

[Art. 4.1b] (TRADE)

**From:** [Art. 4.1b] (TRADE)  
**Sent:** 16 November 2017 17:20  
**To:** 'Attila Toth'  
**Cc:** [Art. 4.1b] (TRADE); [Art. 4.1b] (TRADE); [Art. 4.1b] (TRADE)  
**Subject:** RE: Oman - new customs tariffs on cigarettes

Dear Mr Tóth,

Thank you for your mail of 14 November 2017 including the presentation and summary on a trade issue concerning tariffs on tobacco products in Oman.

I have taken note of your concerns. Also, I have forwarded your mail and its annexes to my colleagues dealing with Oman.

Yours sincerely,

[Art. 4.1b]

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**From:** Attila Toth [[mailto:](#) [Art. 4.1b] ]  
**Sent:** Tuesday, November 14, 2017 12:26 PM  
**To:** [Art. 4.1b] (TRADE)  
**Subject:** Oman - new customs tariffs on cigarettes

Dear [Art. 4.1b] ,

The reason I am writing you is a trade issue concerning tariffs on tobacco products in Oman where we would very much appreciate your kind support as the responsible head of unit for the particular product category.

Oman decided to impose new customs tariffs for tobacco products in 2016. Oman's WTO Schedule binds cigarettes to a 150% duty on the price of the product. The application of Oman's new tariff results, for cigarettes within a certain price range, in the application of duties significantly higher than the 150% bound rate (Oman has said that they are considering an alternative rate - 15 OMR instead of 20 OMR - but this rate still violates the bound rate). Oman's new tariff is thereby a clear violation of its obligation under Article II.1(b) GATT and is highly disruptive to trade.

Our company has already reached out to DG TRADE's responsible geographical unit ([Art. 4.1b] – Unit E3) and even managed to organise a meeting in Geneva with officials from the EU, USA and the Switzerland discussing the issue. The general consensus at the meeting was that the new tariff rates indeed appear to violate the WTO bound rates, however due to technical reasons, it was not possible to include this item in the agenda of the Council for Trade in Goods on 9 November.

We believe it would be beneficial if this issue can be part of the upcoming trade and investment dialogue between the EU and Oman. Furthermore, we would also appreciate if the EU could propose to include this issue in the agenda of the "on the ground" dialogue on cooperation in trade issues with the United States (based on our understanding the EU has already proposed the Gulf Cooperation Council as one potential area of cooperation) to initiate a joint dialogue with Oman.

Ideally, any bilateral talks should be held as soon as possible and potentially before December (when the selective rate is expected to be implemented) as this will give Oman the opportunity to revert before the selective tariffs are in place.

We kindly ask for your support on the above issue.

Let me attach a ppt presentation and a short summary in case you would need further details.

Should you have any questions, please do not hesitate to contact me.

Best regards,

Attila TÓTH  
EU Affairs Director  
British American Tobacco

[Art. 4.1b]

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Transparency Registry number: 2427500388-58

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