As mentioned above, a sizeable portion of MFN tariffs are duty-free. Preferential margins for these lines are meaningless. Focusing on the MFN lines with duties greater than zero, the average MFN tariff rate jumps, as expected, as does the average tariff rate for each of the preferential schemes. However, the discount relative to the MFN rate is little changed. The largest margin is provided to the EBA scheme (almost 28 percentage points) while the lowest is given to the GSP scheme (about 2 percentage points).

Expressed as a rate of reduction in the MFN duty rate, the preference margin under the various schemes provides a discount of 8% on the GSP rate, 26% on GSP drug regime rate, 39.1% on the Cotonou Agreements rate and 94.2% on the EBA rate.

The large number of specific duties that exist in the agricultural and agro-food sector is shown at the bottom part of Table I.24. In this respect, Table I.24 shows that products covered by a specific duty account for 45% of all lines and indeed over 53% if solely products with MFN duties greater than 0% are taken into account. It is clear to see the extent to which the decision sometimes made in the literature to exclude these lines can introduce a major bias into the statistics given that, as shown by Table I.24, it is precisely these lines which have the highest duties (43.9% MFN in an ad valorem conversion) and the lowest preferential margins. The results in the table also highlight the importance of specific tariffs for the preferential programmes as well. It is in this context that the assumptions made with regard to the estimation of ad valorem duties become important.

Besides tariff preferences, the schemes also provide for the introduction of preferential quotas. In such cases, the tariff for the quota opened only applies to a given volume. Although it is not easy to compare these quota measures due to the difference between the volumes taken into account and the products concerned, it is possible to estimate the margins afforded by the use of a quota by considering solely the products covered by these measures. Table I.25 shows that there are three quota measures in place: MFN quotas (or WTO quotas) applicable to 386 products, EBA quotas applicable to...