

SENSITIVE PRODUCTS: SUMMARY EXAMPLE OF ESTIMATING DOMESTIC CONSUMPTION FOR TARIFF-QUOTAS

**1. DEFINE PRODUCT CATEGORY**

i.e. the HS6 products it includes, whether these are "core", "non-core processed", or "non-core highly processed", and their weights in the category's consumption (Attachment A)

- HS6 (PRODUCT A) CORE
- HS6 (PRODUCT B) CORE
- HS6 (PRODUCT C) PROCESSED (SOME ZERO WEIGHT, SOME NON-ZERO, IN STEP 1)
- HS6 (PRODUCT D) PROCESSED (SOME ZERO WEIGHT, SOME NON-ZERO, IN STEP 1)
- HS6 (PRODUCT E) PROCESSED (SOME ZERO WEIGHT, SOME NON-ZERO, IN STEP 1)
- HS6 (PRODUCT F) HIGHLY PROCESSED (ZERO WEIGHT IN STEP 1)

**VARIATION 1.** Fruit and vegetables, and eggs — narrower Product Categories, different tariff quota treatment

**2. CALCULATE CONSUMPTION FOR PRODUCT CATEGORY**

balance sheet method: production, adjusted for trade, stockholding to get consumption (Attachment B)

**DOMESTIC CONSUMPTION PRODUCT CATEGORY**

(Based on existing data: FAO, OECD, national data)

(Member's adjustment, to comply with common definition of Product Category)

**VARIATION 2.** "Other" dairy products — consumption as "residual" milk + continued in STEP 2 ...

**3. STEP 1 ESTIMATE HS6 CONSUMPTION**

% of Product Category consumption, using common core/non-core weights, adapted from % of world trade (Attachment D)

HS6 (A) CORE (eg, 67%)

---

HS6 (B) CORE (eg, 23%)

**TOTAL CORE HS6 ≥ 90%**

---

HS6 (C) NON-CORE, (eg, 3%)

HS6 (D) NON-CORE, (eg, 7%)

HS6 (E) = 0%

HS6 (F) = 0%

**VARIATION 3.** If core > 90% and if non-core products are selected as sensitive — then, core set = 90%, and 10% shared equally among all non-core products (for significant consumption and quotas for sensitive processed products)

**4. STEP 2 ESTIMATE HS8 CONSUMPTION**

% of HS6 consumption, from % of member's imports (IDB) adjusted for content of basic product (Attachment D)

HS8 (A-1) sensitive

---

HS8 (A-2)

---

HS8 (A-3)

---

HS8 (A-4)

---

HS8 (A-5)

---

HS8 (A-6)

---

**B — Whole HS6 sensitive**

---

HS8 (C-1) sensitive

---

HS8 (D-1)

---

HS8 (D-2) sensitive

---

NOT SENSITIVE

---

NOT SENSITIVE

**VARIATION 2 (continued).** Additional STEP 2 import-volume check

**5. NEW TARIFF-QUOTA ACCESS OPPORTUNITY**

(% of domestic consumption of sensitive product, open to all sensitive products in the Product Category, subject to floor — % of category consumption)

**COMBINED TARIFF QUOTA FOR SENSITIVE PRODUCTS**

% consumption of each sensitive product, "A-1" + "B" + "C-1" + "D-2"

**VARIATION 4.** Special case — smaller minimum access

**VARIATION 5.** Special case — tariff-quota sub-allocation (max 2 quotas for max 3 categories having ≥ 10 HS6 products)