

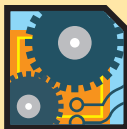
THE COMPROMISE FORMULA

Proposals drawn up by WTO director-general Pascal Lamy



Agricultural tariffs

- Developed countries to cut tariffs by a minimum of 54%
- Least developed countries not obliged to make any cuts
- 4% of tariff lines in developed countries and 5.3% for developing countries classified as "sensitive products"; these will be subject to smaller cuts
- In addition, developing countries can designate 12% tariff lines as "special products"
- "Special safeguard mechanism" will allow developing countries to protectively raise tariffs by 15% if imports jump by 40%



Industrial products

- Brazil and India should cut industrial tariffs by an average of 11-12%
- Developing countries can protect 14% of their products as sensitive
- Developing countries can't protect any sector from tariff cuts
- Cuts to be implemented by developed countries in 5 years and by developing countries in 10 years; new entrants like China to get 3-4 years' additional grace