

GENERAL AGREEMENT ON TARIFFS AND TRADE

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TROPICAL PRODUCTS

Note by the secretariat

1. This document provides an overview of the post-Tokyo Round work of the Committee on Trade and Development on tropical products including the three rounds of consultations held in 1982, 1983 and 1984. A brief history regarding identification of tropical products is given in the Annex to this document.

Post-Tokyo Round work on tropical products

2. Under the GATT Work Programme adopted after the conclusion of the Tokyo Round negotiations in 1979, the Committee on Trade and Development was given the task to "work on trade policy and development policies including trade liberalization in areas of special interest to developing countries". At a meeting of the Committee in 1980 "tropical products" were identified as one of the areas which should be dealt with on a priority basis.

3. Thenceforth the work of the Committee on tropical products proceeded on a step-by-step basis. This work culminated in the holding of plurilateral consultations on 1-30 March 1982 with respect to six product groups covered by the background documentation provided by the secretariat.¹ At its meeting held soon after the 1982 consultations, the Committee agreed that there was scope for further work in this area, with a view to seeking means of further liberalizing trade in products of interest to developing countries.

4. At their session held at Ministerial level in November 1982 the CONTRACTING PARTIES decided "to carry out, on the basis of the work programme pursued by the Committee on Trade and Development, consultations and appropriate negotiations aimed at further liberalization of trade in tropical products, including in their processed and semi-processed forms, and to review the progress achieved in eliminating or reducing existing obstacles to trade in tropical products at their 1984 Session." (L/5424)

5. Pursuant to the above Decision and an agreement reached by the Committee for the implementation of the Decision, two rounds of consultations took place on tropical products on 7-11 November 1983 and 2-4 May 1984. Table 1 (see page 4) shows the product groups and sub-groups covered by the three rounds of consultations held on tropical products and relevant documentation including background documents used for these consultations and documents recording proceedings of the three rounds of consultations.

¹Forty-nine countries, including some Tokyo Round participants not contracting parties to GATT and the EEC participated in the 1982 consultations.

6. At the end of the 1984 consultations the Chairman made the following remarks in summing up the discussions and reviewing the progress of the work programme in this area:

"The Committee on Trade and Development has now concluded three rounds of informal consultations on various groups of tropical products selected for examination....

"During these three rounds an in-depth examination of the problems affecting exports of developing countries at specific product level was carried out. Specific requests submitted by developing countries in accordance with the procedures adopted by the Committee on Trade and Development were also examined. In response to the requests submitted to them, representatives of developed countries gave indications of recent trade liberalization measures taken in their respective countries which favour an increase in imports of specific products covered by the consultations. They also presented their views on problems and issues raised by developing countries, and indicated the possibilities for action at present.

"Under present circumstances, in my view, this process of informal consultations has been carried to the extent possible. Unless developing countries put in a sufficiently large number of new or additional requests before November, or there is a radical change in the responses from the developed countries to the existing requests, I do not see the need to hold further informal meetings this year to cover the same ground. The requests made by developing countries have been noted and remain on the table. It is understood that delegations may revert to these requests in future work and that it will be open to developing countries to submit additional requests or modify existing ones in the light of developments. In this context, bilateral contacts between delegations would be very welcome. It would now seem necessary to examine how best to proceed with the work in this area on the basis of the stage that has been reached, having in mind the need to enter into "appropriate negotiations", as envisaged by the Ministerial Decision."

7. Representatives of both developed and developing countries expressed general agreement with what was described as a realistic assessment of the situation by the Chairman. Following an initial exchange of views during the 1984 consultations, the Committee, at its meetings in June and November 1984 exchanged views on how best to proceed with the work in this area (see documents COM.TD/117, paragraphs 3-14 and L/5735, paragraphs 40-46 for details).

8. At its meeting in November 1984, the Committee also reviewed the progress achieved in eliminating or reducing existing obstacles to trade in tropical products, having before it document COM.TD/W/409 - a summary of the current situation in regard to tariff and non-tariff measures affecting tropical products and also in regard to requests for trade liberalization and measures adopted since 1979. A corrigendum to the document will be circulated shortly, updating or correcting some information in the document.

9. At the November 1984 session the representative of Indonesia submitted on behalf of the ASEAN countries a proposal that the developed countries consider aligning their duties to the lowest level of duty prevailing in these countries. Thus, if one developed country charges no duty on a particular item, then all other developed countries which charge a duty on that item would be requested to reduce it to zero.

10. The representatives of a number of developing countries supported this proposal and expressed the view that it was quite modest in the light of the long-standing priority which had been given to trade liberalization in this sector. The representatives of several developed countries said that the ASEAN proposal required careful consideration, as well as further elaboration and clarification. The proposal would be communicated to capitals and could be reverted to at a later date. One of these representatives wondered whether the proposal did not imply that all tropical products would enjoy duty free unrestricted access in all developed countries. Another of these representatives said that such a proposal should take account of what countries had already done, as well as of the particular sensitivity of certain items. Several developed country representatives said such a proposal should be considered in the context of mutually beneficial concessions.

11. The Chairman said that the proposal had some preliminary support, but it was necessary to reflect further and for the proposal to be further refined and elaborated.

12. At their Fortieth Session held in November 1984 the CONTRACTING PARTIES adopted the report of the Committee on Trade and Development (L/5735) which included the following summing-up by the Chairman on the Committee's activities in relation to the 1982 Ministerial Decision on Tropical Products.

"The Committee has carried out lengthy consultations on tropical products, through which it has identified the progress achieved in this area since the MTN, and the problems remaining. Developing countries have submitted a number of requests for further action. Responses to these requests have been provided in some cases. The Committee was however unable to determine how best to move from these consultations to "appropriate negotiations" and there was no agreement as to what was involved in the process of "appropriate negotiations". This matter will require further reflection." (L/5766)

TABLE 1Product groups and relevant documents

<u>Product groups and sub-groups</u>	<u>Background documents</u> <u>COM.TD/W/</u>
1. <u>Tropical beverage items</u>	
a. Coffee and coffee products	328, Add.1-3
b. Cocoa and cocoa products	329/Rev.1
c. Tea and instant tea	330/Rev.1
2. <u>Spices, flowers, plants, etc.</u>	
a. Spices and essential oils, tropical	334, Add.1-3 335
b. Cut flowers, tropical	340, Add.1-3
c. Plants, vegetable materials, lacs, etc. and products thereof, tropical	344, Add.1
3. <u>Certain oilseeds, vegetable oils and oilcakes</u>	337, Add.1-3
4. <u>Tobacco, rice and tropical roots</u>	
a. Tobacco and tobacco products	351, Add.1 and 2
b. Rice	353, Add.1.
c. Manioc and other tropical roots, and products thereof	349, Add.1.
5. <u>Tropical fruits and nuts</u>	
a. Bananas and banana products	351/Rev.1
b. Tropical fruits and nuts and products including fruit juices	352, Add.1-3
6. <u>Tropical wood and rubber</u>	
a. Tropical wood and wood products	345, Add.1 and 2
b. Natural rubber and rubber products	339, Add.1 and 2
7. <u>Jute and hard fibres</u>	400, Add.1

(Product group added for the 1984
consultations)

Spec(82)19-32/Rev 1 - Proceedings of the 1982 Consultations
Spec(83)55/Rev.1. - Proceedings of the 1983 Consultations
Spec(84)27/Rev.1. and Corr.1. - Proceedings of the 1984 Consultations

COM.TD/W/409 and Corr.1. - Summary of tariff and non-tariff measures
situation, including requests and trade liberalization measures.

Annex

Identification of tropical products

13. In the Committee's discussions in 1980 on tropical products, some delegations noted that the Tokyo Round negotiations took place without prejudice to the definition of tropical products and referred to the need to identify more precisely a list of tropical products on which future work on trade liberalization could be based (COM.TD/104, paragraph 24). In this context, the secretariat provided later in 1980 an indicative list which included those items which had been taken up for consideration in the pre-Tokyo Round Special Group on Trade in Tropical Products as well as those subject to examination and discussion in the Committee at the beginning of the Tokyo Round and in Tokyo Round Group 3(f). The list was circulated initially as Annex 1 to COM.TD/W/310 in July 1980 and then as Annex to COM.TD/W/319 in October 1980.

14. Since 1981 the secretariat has provided detailed data on the commercial policy situation and the trade flows for products listed in the Annex on the understanding that such information would be furnished without prejudice to the definition of tropical products or to the position of any delegation with regard to the treatment of issues in this area. The consultations on tropical products held in 1982, 1983 and 1984 covered these products, broken down into six groups and a number of sub-groups.

15. At a meeting of the Committee in 1980, delegations of some developing countries proposed that the possibility of making additions or changes to the list was to be kept open (L/5074, paragraphs 27 and 30). Participants in the 1983 consultations discussed the proposals made at a meeting of the Committee on Trade and Development that jute and hard fibres (coir, abaca, sisal, etc.) and products thereof, as well as products of certain tropical plants and vegetable materials (e.g. mats, basket-work, wicker-work), be included in the consultations and appropriate negotiations on tropical products to be held in the future. They agreed that jute and hard fibres could be included as a new seventh product group and that the proposed products of tropical plants and vegetable materials be included in the existing product sub-group covering plants, vegetable materials, lacs, etc. The additional products were covered by the consultations held in 1984.