

Summing Up Tariff Protection: OECD vs. Non-OECD

Indicators of tariff protection for OECD and non-OECD countries in table 4 complement the characterization of tariffs using means and medians. The first four columns show averages for the commodity categories in absolute terms (table 4, columns 1 and 2) and as a percentage of the global mean tariff (table 4, columns 3 and 4). The data reinforce the finding that protection in OECD countries is concentrated in a few sectors: grains, dairy, livestock, sugar, and sweeteners. Non-OECD countries have overall high rates of protection with less variation across commodity groupings. They have high protection on the same commodities as OECD countries, but tobacco stands out with the highest average tariff for non-OECD countries.

The number of countries with tariffs higher than the global average shows the prevalence of high tariffs across countries. As in other cuts of the data, dairy stands out with the highest mean in OECD countries. Dairy also has the largest number of OECD and third largest number of non-OECD countries with high means. Sweeteners and frozen meat also have high means across a large number of countries.

OECD countries use megatariffs in a limited number of commodity groups, but have TRQs in all but two

commodity groups. The concentration of megatariffs among the familiar sensitive sectors is another manifestation of high protection for a few (albeit large) sectors. The number of TRQs notified by OECD countries is also concentrated in a few sectors. However, TRQs are found in at least one region for most commodity groups, indicating that sensitive products exist across the agricultural sector.

Non-OECD countries rely on megatariffs for protection along with more selective application of TRQs. Non-OECD, or developing countries, often apply tariffs far below these high, bound rates. The following section examines the use of applied tariffs in developing countries.

Overall, different patterns of protection between OECD and non-OECD countries emerge. OECD countries have higher rates on “traditional” agricultural sectors, such as dairy, livestock, and sugar, while non-OECD countries have high tariffs across most commodities. Both OECD and non-OECD countries provide extremely high protection to a few commodities. However, as a result of tariffication, OECD countries apply more TRQs than non-OECD countries. Non-OECD countries use megatariffs more than OECD countries. Many of the megatariffs associated with developing countries were not subject to reduction under the Uruguay Round because they were established as ceiling bindings.

Table 4—High tariffs and megatariffs for commodities by OECD, non-OECD¹

Commodity	Tariff		Tariff/global average tariff		Countries where average is > 62		Countries with megatariffs			Countries with TRQs		
	OECD	Non-OECD	OECD	Non-OECD	OECD	Non-OECD	OECD	Non-OECD	Both	OECD	Non-OECD	Both
	-- Average --		-- Ratio --		----- Number -----							
Tobacco: unmanufactured	22	110	0.4	1.8	0	42	0	30	30	3	5	8
Dairy	116	74	1.9	1.2	9	44	5	29	34	12	16	28
Meat: frozen beef, pork, or poultry	106	75	1.7	1.2	6	47	4	31	35	10	17	27
Meat: fresh beef, pork, or poultry	96	73	1.5	1.2	4	45	3	30	33	10	16	26
Meat: prepared	92	68	1.5	1.1	5	38	3	29	32	8	7	15
Meat: fresh, or frozen other meat	82	69	1.3	1.1	4	42	3	25	28	6	10	16
Sugar beet	104	64	1.7	1.0	4	35	3	28	31	2	0	2
Vegetables: fresh	87	64	1.4	1.0	4	37	3	28	31	9	8	17
Grain products	85	67	1.4	1.1	5	36	3	28	31	9	9	18
Sweeteners	64	70	1.0	1.1	6	41	2	31	33	8	12	20
Live animals	82	66	1.3	1.1	4	38	4	30	34	7	6	13
Starches	84	64	1.3	1.0	4	36	3	28	31	7	1	8
Eggs	74	66	1.2	1.1	4	36	4	27	31	8	5	13
Grains	78	66	1.3	1.1	5	40	3	28	31	10	16	26
Tobacco: products	51	69	0.8	1.1	3	41	2	29	31	1	3	4
Vegetables: dried & fresh roots & tubers	75	62	1.2	1.0	3	36	2	27	29	4	1	5
Vegetables: frozen	61	64	1.0	1.0	2	37	1	29	30	4	2	6
Vegetable juice: tomato	21	71	0.3	1.2	0	36	0	28	28	1	0	1
Oilcake	31	64	0.5	1.0	3	35	1	27	28	3	6	9
Sugar cane	52	64	0.8	1.0	2	35	1	28	29	2	0	2
Vegetables: frozen or prepared (other)	52	63	0.8	1.0	4	36	3	28	31	7	2	9
Vegetables: preparations	47	64	0.8	1.0	4	38	2	28	30	6	6	12
Food preparations	53	62	0.8	1.0	3	38	2	27	29	10	7	17
Cocoa beans & products	41	64	0.7	1.0	3	35	1	28	29	7	0	7
Vegetables: dried	47	62	0.8	1.0	3	37	3	28	31	7	7	14
Oilseeds	46	62	0.7	1.0	5	35	2	28	30	6	6	12
Feed	48	61	0.8	1.0	2	34	2	27	29	6	0	6
Tea & tea extracts	30	63	0.5	1.0	1	35	1	27	28	5	1	6
Fruit: Fresh	25	65	0.4	1.1	1	37	0	27	27	8	5	13
Skins & hides	4	65	0.1	1.0	0	35	0	27	27	0	0	0
Nuts	21	63	0.3	1.0	1	36	1	28	29	5	4	9
Fats & oils	36	62	0.6	1.0	3	36	1	26	27	7	5	12
Fruit juice	25	68	0.4	1.1	1	36	0	28	28	6	2	8
Horticulture: cut flowers & foliage	33	63	0.5	1.0	2	38	1	28	29	2	0	2
Coffee: other	29	63	0.5	1.0	1	36	0	27	27	4	2	6
Coffee	13	63	0.2	1.0	0	35	0	27	27	1	3	4
Fruit: Frozen	18	64	0.3	1.0	1	37	0	27	27	1	0	1
Fruit: dried & fresh (coconuts, dates & figs)	11	62	0.2	1.0	0	36	0	28	28	1	1	2
Essential oils	9	64	0.1	1.0	0	35	0	28	28	0	0	0
Fiber	8	63	0.1	1.0	0	36	0	26	26	3	3	6
Fruit: preparations	19	66	0.3	1.1	1	37	0	28	28	2	3	5
Fruit: dried (raisins)	7	61	0.1	1.0	0	36	0	28	28	1	3	4
Spices	10	61	0.2	1.0	1	34	0	27	27	2	1	3
Nuts & fruit (dried, fresh, & prepared)	22	62	0.4	1.0	3	34	1	28	29	4	4	8
Horticulture: live	31	59	0.5	1.0	3	37	2	27	29	3	0	3
Vegetable oils	39	68	0.6	1.1	3	41	2	28	28	4	10	14

Note: Averages are computed using the commodity average for each country in a particular region.

Source: Economic Research Service, USDA.