

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.AG/18

7 November 1969

Limited Distribution

Agriculture Committee

TARIFF AND NON-TARIFF BARRIERS AFFECTING VEGETABLE OILS AND OILSEEDS OF PARTICULAR EXPORT INTEREST TO THE DEVELOPING COUNTRIES

Proposal Submitted by the Nigerian Delegation

Introduction

1. Pursuant to one of the decisions reached at the last meeting of the Agriculture Committee (COM.AG/17, paragraph 9) the Nigerian delegation present hereunder specific proposals as to solutions which they wish adopted in respect of the above subject which is of the most urgent concern to Nigeria in particular, as well as other developing countries. We wish to observe, however, that the problems facing our export trade in vegetable oils and oilseeds have not been dealt with here exhaustively and we, therefore, reserve the right to submit as and when appropriate further requests for the consideration of the Committee.

Background

2. There are a number of reasons why the problems confronting tropical oilseeds and vegetable oils which are of major export interest to Nigeria, and many other developing countries for that matter, should be given priority consideration by the Committee.

3. In recent years the volume of exports of these products from Nigeria and other developing countries has seriously declined. This fact is clearly illustrated in the GATT secretariat study paper SGTP/11 and the Food and Agriculture Organization study paper CCP.OF.68/6/2 already circulated to members of the Committee.

4. In some of our traditional markets, customs duties are still maintained on tropical oilseeds; in most of these markets there are higher duties on the processed products and in some cases these tariff barriers are reinforced by other measures, such as quantitative restrictions.

5. The actual protective effect of differential duties imposed on tropical vegetable oils is much greater than is apparent at first sight. This has been the subject of many studies and is well illustrated in the GATT study of the first Six-Year Plan of Nigeria (pages 208-211). Differential duties impede the diversification of the economies of exporting developing countries, a vital necessity for our overall economic and social advancement. In this connexion, our great concern about the barriers on oilseed and vegetable oils is better appreciated when one realizes that these products form, for example, about 30 per cent of Nigeria's total export earnings.

6. It will be recalled that in the "Kennedy Round" few reductions in tariffs on tropical oilseeds and vegetable oils were negotiated. In effect advantages accruing to developed countries were more substantial in this sector than those accruing to developing countries. In some cases, tariff reductions were made on tropical oilseeds without corresponding reductions being made in the tariff on the oil, thus actually increasing the protection given to the processing industry.

7. The developed countries which maintain barriers to imports of tropical oilseeds and oils have the resources which would enable them to adopt alternative, trade-neutral measures. The exporting developing countries whose trade is harmed by the existing barriers do not, on the other hand, have other resources which would enable them to withstand the effects of these barriers.

Proposals

8. Having given a brief summary of some of the problems that tropical oilseeds and vegetable oils are confronted with in international markets, the Nigerian delegation wishes to identify some specific problems to which, we believe, immediate solutions should be found in the spirit of Part IV of the Agreement. The Nigerian delegation would request the Committee to consider, as a matter of absolute priority, the setting in motion of appropriate machinery leading to the abolition of the remaining tariffs on the oilseeds and oilseed cake specified in the annexes to this memorandum, the reduction of the differential between duties on the oilseeds and vegetable oils specified¹ and the substantial relaxation of the non-tariff barriers also specified, with a view to improving the competitive position of products exported by developing countries. We would also request the other developed countries not mentioned in the annexes, including countries with centrally-planned economies, to consider the possibility of taking action which would produce equivalent results.

9. We are limiting our requests to what we think is immediately practicable and therefore possible of achievement, provided of course, the Committee approaches this matter in the spirit of Part IV of the Agreement and in the desire to implement paragraphs 3 and 7 of the Conclusions reached at the twenty-fifth session of the CONTRACTING PARTIES.

¹With the exception of palm oil, for which we request the abolition of duties because this cannot be exported in any other form.

UNITED STATES

TSUS	Product	Tariff	Non-tariff	Request
145.20	Groundnuts, unshelled	4.25¢/lb. (= 33%)	Quota	Abolish duty Relax quota
145.48	Groundnuts, shelled	7¢/lb. (= 31%)	Quota	Abolish duty Relax quota
176.33	Palm-kernel oil, edible	3%		Reduce duty
176.38	Groundnut oil, unrefined	4¢/lb. (= 6.8%)		Reduce duty
184.52	Groundnut cake and meal	0.3¢/lb. (= 10.1%)		Abolish duty

EUROPEAN ECONOMIC COMMUNITY

BTN	Product	Tariff	Request
12.02	Groundnut meal	5%	Abolish duty
15.07	Groundnut oil, unrefined: for industry for food	5% 10%	Reduce duties
	Palm-kernel oil, unrefined: for industry for food	5% 10%	Reduce duties
	Palm oil, unrefined: for industry for food	4% 9%	Abolish duties

JAPAN

BTN	Product	Tariff	Non-tariff	Request
12.01	Groundnuts: for crushing other	Free 20%	Quota Quota	Relax quota Abolish tariff Relax quota
12.02	Groundnut meal	15%		Abolish tariff
15.07	Groundnut oil, unrefined	17%	Quota	Reduce duty Relax quota
	Palm-kernel oil, unrefined	8%		Reduce duty
	Palm oil, unrefined	8%		Abolish duty

DENMARK

BTN	Product	Tariff	Request
15.07	Groundnut and palm-kernel oils, unrefined	8%	Reduce duty

NORWAY

BTN	Product	Tariff	Request
15.07	Groundnut and palm-kernel oils, unrefined	NKr 0.16 per kg. (= 6.4% and 5.5% respectively)	Reduce duty

SWEDEN

BTN	Product	Tariff	Non-tariff	Request
12.01	Groundnuts, palm kernels, benniseed	None	Levy of SKr 102 per 100 kg, charged at crushing stage	Reduce levy