

A Guide to World Trade Organisation Tariffs and Most-Favoured Nation Tariffs

Many exporters are starting to think about what the import tariffs would be on their exported products, given a “worst case scenario” where the UK had not negotiated any trade agreements with the European Union or any other country.

In the absence of any specific trade agreement, World Trade Organisation rules on tariffs would apply. The UK is a member of the WTO. A list of WTO members can be found here:
https://www.wto.org/english/thewto_e/whatis_e/tif_e/org6_e.htm

The “Most Favoured Nation” or “MFN” rates are the tariffs that countries promise to impose on imports from other members of the World Trade Organisation, unless the country is part of a preferential trade agreement. In effect, MFN rates are the highest (most restrictive) that WTO members charge one another.

There are two types of rates. The “Applied Rates” are the rates each WTO member *currently* charges – this is the rate that exporters are advised to look at. It is also possible to look at “Bound rates”, which are the ceiling or maximum rates that a WTO member is permitted to charge.

Step by step Guide to finding MFN Rates

- 1) Ensure that you have the up-to-date Harmonised System Tariff Code of your product(s). If you do not know the Tariff Code of a product you can use this website:
<https://www.gov.uk/finding-commodity-codes>
- 2) Use the World Trade Organisation website to find the MFN rates
https://www.wto.org/english/tratop_e/tariffs_e/tariff_data_e.htm

Use the “[Tariff Download Facility](#)” if you wish to compare the MFN rates for more than one country at a time. This uses up to six digits – which are standard in all countries.

- In the “Reporters” section (i.e export destination countries), click on Filter.
 - o Untick “Include non MFN Tariffs”.
 - o Select “last available year=1”.
 - o Tick “Bound Tariffs” if you also want to see these on a separate tab of the spreadsheet.
 - o Tick the countries which you wish to compare. To find the MFN rate for countries in the EU tick “European Union”.
- In the “Products” section – select the product – using the first six digits of the Tariff
- Click on “next” and export to Excel

The *average* “ad-valorem” duty is in column I highlighted in blue. This is the tariff rate charged as a percentage of the price of the invoice. You also need to look in column N for any non ad-valorem duties – for example, sometimes the duty is calculated on weight or volume.

It is possible to drill down to look at each tariff code to eight digits by country – using the “Tariff Analysis Online” or the information on each country’s information page on the [WTO website](#).