	25
0810.50	-Kiwifruit	100
2003.10	- Mushrooms	55
2003.20	- Truffles	55
2004.10	- Potatoes	55
2005.20	- Potatoes	55
2005.40	- Peas (<i>Pisum sativum</i>)	55
2005.51	-- Beans, shelled	55
2005.59	-- Other	55
2005.60	- Asparagus	55
2005.80	- Sweet corn (<i>Zea mays</i> var. <i>saccharata</i>)	55
2007.91	-- Citrus fruit	150
2009.11	-- Frozen	35
2009.19	-- Other	35
2009.20	- Grapefruit juice	85
2009.30	- Juice of any other single citrus fruit	85
2009.40	- Pineapple juice	85
2009.50	- Tomato juice	85
2009.60	- Grape juice (including grape must)	85
2009.70	- Apple juice	85
2009.80	- Juice of any other single fruit or vegetable	85
2009.90	- Mixtures of juices	85

2.6.4 Oilseeds and Edible oils – Among oilseeds and edible oils, the four important ones are groundnut and groundnut oil, rapeseed-mustard and rapeseed-mustard oil, soybean and soybean oil, sunflower and sunflower oil, cottonseed and cottonseed oil and coconut and coconut oil. In terms of oil, the oils of groundnut, rapeseed-mustard, soybean, sunflower, cottonseed and coconut account for nearly 91 per cent of the domestic edible oil production. There are 20 important tariff lines at the 6-digit level comprising the seeds and oils of these products (Table 5).

An important aspect of this group, however, is that barring the exceptions of soybean oil, which is bound at 45 per cent and rapeseed-mustard oil, which is bound at 75 per cent, all other edible oils have a bound rate of 300 per cent. A comparison of bound rates with applied rates (basic) shows that for the two groups, that is soybean and rapeseed-mustard, the applied rates are equal to the bound rates, whereas, for all other edible oils the applied rates range between 65 to 85 per cent as against the bound rate of 300 per cent. Hence, it is evident that except for soybean and rapeseed-mustard oil, the lowering of bound rates even by half from 300 to 150 per cent will not have detrimental effects on domestic production of other oilseeds.

Table 5: Important oilseeds and edible oils.

	Bound Rate
1201.00 Soya beans, whether or not broken	100.00
1202.10 - In shell	100.00
1202.20 - Shelled, whether or not broken	100.00
1203.00 Copra	100.00
1205.00 Rape or colza seeds, whether or not broken	100.00
1206.00 Sunflower seeds, whether or not broken	100.00
1207.20 - Cotton seeds	100.00
1207.50 - Mustard seeds	100.00
1507.10 -Soybean oil (Crude), whether or not degummed	45.00
1507.90 -Soybean oil (Other)	45.00
1508.10 -Groundnut oil (Crude), whether or not refined	300.00
1508.90 -Groundnut oil (Other)	300.00
1512.11 -Sunflowerseed oil (Crude)	300.00
1512.19 -Sunflowerseed oil (Other)	300.00
--Cottonseed oil (Crude) whether or not gossypol has been removed	300.00
1512.29 --Cottonseed oil (Other)	300.00
1513.11 --Coconut (copra) oil (Crude)	300.00
1513.19 --Coconut oil (Other)	300.00
1514.10 -Rape, colza or mustard oil (crude)	75.00
1514.90 -Rape, colza or mustard oil (other)	75.00

If one adds up these tariff lines, there are about 105 lines at 6-digit level, which would qualify as strategic products. At 4-digit level, the list has about 44 tariff lines. However, if some items on which the bound tariffs are extremely high, that is, above 100 are excluded, the list can be pruned down to 87 tariff lines at 6-digit level. The list can be pruned further if tariff lines that are bound at 100 per cent are also excluded from the list. The overall framework that emerges after the draft modalities on SP are put in place will guide a selection procedure.³

Broadly, these are the products at 6-digit level that should be designated as SP products on which the right to use flexibility provided under SP and SSM be reserved. However, due to restrictions on the coverage of number of products if a choice is to be made between products that need to be categorised as SP and products that need to be covered under the category of SSM, the choice can be made on the basis of bound rates. Products on which the bound rates are low (below 100 per cent) would need to be categorised under the SP group and products on which the bound rates are high (above 100 per cent) should be put in the category of SSM group. These two lists are shown in Tables 6 and 7. Under the SP group, there are 58 tariff lines at 6-digit level and under the SSM group there are 47 tariff lines at 6-digit level, respectively.

Such a process of selecting SP products obviously leaves pulses, sugar and cotton, which are quite important crops. But it is important to note that these crops have been under the Open General License for quite some time. The bound rates of tariffs are quite high 100 per cent (pulses and cotton) and 150 per cent (sugar) as against the applied rates which range from 10 per cent (pulses and cotton) to 60 per cent in the case of sugar. The implicit rates of protection also suggest that even if bound rates of tariffs are reduced by 40 to 50 per cent, there will not be any adverse impact on their domestic output (Table 8). Thus, given the low levels of import duties, which is currently applied and lower implicit rates of protection normal reductions in their bound tariffs will not hurt their domestic production adversely in the foreseeable future.

³ In the framework, which was discussed on March 11 (2003), it was indicated that least-developed and net food-importing developing countries may designate up to [N] products, in their primary or semi-processed form at the HS 8-digit level provided certain conditions are complied with, which are still to be developed. For other developing countries a lower level of coverage was suggested, that is, [N-n] products, in their primary or semi-processed form at the HS 8-digit level.

Table 6: Probable list of products among SP to be covered under SP alone

	Bound Rate
1001.90 - Spelt	80
Ex:	
1005.10 - Maize (corn) Seed	70
1005.90 - Maize (corn) Other	60
1006.10 - Rice in the husk (paddy or rough)	80
1006.20 - Husked (brown) rice	80
1006.30 - Semi-milled or wholly milled rice, whether or not polished or glazed	70
1006.40 - Broken rice	80
1007.00 Grain sorghum	80
1008.20 - Millet	70
0401.30 -Of a fat content, by weight, exceeding 6%	40
0402.10 -In powder, granules or other solid forms, of a fat content, by weight, not exceeding 1.5%	60
0402.21 --Not containing added sugar or other sweetening matter	60
0402.29 --Other	40
0402.91 --Not containing added sugar or other sweetening matter	40
0402.99 --Other	40
0404.10 -Whey, whether or not concentrated or containing added sugar or other sweetening matter	40
0405.10 -Butter	40
Ex.0405.2 -Dairy Spreads with milk fat content of at least 75% but less than 80%, 0 by weight	40
0405.90 -Other	40
0406.10 -Fresh cheese (including whey cheese), not fermented, and curd	40
0406.20 -Grated or powdered cheese, of all kinds	40
0406.30 -Processed cheese, not grated or powdered	40
0406.40 -Blue-veined cheese	40
0406.90 -Other cheese	40
0712.20 - Onions	35
0712.30 - Mushrooms and truffles	35
0712.90 - Other vegetables; mixtures of vegetables	35
0713.10 - Peas (<i>Pisum sativum</i>)	50
0805.10 -Oranges	40
-Lemons (<i>Citrus limon</i> , <i>Citrus limonum</i>) and limes (<i>Citrus aurantifolia</i>)	40
0805.30	40
0805.40 -Grapefruit	25
0806.10 -Fresh grapes	40
0808.10 -Apples	50
0808.20 -Pears and quinces	35
0809.40 -Plums and sloes	25
2003.10 - Mushrooms	55
2003.20 - Truffles	55
2004.10 - Potatoes	55
2005.20 - Potatoes	55
2005.40 - Peas (<i>Pisum sativum</i>)	55
2005.51-- Beans, shelled	55
2005.59-- Other	55
2005.60 - Asparagus	55
2005.80 - Sweet corn (<i>Zea mays</i> var. <i>saccharata</i>)	55
2009.11-- Frozen	35
2009.19-- Other	35
2009.20 - Grapefruit juice	85

2009.30	- Juice of any other single citrus fruit	85
2009.40	- Pineapple juice	85
2009.50	- Tomato juice	85
2009.60	- Grape juice (including grape must)	85
2009.70	- Apple juice	85
2009.80	- Juice of any other single fruit or vegetable	85
2009.90	- Mixtures of juices	85
1507.10	-Soybean oil (Crude), whether or not degummed	45
1507.90	-Soybean oil (Other)	45
1514.10	-Rape, colza or mustard oil (crude)	75
1514.90	-Rape, colza or mustard oil (other)	75

Table 7: Probable list of products among the SP to be covered under SSM

	Bound Rate	
1001.10	- Durum wheat	100
1001.90	- Other, excluding spelt	100
Ex		
1101.00	Wheat or meslin flour	150
1102.20	- Maize (corn) flour	150
1102.30	- Rice flour	150
0401.10	-Of a fat content, by weight, not exceeding 1%	100
0401.20	-Of a fat content, by weight, exceeding 1% but not exceeding 6%	100
0403.10	-Yogurt	150
0403.90	-Other	150
0404.90	-Other	150
0701.10	- Seed	100
0701.90	- Other	100
0702.00	Tomatoes, fresh or chilled	100
0703.10	- Onions and shallots	100
0705.11	-- Cabbage lettuce (head lettuce)	100
0708.10	- Peas (<i>Pisum sativum</i>)	100
0710.10	- Potatoes	150
0710.21	-- Peas (<i>Pisum sativum</i>)	150
0710.29	-- Other	150
0803.00	Bananas, including plantains, fresh or dried	100
0804.30	-Pineapples	100
0804.50	-Guavas, mangoes and mangosteens	100
	-Mandarins (including tangerines and satsumas); clementines, wilkings and similar citrus hybrids	100
0805.20		100
0805.90	-Other	100
0806.20	-Dried grapes	100
0807.20	-Papaws (papayas)	100
0809.10	-Apricots	100
0809.20	-Cherries	100
0809.30	-Peaches, including nectarines	100
0810.50	-Kiwifruit	100
2007.91	-- Citrus fruit	150
1201.00	Soya beans, whether or not broken	100
1202.10	- In shell	100
1202.20	- Shelled, whether or not broken	100
1203.00	Copra	100
1205.00	Rape or colza seeds, whether or not broken	100
1206.00	Sunflower seeds, whether or not broken	100
1207.20	- Cotton seeds	100

1207.50	- Mustard seeds	100
1508.10	-Groundnut oil (Crude), whether or not refined	300
1508.90	-Groundnut oil (Other)	300
1512.11	-Sunflowerseed oil (Crude)	300
1512.19	-Sunflowerseed oil (Other)	300
1512.21	--Cottonseed oil (Crude) whether or not gossypol has been removed	300
1512.29	--Cottonseed oil (Other)	300
1513.11	--Coconut (copra) oil (Crude)	300
1513.19	--Coconut oil (Other)	300

Table 8: Implicit Rates of Protection under Alternative Scenarios (Importable Hypotheses)

Product	Actual Prevailing Price	Average International Price	Lowest International Price
	(Per cent)	(Per cent)	(Per cent)
0402.10 - SKM	7	34	166
0405.10 - Butter	41	87	319
0713.40 - Lentil	-11	-2	46
0713.90 Gram, tur, moong and urad	5	12	60
1001.90 - Wheat	-39	-43	-23
1003.00 - Barley	-17	-15	22
1005.90 - Maize	-14	-15	16
1006.20 - Rice	-30	-42	8
1007.00 - Jowar	3	1	30
1008.20 - Bajra	-6	-8	19
1201.00 - Soybean	-13	-12	21
1202.20 - Groundnut	10	15	95
1203.00 - Copra	63	85	158
1204.00 - Linseed	89	63	206
1205.00 - Rapeseed-Mustard	22	19	76
1206.00 - Sunflower seeds	-2	-18	48
1507.10 - Soybean oil	47	49	112
1508.10 - Groundnut oil	3	6	61
1512.11 - Sunflower seed oil	68	69	147
1513.11 - Coconut oil	65	71	185
1514.10 - Rapeseed-mustard oil	64	75	156
1515.11 - Linseed oil	43	44	122
1701.11 - Cane sugar	18	-16	63
2401.10 - FCV Tobacco	-18	-35	26
5201.00 - Cotton	-9	-16	31

Source: Computed.

3. New Safeguard Mechanism

A clear outline and modalities of a new special safeguard mechanism for the developing countries to address their development needs such as food security, rural development and livelihood security effectively is still subject to technical work. However, it has been clearly spelt out that the right to use this mechanism shall be reserved by designating products in the schedules of the countries with a symbol "SSM". This is in addition to the products that are already covered and designated with the symbol "SSG" under Article 5 of the current AOA.

Therefore, in this context it is important to discuss modalities of the new safeguard mechanism, which will be put in place in the new agreement. In the wake of further cuts in tariffs this is quite important for a country such as India because currently there is no product, which is covered under the existing SSG.

Apparently the objective of any safeguard mechanism should be to allow the use of additional duties over and above the bound rates if certain conditions relating to import surges or sudden busts in external reference prices are experienced. Obviously, the mechanisms need to be simple so that these can be invoked without difficulties if such a need arises.

As far as the current provisions of the safeguard mechanisms are concerned there are several weaknesses, which need to be sorted out to make them more practicable if the same provisions are to be used in the new safeguard mechanism. One of the major weaknesses with the current provisions is the method employed to work out additional duties that may be levied in the event of import surges. As per the current provisions the comparison between the trigger price and the current c.i.f. import price of the shipment is made after expressing the fixed external reference price in domestic currency. Under the agreement trigger prices should be equal to the average reference prices during the base period.⁴

Now, if a comparison is made between the fixed external reference price expressed in domestic currency using the exchange rate that prevailed during the base period and current import price is expressed in domestic currency using current exchange rate, the safeguard provisions as they currently apply will never be used in a

⁴ There are of course some variations. For example, it has been observed that trigger prices intended for use by the EU are much higher than the external reference prices, which the EU has used for tariffication. Under the existing provisions this is an anomaly, which must be corrected.

majority of developing countries. This is simply because the exchange rate depreciation between the base period and any recent year, is quite considerable and if these changes in exchange rate are not accounted for, the current import prices expressed in domestic currency will always be higher than the base level trigger prices. This is a problem for developing countries in particular, where the depreciation of exchange rate in general is high compared to the developed countries.

This problem is similar to the one that has been faced in the calculation of domestic support. To be fair and correct, the trigger price (external reference price of the base period) should be expressed in any relatively stable foreign currency (may be US dollars or SDRs) using the base period exchange rate and the current c.i.f. prices for the period in which the safeguard mechanism is to be invoked should also be expressed in the same stable currency using the current exchange rate for that period. Therefore, the trigger prices expressed in foreign currency should only be compared with the current c.i.f. import price of the shipment expressed in the same foreign currency. Only then comparison would be fair and correct.

Further, except for those products for which AMS calculations have been made or SSG were negotiated, the base period external reference price are not mentioned in the schedules of many developing countries.

Similarly in the case of quantum triggers, under the existing provisions, the quantum triggers are with reference to the market access opportunities defined as volume of imports as a percentage of the corresponding domestic consumption during the three preceding years for which the data are available. If the market access opportunities are less than 10 per cent the trigger level is 125 per cent. When the market access opportunities are between 10 and 30 per cent the trigger level is 110 per cent and if the market access opportunities are greater than 30 per cent the trigger level is 105 per cent. The additional duties can be levied only if the absolute volume of imports of the concerned products exceeds the sum of the base trigger levels multiplied by the average quantity of imports during the preceding three years and absolute change in the volume of domestic consumption.

Evidently, such a mechanism of working out quantum trigger levels and additional duties is very cumbersome. In the new safeguard mechanism these conditions for quantum triggers need to be simplified so that they are easy to implement. A simple and easy way is to prescribe levels that are related to the surges

in the quantum of imports in relation to the preceding three years average levels of imports.

Further, the base period for both price and quantum triggers under the new safeguard mechanism should be 1996 to 1998, which is exactly 10 years after the existing base period of 1986 to 1988 in the existing AOA. In the preliminary discussions that have been held the base period, which is being suggested is the 1999-2001. This will not suit the developing countries, because international prices for most of the commodities were very low during this period. The situation would not be different even if the three highest and the three lowest monthly averages are excluded from the monthly prices of last three years as has been suggested.

In terms of additional duties, it has been indicated that additional duties should not exceed any positive difference between the c.i.f. import price of a shipment and a corresponding import reference price. However, in quantum triggered import duties, a ceiling of 30 per cent *ad valorem* has been indicated on any quantity of imports in excess of 125 per cent of the average volume of imports in the immediately preceding three year period.

In the earlier framework the import duties did not completely offset the fall in import prices. Though a certain threshold level is needed above which the usage of additional duties will be triggered. The threshold level should be 10 per cent, that is, if the difference between the c.i.f. import price of a shipment and a corresponding import reference price is greater than 10 per cent only the additional duties will be levied. The levels of additional duties can be specified as follows

- 10 per cent additional duty if the prices fall is between 10 and 30 per cent,
- 20 per cent additional duty if the decrease in prices is between 30 and 50 per cent, and
- 30 per cent additional duty if the price decrease is between 50 and 70 per cent and so on.

The other issues in relation to the new safeguard mechanism that are important are related to the coverage of products and should there be any distinctions in the application of safeguards considering the origin of imports. One may be tempted to articulate that the coverage of the number of products for the application of safeguards should be different for the least developed and developing countries. But that does not seem right simply because least developed countries do not have any commitments, whether it is domestic support or export competition or market access,

whereas developing countries have commitments in all the three areas. Therefore, the impact of further trade liberalisation is going to be felt more in the developing countries as compared to the least developed countries.

Likewise, there should not be any distinction in the application of safeguards between imports originating in developing countries and developed countries, because some of the developing countries also subsidise their agriculture and have reduction commitments.

Table 1: Rates of Effective Protection for Selected Agricultural Products (1995-96 to 2000-01)

Tariff Line and Product	Under importable Scenario		
	Scenario - I Actual Price	Scenario - II Average Inter- national Price	Scenario - III Lowest Inter- national Price
0402.10- SKM	7	34	166
0405 - Butter	41	87	319
0713.4 - Lentil	-11	-2	46
07139001- Gram	-24	-28	12
07139003 - Moong	14	25	79
07139004 Tur	11	11	53
07139005 - Urad	17	38	95
1001 - Wheat	-39	-43	-23
1003 - Barley	-17	-15	22
1005 - Maize	-14	-15	16
1006 - Rice	-30	-42	8
1007 - Jowar	3	1	30
1008 - Bajra	-6	-8	19
1201 - Soybean	-13	-12	21
1202 - Groundnut	10	15	95
1203 - Copra	63	85	158
1204 - Linseed	89	63	206
1205 - Rapeseed-Mustard	22	19	76
1206 - Sunflower seeds	-2	-18	48
1507 - Soybean oil	47	49	112
1508 - Groundnut oil	3	6	61
1512 - Sunflower seed oil	68	69	147
1513 - Coconut oil	65	71	185
1514 - Rapeseed-mustard oil	64	75	156
1515.11 - Linseed oil	43	44	122
1701 - Cane sugar	18	-16	63
2401.10 - FCV Tobacco	-18	-35	26
5201 - Cotton	-9	-16	31

Source: Sharma, Anil (2003), NCAER, New Delhi.

Table 2: Distribution (new bound rates - 2004)

1502.00	Fats of bovine animals, sheep or goats, raw or rendered, whether or not pressed or solvent-	0
0601.10	- Bulbs, tubers, tuberous roots, corms, crowns and rhizomes, dormant	10
0601.20	- Bulbs, tubers, tuberous roots, corms, crowns and rhizomes, in growth or in flower; chicory	10
0602.10	- Unrooted cuttings and slips	10
0602.20	- Edible fruit or nut trees, shrubs and bushes, grafted or not	10
0602.30	- Rhododendrons and azaleas, grafted or not	10
0602.40	- Roses, grafted or not	10
0602.90	- Other	10
1209.91	-- Vegetable seeds	10
1209.99	-- Other	10
0805.40	-Grapefruit	25
0813.20	-Prunes	25
4101.10	-Whole hides and skins of bovine animals, of a weight per skin not exceeding 8 kg when simply	25
4101.21	--Whole	25
4101.22	--Butts and bends	25
4101.29	--Other	25
4101.30	-Other hides and skins of bovine animals, otherwise preserved	25
4101.40	-Hides and skins of equine animals	25
4102.10	-With wool on	25
4102.21	--Pickled	25
4102.29	--Other	25
4103.10	-Of goats or kids	25
4103.20	-Of reptiles	25
4103.90	-Other	25
5101.11	-- Shorn wool	25
5101.19	-- Other	25
0712.20	- Onions	35
0712.30	- Mushrooms and truffles	35
0712.90	- Other vegetables; mixtures of vegetables	35
0808.20	-Peats and quinces	35
0909.40	- Seeds of caraway	35
0910.40	- Thyme; bay leaves	35
1108.11	-- Wheat starch	35
1108.13	-- Potato starch	35
2004.90	- Other vegetables and mixtures of vegetables	35
2009.11	-- Frozen	35
2009.19	-- Other	35
2301.20	- Flours, meals and pellets, of fish or of crustaceans, molluscs or other aquatic invertebrates	35
0401.30	-Of a fat content, by weight, exceeding 6%	40
0402.29	--Other	40
0402.91	--Not containing added sugar or other sweetening matter	40
0402.99	--Other	40
0404.10	-Whey, whether or not concentrated or containing added sugar or other sweetening matter	40
0405.10	-Butter	40
Ex.0405.20	-Dairy Spreads with milk fat content of atleast 75% but less than 80%, by weight	40

1005.90	- Maize (corn) Other	60
Ex.2106.90	- Other [excluding compound alcoholic preparations (other than those based on odoriferous	60
1005.10	- Maize (corn) Seed	70
1006.30	- Semi-milled or wholly milled rice, whether or not polished or glazed	70
1008.20	- Millet	70
1210.20	- Hop cones, ground, powdered or in the form of pellets; lupulin	75
1514.10	- Rape, colza or mustard oil (crude)	75
1514.90	- Rape, colza or mustard oil (other)	75
1001.90	E - Spelt	80
1006.10	- Rice in the husk (paddy or rough)	80
1006.20	- Husked (brown) rice	80
1006.40	- Broken rice	80
1007.00	Grain sorghum	80
2106.10	- Protein concentrates and textured protein substances	80
2009.20	- Grapefruit juice	85
2009.30	- Juice of any other single citrus fruit	85
2009.40	- Pineapple juice	85
2009.50	- Tomato juice	85
2009.60	- Grape juice (including grape must)	85
2009.70	- Apple juice	85
2009.80	- Juice of any other single fruit or vegetable	85
2009.90	- Mixtures of juices	85
0101.11	-- Pure-bred breeding animals	100
0101.19	-- Other	100
0101.20	- Asses, mules and hinnies	100
0102.10	- Pure-bred breeding animals	100
0102.90	- Other	100
0103.10	- Pure-bred breeding animals	100
0103.91	-- Weighing less than 50 kg	100
0103.92	-- Weighing 50 kg or more	100
0104.10	- Sheep	100
0104.20	- Goats	100
0105.11	-- Fowls of the species Gallus domesticus	100
0105.12	-- Turkeys	100
0105.19	-- Other	100
0105.92	___ Fowls of the species Gallus domesticus weighing not more than 2000 grams	100
0105.93	___ Fowls of the species Gallus domesticus weighing more than 2000 grams	100
0105.99	-- Other	100
0106.00	Other live animals	100
0201.10	- Carcasses and half-carcasses	100
0201.20	- Other cuts with bone in	100
0201.30	- Boneless	100
0202.10	- Carcasses and half-carcasses	100
0202.20	- Other cuts with bone in	100
0202.30	- Boneless	100
0203.11	-- Carcasses and half-carcasses	100
0203.12	-- Hams, shoulders and cuts thereof, with bone in	100

0203.19	--Other	100
0203.21	--Carcases and half-carcases	100
0203.22	--Hams, shoulders and cuts thereof, with bone in	100
0203.29	--Other	100
0204.10	-Carcases and half-carcases of lamb, fresh or chilled	100
0204.21	--Carcases and half-carcases	100
0204.22	--Other cuts with bone in	100
0204.23	--Boneless	100
0204.30	-Carcases and half-carcases of lamb, frozen	100
0204.41	--Carcases and half-carcases	100
0204.42	--Other cuts with bone in	100
0204.43	--Boneless	100
0204.50	-Meat of goats	100
0205.00	Meat of horses, asses, mules or hinnies, fresh, chilled or frozen	100
0206.10	-Of bovine animals, fresh or chilled	100
0206.21	--Tongues	100
0206.22	--Livers	100
0206.29	--Other	100
0206.30	-Of swine, fresh or chilled	100
0206.41	--Livers	100
0206.49	--Other	100
0206.80	-Other, fresh or chilled	100
0206.90	-Other, frozen	100
0207.11	<i>Not cut in pieces, fresh or chilled</i>	100
0207.12	<i>Not cut in pieces, frozen</i>	100
0207.13	<i>Cuts and offal, fresh or chilled</i>	100
0207.14	<i>Cuts and offal, frozen</i>	100
0207.24	<i>Not cut in pieces, fresh or chilled</i>	100
0207.25	<i>Not cut in pieces, frozen</i>	100
0207.26	<i>Cuts and offal, fresh or chilled</i>	100
0207.27	<i>Cuts and offal, frozen</i>	100
0207.32	-- <i>Not cut in pieces, fresh or chilled</i>	100
0207.33	-- <i>Not cut in pieces, frozen</i>	100
Ex.0207.34	<i>Fatty livers of ducks or geese, fresh or chilled</i>	100
Ex.0207.34	<i>Fatty livers(other than those of ducks or geese),fresh and chilled</i>	100
0207.35	-- <i>other, fresh and chilled</i>	100
0207.36	-- <i>other, frozen</i>	100
0208.10	-Of rabbits or hares	100
0208.20	-Frogs' legs	100
0208.90	-Other	100
0401.10	-Of a fat content, by weight, not exceeding 1%	100
0401.20	-Of a fat content, by weight, exceeding 1% but not exceeding 6%	100
0501.00	Human hair, unworked, whether or not washed or scoured; waste of human hair	100
0502.10	-Pigs', hogs' or boars' bristles and hair and waste thereof	100
0502.90	- Other	100
0503.00	Horsehair and horsehair waste, whether or not put up as a layer with or without supporting	100
0504.00	Guts, bladders and stomachs of animals (other than fish), whole and pieces thereof	100

0505.10	- Feathers of a kind used for stuffing; down	100
0505.90	- Other	100
0506.10	- Ossein and bones treated with acid	100
0506.90	- Other	100
0507.10	- Ivory; ivory powder and waste	100
0507.90	- Other	100
0508.00	Coral and similar materials, unworked or simply prepared but not otherwise worked; shells of	100
0509.00	Natural sponges of animal origin	100
0510.00	Ambergris, castoreum, civet and musk; cantharides; bile, whether or not dried; glands and other	100
0511.10	- Bovine semen	100
0511.91	-- Products of fish or crustaceans, molluscs or other aquatic invertebrates; dead animals of	100
0511.99	-- Other	100
0701.10	- Seed	100
0701.90	- Other	100
0702.00	Tomatoes, fresh or chilled	100
0703.10	- Onions and shallots	100
0703.20	- Garlic	100
0703.90	- Leeks and other alliaceous vegetables	100
0704.10	- Cauliflowers and headed broccoli	100
0704.20	- Brussels sprouts	100
0704.90	- Other	100
0705.11	-- Cabbage lettuce (head lettuce)	100
0705.19	-- Other	100
0705.21	-- Witloof chicory (<i>Cichorium intybus</i> var. <i>foliosum</i>)	100
0705.29	-- Other	100
0706.10	- Carrots and turnips	100
0706.90	- Other	100
0707.00	Cucumbers and gherkins, fresh or chilled	100
0708.10	- Peas (<i>Pisum sativum</i>)	100
0708.20	- Beans (<i>Vigna</i> spp., <i>Phaseolus</i> spp.)	100
0708.90	- Other leguminous vegetables	100
0709.10	- Globe artichokes	100
0709.20	- Asparagus	100
0709.30	- Aubergines (egg-plants)	100
0709.40	- Celery other than celeriac	100
0709.51	-- Mushrooms	100
0709.52	-- Truffles	100
0709.60	- Fruits of the genus <i>Capsicum</i> or of the genus <i>Pimenta</i>	100
0709.70	- Spinach, New Zealand spinach and orache spinach (garden spinach)	100
0709.90	- Other	100
0711.10	- Onions	100
0711.20	- Olives	100
0711.30	- Capers	100
0711.40	- Cucumbers and gherkins	100
0711.90	- Other vegetables; mixtures of vegetables	100
0713.20	- Chickpeas (garbanzos)	100
0713.31	-- Beans of the species <i>Vigna mungo</i> (L.) Hepper or <i>Vigna radiata</i> (L.) Wilczek	100

0713.32	-- Small red (Adzuki) beans (<i>Phaseolus</i> or <i>Vigna angularis</i>)	100
0713.33	-- Kidney beans, including white pea beans (<i>Phaseolus vulgaris</i>)	100
0713.39	-- Other	100
0713.40	- Lentils	100
0713.50	- Broad beans (<i>Vicia faba</i> var. <i>major</i>) and horse beans (<i>Vicia faba</i> var. <i>equina</i> , <i>Vicia faba</i> var.	100
0713.90	-Other	100
0801.11	--Desiccated	100
0801.19	--Other	100
0801.21	--in-shell	100
0801.22	--Shelled	100
0801.31	--in shell	100
0801.32	--shelled	100
0802.21	--In shell	100
0802.22	--Shelled	100
0802.31	--In shell	100
0802.32	--Shelled	100
0802.40	-Chestnuts (<i>Castanea</i> spp.)	100
0802.50	-Pistachios	100
0802.90	-Other	100
0803.00	Bananas, including plantains, fresh or dried	100
0804.10	-Dates	100
0804.20	-Figs	100
0804.30	-Pineapples	100
0804.40	-Avocados	100
0804.50	-Guavas, mangoes and mangosteens	100
0805.20	-Mandarins (including tangerines and satsumas); clementines, wilkings and similar citrus	100
0805.90	-Other	100
0806.20	-Dried grapes	100
0807.11	- Watermelons	100
0807.19	--Other	100
0807.20	-Papaws (papayas)	100
0809.10	-Apricots	100
0809.20	-Cherries	100
0809.30	-Peaches, including nectarines	100
0810.10	-Strawberries	100
0810.20	-Raspberries, blackberries, mulberries and loganberries	100
0810.30	-Black, white or red currants and gooseberries	100
0810.40	-Cranberries, bilberries and other fruits of the genus <i>Vaccinium</i>	100
0810.50	-Kiwifruit	100
0810.90	-Other	100
0812.10	-Cherries	100
0812.20	-Strawberries	100
0812.90	-Other	100
0814.00	Peel of citrus fruit or melons (including watermelons), fresh, frozen, dried or provisionally	100
0901.11	-- Not decaffeinated	100
Ex.0901.90	- Coffee husks and skins	100
Ex.0901.90	-Other(excluding coffee husks and skins)	100

0405.90	-Other	40
0406.10	-Fresh cheese (including whey cheese), not fermented, and curd	40
0406.20	-Grated or powdered cheese, of all kinds	40
0406.30	-Processed cheese, not grated or powdered	40
0406.40	-Blue-veined cheese	40
0406.90	-Other cheese	40
0805.10	-Oranges	40
0805.30	-Lemons (Citrus limon, Citrus limonum) and limes (Citrus aurantifolia)	40
0806.10	-Fresh grapes	40
0809.40	-Plums and sloes	40
1107.10	- Not roasted	40
1509.90	-Olive oil (Other)	40
3501.10	- Casein	40
3501.90	- Other	40
5101.21	-- Shorn wool	40
5101.30	- Carbonised	40
1507.10	-Soybean oil (Crude), whether or not degummed	45
1507.90	-Soybean oil (Other)	45
1509.10	-Olive oil (Virgin)	45
1510.00	Other oils and their fractions, obtained solely from olives, whether or not refined, but not	45
1704.10	-Chewing gum, whether or not sugar-coated	45
1905.30	-Sweet biscuits; waffles and wafers	45
0713.10	- Peas (Pisum sativum)	50
0808.10	-Apples	50
1901.10	-Preparations for infant use, put up for retail sale	50
1602.10	- Homogenised preparations	55
1602.41	-- Hams and cuts thereof	55
1602.42	-- Shoulders and cuts thereof	55
1901.20	-Mixes and doughs for the preparation of bakers' wares of heading No1905	55
1904.10	-Prepared foods obtained by the swelling or roasting of cereals or cereal products	55
Ex. 1904.20	-Prepared foods obtained from unroasted cereal flakes or from mixtures of unroasted cereal	55
1904.90	-Other	55
2003.10	- Mushrooms	55
2003.20	- Truffles	55
2004.10	- Potatoes	55
2005.10	- Homogenized vegetables	55
2005.20	- Potatoes	55
2005.40	- Peas (Pisum sativum)	55
2005.51	-- Beans, shelled	55
2005.59	-- Other	55
2005.60	- Asparagus	55
2005.70	- Olives	55
2005.80	- Sweet corn (Zea mays var. saccharata)	55
2104.10	-Soups and broths and preparations therefor	55
3504.00	Peptones and their derivatives; other protein substances and their derivatives, not elsewhere	55
0402.10	SKM-In powder, granules or other solid forms, of a fat content, by weight, not exceeding 1.5%	60
0402.21	SKM--Not containing added sugar or other sweetening matter	60

0903.00	Mate	100
0904.11	-- Neither crushed nor ground	100
0905.00	Vanilla	100
0905.10	- Neither crushed nor ground	100
0907.00	Cloves (whole fruit, cloves and stems)	100
0908.10	- Nutmeg	100
0908.20	- Mace	100
0908.30	- Cardamoms	100
1001.10	- Durum wheat	100
1001.90	E - Other, excluding spelt	100
1002.00	Rye	100
1003.00	Barley	100
1004.00	Oats	100
1008.10	- Buckwheat	100
1008.30	- Canary seed	100
1008.90	- Other cereals	100
1107.20	- Roasted	100
1108.12	-- Maize (corn) starch	100
1108.14	-- Manioc (cassava) starch	100
1108.19	-- Other starches	100
1108.20	- Inulin	100
1109.00	Wheat gluten, whether or not dried	100
1201.00	Soya beans, whether or not broken	100
1202.10	- In shell	100
1202.20	- Shelled, whether or not broken	100
1203.00	Copra	100
1204.00	Linseed, whether or not broken	100
1205.00	Rape or colza seeds, whether or not broken	100
1206.00	Sunflower seeds, whether or not broken	100
1207.10	- Palm nuts and kernels	100
1207.20	- Cotton seeds	100
1207.30	- Castor oil seeds	100
1207.40	- Sesamum seeds	100
1207.50	- Mustard seeds	100
1207.60	- Safflower seeds	100
1207.91	-- Poppy seeds	100
1207.92	-- Shea nuts (karite nuts)	100
1207.99	-- Other	100
1209.11	-- Sugar beet seed	100
1209.19	-- Other	100
1209.21	-- Lucerne (alfalfa) seed	100
1209.22	-- Clover (Trifolium spp.) seed	100
1209.23	-- Fescue seed	100
1209.24	-- Kentucky blue grass (Poa pratensis L.) seed	100
1209.25	-- Rye grass (Lolium multiflorum Lam., Lolium perenne L.) seed	100
1209.26	-- Timothy grass seed	100
1209.29	-- Other	100

1209.30	- Seeds of herbaceous plants cultivated principally for their flowers	100
1210.10	- Hop cones, neither ground nor powdered nor in the form of pellets	100
1211.10	- Liquorice roots	100
1211.20	- Ginseng roots	100
1211.90	- Other	100
Ex.1212.1	- Locust beans(including locust bean seeds), other than frozen	100
Ex.1212.1	- Locust beans(including locust bean seeds), frozen	100
Ex.1212.2	- Seaweeds and other algae(other than frozen)	100
Ex.1212.2	- Seaweeds and other algae(frozen)	100
1212.30	- Apricot, peach or plum stones and kernels	100
Ex.1212.9	-- Sugar beet(other than frozen)	100
Ex.1212.9	-- Sugar beet(frozen)	100
Ex.1212.9	-- Sugar cane(other than frozen)	100
Ex.1212.9	-- Sugar cane(frozen)	100
1212.99	-- Other	100
1213.00	Cereal straw and husks, unprepared, whether or not chopped, ground, pressed or in the form of	100
1214.10	- Lucerne (alfalfa) meal and pellets	100
1214.90	- Other	100
1301.10	- Lac	100
1301.20	- Gum Arabic	100
1301.90	- Other	100
1302.11	-- Opium	100
1302.12	-- Of liquorice	100
1302.13	-- Of hops	100
1302.14	-- Of pyrethrum or of the roots of plants containing rotenone	100
Ex.1302.1	-- Other(excluding vanilla oleo resin or vanilla extract)	100
1302.20	- Pectic substances, pectinates and pectates	100
1302.31	-- Agar-agar	100
1302.32	-- Mucilages and thickeners, whether or not modified, derived from locust beans, locust bean	100
1302.39	-- Other	100
1401.10	- Bamboos	100
1401.20	- Rattans	100
1401.90	- Other	100
1402.10	- Kapok	100
1402.90	- Other	100
1403.10	- Broomcorn (Sorghum vulgare var. technicum)	100
1403.90	- Other	100
1404.10	- Raw vegetable materials of a kind used primarily in dyeing or tanning	100
1404.20	- Cotton linters	100
1404.90	- Other	100
1504.30	-Fats and oils and their fractions, of marine mammals	100
1505.10	-Wool grease, crude	100
1505.90	-Other	100
1515.30	-Castor oil and its fractions	100
1515.40	-Tung oil and its fractions	100
1515.60	-Jojoba oil and its fractions	100
1702.11	--Containing by weight 99% or more lactose, expressed as anhydrous lactose calculated on the	100

1702.19	--Other	100
1702.50	-Chemically pure fructose	100
1702.60	-Other fructose and fructose syrup, containing in the dry state more than 50% by weight of	100
1703.10	-Cane molasses	100
1703.90	-Other	100
1801.00	Cocoa beans, whole or broken, raw or roasted	100
1802.00	Cocoa shells, husks, skins and other cocoa waste	100
1803.10	-Not defatted	100
1803.20	-Wholly or partly defatted	100
1804.00	Cocoa butter, fat and oil	100
2301.10	- Flours, meals and pellets, of meat or meat offal; greaves	100
2302.10	- Of maize (corn)	100
2302.20	- Of rice	100
2302.30	- Of wheat	100
2302.40	- Of other cereals	100
2302.50	- Of leguminous plants	100
2303.10	- Residues of starch manufacture and similar residues	100
2303.20	- Beet-pulp, bagasse and other waste of sugar manufacture	100
2303.30	- Brewing or distilling dregs and waste	100
2304.00	Oil-cake and other solid residues, whether or not ground or in the form of pellets, resulting from	100
2305.00	Oil-cake and other solid residues, whether or not ground or in the form of pellets, resulting from	100
2306.10	- Of cotton seeds	100
2306.20	- Of linseed	100
2306.30	- Of sunflower seeds	100
2306.40	- Of rape or colza seeds	100
2306.50	- Of coconut or copra	100
2306.60	- Of palm nuts or kernels	100
2306.70	-Of maize (corn) germ	100
2306.90	- Other	100
2307.00	Wine lees; argol	100
2308.10	- Acorns and horse-chestnuts	100
2308.90	- Other	100
2401.10	- Tobacco, not stemmed/stripped	100
2401.20	- Tobacco, partly or wholly stemmed/stripped	100
2401.30	- Tobacco refuse	100
4301.10	- Of mink, whole, with or without head, tail or paws	100
4301.20	- Of rabbit or hare, whole, with or without head, tail or paws	100
4301.30	- Of lamb, the following Astrakhan, Broadtail, Caracul, Persian and similar lamb, Indian, Chinese,	100
4301.40	- Of beaver, whole, with or without head, tail or paws	100
4301.50	- Of musk-rat, whole, with or without head, tail or paws	100
4301.60	- Of fox, whole, with or without head, tail or paws	100
4301.70	- Of seal, whole, with or without head, tail or paws	100
4301.80	- Other furskins, whole, with or without head, tail or paws	100
4301.90	- Heads, tails, paws and other pieces or cuttings, suitable for furriers' use	100
5001.00	Silk-worm cocoons suitable for reeling	100
5002.00	Raw silk (not thrown)	100
5003.10	- Not carded or combed	100

5003.90	- Other	100
5101.29	-- Other	100
5102.10	- Fine animal hair	100
5102.20	- Coarse animal hair	100
5103.10	- Noils of wool or of fine animal hair	100
5103.20	- Other waste of wool or of fine animal hair	100
5103.30	- Waste of coarse animal hair	100
5201.00	Cotton, not carded or combed	100
5202.10	- Yarn waste (including thread waste)	100
5202.91	-- Garnetted stock	100
5202.99	-- Other	100
5301.10	- Flax, raw or retted	100
5301.21	-- Broken or scutched	100
5301.29	-- Other	100
5301.30	- Flax tow and waste	100
5302.10	- True hemp, raw or retted	100
5302.90	- Other	100
0409.00	Natural honey	100
0410.00	Edible products of animal origin, not elsewhere specified or included	100
0209.00	Pig fat free of lean meat and poultry fat (not rendered), fresh, chilled, frozen, salted, in brine,	150
0210.11	-- Hams, shoulders and cuts thereof, with bone in	150
0210.12	-- Bellies (streaky) and cuts thereof	150
0210.19	-- Other	150
0210.20	- Meat of bovine animals	150
0210.90	- Other, including edible flours and meals of meat or meat offal	150
0403.10	- Yogurt	150
0403.90	- Other	150
0404.90	- Other	150
0407.00	Birds' eggs, in shell, fresh, preserved or cooked	150
0408.11	-- Dried	150
0408.19	-- Other	150
0408.91	-- Dried	150
0408.99	-- Other	150
0603.10	- Fresh	150
0603.90	- Other	150
0604.10	- Mosses and lichens	150
0604.91	-- Fresh	150
0604.99	-- Other	150
0710.10	- Potatoes	150
0710.21	-- Peas (<i>Pisum sativum</i>)	150
0710.22	-- Beans (<i>Vigna</i> spp., <i>Phaseolus</i> spp.)	150
0710.29	-- Other	150
0710.30	- Spinach, New Zealand spinach and orache spinach (garden spinach)	150
0710.40	- Sweet corn	150
0710.80	- Other vegetables	150
0710.90	- Mixtures of vegetables	150
0714.10	- Manioc (cassava)	150

0714.20	- Sweet potatoes	150
0714.90	- Other	150
0811.10	- Strawberries	150
0811.20	- Raspberries, blackberries, mulberries, loganberries, black, white or red currants and	150
0811.90	- Other	150
0813.10	- Apricots	150
0813.30	- Apples	150
0813.40	- Other fruit	150
0813.50	- Mixtures of nuts or dried fruits of this Chapter	150
0901.12	-- Decaffeinated	150
0901.21	-- Not decaffeinated	150
0901.22	-- Decaffeinated	150
0902.10	- Green tea (not fermented) in immediate packings of a content not exceeding 3 kg	150
0902.20	- Other green tea (not fermented)	150
0902.30	- Black tea (fermented) and partly fermented tea, in immediate packings of a content not	150
0902.40	- Other black tea (fermented) and other partly fermented tea	150
0904.12	-- Crushed or ground	150
0904.20	- Fruits of the genus Capsicum or of the genus Pimenta, dried or crushed or ground	150
0906.20	- Crushed or ground	150
0909.10	- Seeds of anise or badian	150
0909.20	- Seeds of coriander	150
0909.30	- Seeds of cumin	150
0909.50	- Seeds of fennel or juniper	150
0910.10	- Ginger	150
0910.20	- Saffron	150
0910.30	- Turmeric (curcuma)	150
0910.50	- Curry	150
0910.91	-- Mixtures referred to in Note 1 (b) to this Chapter	150
0910.99	-- Other	150
1101.00	Wheat or meslin flour	150
1102.10	- Rye flour	150
1102.20	- Maize (corn) flour	150
1102.30	- Rice flour	150
1102.90	- Other	150
1103.11	-- Of wheat	150
1103.12	-- Of oats	150
1103.13	-- Of maize (corn)	150
1103.14	-- Of rice	150
1103.19	-- Of other cereals	150
1103.21	-- Of wheat	150
1103.29	-- Of other cereals	150
1104.11	-- Of barley	150
1104.12	-- Of oats	150
1104.19	-- Of other cereals	150
1104.21	-- Of barley	150
1104.22	-- Of oats	150
1104.23	-- Of maize (corn)	150

1104.29	-- Of other cereals	150
1104.30	-Germ of cereals, whole, rolled, flaked or ground	150
1105.10	-Flour, meal and powder	150
1105.20	-Flakes	150
1106.10	-Of the dried leguminous vegetables of heading No 0713	150
1106.20	-Flour and meal of sago, roots or tubers of heading No 0714	150
1106.30	- Of the products of Chapter 8	150
1208.10	- Of soya beans	150
1208.90	- Other	150
Ex.1302.10	-- 'Vanilla oleo resin' or 'vanilla extract'	150
1520.00	Glycerol, crude; glycerol waters and glycerol lyes	150
1521.10	-Vegetable waxes	150
1521.90	-Other	150
1522.00	Degras; residues resulting from the treatment of fatty substances or animal or vegetable waxes	150
1601.00	Sausages and similar products, of meat, meat offal or blood; food preparations based on these	150
1602.20	- Of liver of any animal	150
1602.31	-- Of turkeys	150
1602.32	--of fowls of the species Gallus Domesticus	150
1602.39	-- Other	150
1602.49	-- Other, including mixtures	150
1602.50	- Of bovine animals	150
1602.90	- Other, including preparations of blood of any animal	150
1603.00	Extracts and juices of meat, fish or crustaceans, molluscs or other aquatic invertebrates	150
1605.10	- Crab	150
1605.20	- Shrimps and prawns	150
1605.30	- Lobster	150
1605.40	- Other crustaceans	150
1605.90	- Other	150
1701.11	--Cane sugar	150
1701.12	--Beet sugar	150
1701.91	--Containing added flavouring or colouring matter	150
1701.99	--Other	150
1702.20	-Maple sugar and maple syrup	150
1702.30	-Glucose and glucose syrup, not containing fructose or containing in the dry state less than 20%	150
1702.40	-Glucose and glucose syrup, containing in the dry state at least 20% but less than 50% by	150
1702.90	-Other, including invert sugar	150
1704.90	-Other	150
1805.00	Cocoa powder, not containing added sugar or other sweetening matter	150
1806.10	-Cocoa powder, containing added sugar or other sweetening matter	150
1806.20	-Other preparations in block slabs or bars weighing more than 2 kg or in liquid, paste, powder,	150
1806.31	--Filled	150
1806.32	--Not filled	150
Ex.1806.90	-Food preparations, for infant use, put up for retail sale, not elsewhere specified or included,-	150
Ex.1806.90	- Mixes and doughs, for the preparation of bakers' wares of heading No. 19.05, not elsewhere	150
Ex.1806.90	- Prepared foods (obtained by the swelling or roasting of cereals or cereal products) or cereals	150
1806.90	-others	150
1901.90	-Other	150

1902.11	--Pasta, whether or not cooked or stuffed (Containing eggs)	150
1902.19	--Other	150
1902.20	-Stuffed pasta, whether or not cooked or otherwise prepared	150
1902.30	-Other pasta	150
1902.40	-Couscous	150
1903.00	Tapioca and substitutes therefor prepared from starch, in the form of flakes, grains, pearls,	150
Ex.1904.20	-Musli type preparations based on unroasted cereal flakes	150
1905.10	-Crispbread	150
1905.20	-Gingerbread and the like	150
1905.40	-Rusks, toasted bread and similar toasted products	150
1905.90	-Other	150
2001.10	- Cucumbers and gherkins	150
2001.20	- Onions	150
2001.90	- Other	150
2002.10	- Tomatoes, whole or in pieces	150
2002.90	- Other	150
2005.90	- Other vegetables and mixtures of vegetables	150
2006.00	Vegetables, fruits, nuts, fruits peel and other plants preserved by sugar (drained, glaze or	150
Ex.2006.00		150
2007.10	- Homogenised preparations	150
2007.91	-- Citrus fruit	150
2007.99	-- Other	150
2008.11	-- Ground-nuts	150
2008.19	-- Other, including mixtures	150
2008.20	- Pineapples	150
2008.30	- Citrus fruit	150
2008.40	- Pears	150
2008.50	- Apricots	150
2008.60	- Cherries	150
2008.70	- Peaches	150
2008.80	- Strawberries	150
2008.91	-- Palm hearts	150
2008.92	-- Mixtures	150
2008.99	-- Other	150
2101.11	--Extracts, essences and concentrates	150
2101.12	Preparations with a basis of extracts, essences or concentrates or with a basis of coffee	150
2101.20	-Extracts, essences and concentrates, of tea or mate, and preparations with a basis of these	150
2101.30	-Roasted chicory and other roasted coffee substitutes, and extracts, essences and	150
2102.10	-Active yeasts	150
2102.20	-Inactive yeasts; other single-cell micro-organisms, dead	150
2102.30	-Prepared baking powders	150
2103.10	-Soya sauce	150
2103.20	-Tomato ketchup and other tomato sauces	150
2103.30	-Mustard flour and meal and prepared mustard	150
2103.90	-Other	150
2104.20	-Homogenised composite food preparations	150
2105.00	Ice cream and other edible ice, whether or not containing cocoa	150

Ex.2106.9	-Compound alcoholic preparations(other than those based on odoriferous substances) of a kind	150
2201.10	- Mineral waters and aerated waters	150
2201.90	- Other	150
2202.10	- Waters, including mineral waters and aerated waters, containing added sugar or other	150
2202.90	- Other	150
2203.00	Beer made from malt	150
2204.10	- Sparkling wine	150
2204.21	-- In containers holding 2L or less	150
2204.29	-- Other	150
2204.30	- Other grape must	150
2205.10	- In containers holding 2L or less	150
2205.90	- Other	150
2206.00	Other fermented beverages (for example, cider, perry, mead); mixture of fermented beverages	150
2207.10	- Undenatured ethyl alcohol of an alcoholic strength by volume of 80% vol or higher	150
2207.20	- Ethyl alcohol and other spirits, denatured, of any strength	150
2208.20	- Spirits obtained by distilling grape wine or grape marc	150
2208.30	- Whiskies	150
2208.40	- Rum and taffia	150
2208.50	- Gin and Geneva	150
2208.60	-Vodka	150
2208.70	-Liqueurs and cordials	150
2208.90	- Other	150
2209.00	Vinegar and substitutes for vinegar obtained from acetic acid	150
2309.10	- Dog or cat food, put up for retail sale	150
2309.90	- Other	150
2402.10	- Cigars, cheroots and cigarillos, containing tobacco	150
2402.20	- Cigarettes containing tobacco	150
2402.90	- Other	150
2403.10	- Smoking tobacco, whether or not containing tobacco substitutes in any proportion	150
2403.91	-- "Homogenized" or "reconstituted" tobacco	150
2403.99	-- Other	150
2905.43	-- Mannitol	150
2905.44	-- D-glucitol (sorbitol)	150
3301.11	--Of bergamot	150
3301.12	--Of orange	150
3301.13	--Of lemon	150
3301.14	--Of lime	150
3301.19	--Other	150
3301.21	--Of geranium	150
3301.22	--Of jasmin	150
3301.23	--Of lavender or of lavandin	150
3301.24	--Of peppermint (Mentha piperita)	150
3301.25	--Of other mints	150
3301.26	--Of vetiver	150
3301.29	--Other	150
3301.30	-Resinoids	150
3301.90	-Other	150

3502.10	- Egg albumin	150
3502.90	- Other	150
3503.00	Gelatin (including gelatin in rectangular (including square) sheets, whether or not surface worked	150
3505.10	- Dextrins and other modified starches	150
3505.20	- Glues	150
3809.10	- With a basis of amylaceous substances	150
3823.60	-Sorbitol other than that of subheading No 2905.44	150
5203.00	Cotton, carded or combed	150
1501.00	Lard; other pig fat and poultry fat, rendered, whether or not pressed or solvent-extracted	300
1503.00	Lard stearin, lard oil, oleostearin, oleo-oil and tallow oil, not emulsified or mixed or otherwise	300
1506.00	Other animal fats and oils and their fractions, whether or not refined, but not chemically modified	300
1508.10	-Groundnut oil (Crude), whether or not refined	300
1508.90	-Groundnut oil (Other)	300
1511.10	- Palm oil (Crude)	300
1511.90	- Palm oil (Other)	300
1512.11	-Sunflowerseed oil (Crude)	300
1512.19	-Sunflowerseed oil (Other)	300
1512.21	--Cottonseed oil (Crude) whether or not gossypol has been removed	300
1512.29	--Cottonseed oil (Other)	300
1513.11	--Coconut (copra) oil (Crude)	300
1513.19	--Coconut oil (Other)	300
1513.21	--Palm Kernel or babassu oil (Crude)	300
1513.29	--Palm Kernel oil or babassu oil (Other)	300
1515.11	--Other fixed vegetable fats and oil (Crude)	300
1515.19	--Other fixed vegetable fats and oil (others)	300
1515.21	--Maize (corn) oil (Crude)	300
1515.29	--Maize (corn) oil (Other)	300
1515.50	-Sesame oil and its fractions	300
1515.90	-Other	300
1516.10	-Animal fats and oils and their fractions	300
1516.20	-Vegetable fats and oils and their fractions	300
1517.10	-Margarine, excluding liquid margarine	300
1517.90	-Other	300
1518.00	#####	300
0802.11	Almonds--in shell	Rs 35/kg
0802.12	Almonds--Shelled	Rs.65/kg