RESTRICTED

COM.AG/20
19 November 1969

Limited Distribution

GENERAL AGREEMENT ON TARIFFS AND TRADE

Agriculture Committee

Original: French

INTERNATIONAL OLIVE OIL COUNCIL

The following communication, dated 13 November 1969, addressed to the Director-General, has been received from the Director of the International Olive Oil Council.

I have the honour to request you kindly to permit the International Olive Oil Council to take part, as an observer, in the meeting of the GATT Agriculture Committee to be held at Geneva on 18 November 1969.

As you know, close working relations were established from the outset between GATT and the International Olive Oil Council, the intergovernmental international organization entrusted with the administration of the International Olive Oil Agreement, the latter having been concluded in pursuance of the United Nations recommendations on governmental agreements on commodities, and following negotiations which took place at Geneva as part of United Nations conferences at which GATT was represented. These relations have been developing continuously, particularly since 1962; they have taken the form not only of exchanges of documentation but also of invitations to GATT to be represented at all meetings of the IOOC and its Committees, assistance by GATT to the IOOC in the context of the search for solutions to various major problems that might arise, and more recently, assistance regarding table olives from the International Trade Centre UNCTAD/GATT.

Moreover, as you are also aware, the International Olive Oil Agreement is the only intergovernmental international agreement in existence with respect to fats and oils.

The problem to be examined on 18 November by the GATT Agriculture Committee, concerning the study of tariff or other barriers to free international trade in vegetable oils and oilseeds is of great importance for the IOOC, having regard to the general objectives of the International Olive Oil Agreement and to the particular problems arising for this commodity.

./.

It should be borne in mind that among its general objectives the International Olive Oil Agreement stipulates, inter alia, that the Agreement is designed "to put into operation, or to facilitate the application of such measures as are calculated to extend the production and consumption of, and international trade in, olive oil". In addition, among the general obligations written into the Agreement, the participating governments have undertaken not to adopt any measures contrary to the general objectives of the Agreement, and to adopt such measures as they deem appropriate to facilitate trade in, and to develop consumption of, olive oil.

The International Olive Oil Council is at present composed of eighteen governments of member States, of which thirteen are among the mainly producing countries, at least ten of these being recognized internationally as falling within the group of developing countries (without losing sight of the fact that even as regards countries considered as being within the group of industrialized countries, the olive-oil producing areas of those countries are themselves in the process of development). For these countries, and consequently for the IOOC, olive oil constitutes an essential commodity from both the economic and the social aspect, and in this connexion, account must be taken of production costs resulting on the one hand from the fact that, this being a perennial tree crop, it is not possible to influence yield and areas under cultivation as in the case of oilseed crops, and on the other hand from the fact that labour costs are heavy and constitute a major component of the production costs involved. In view of this, and as the IOOC has pointed out on numerous occasions before all the international bodies concerned, and in particular the UNCTAD/FAO Study Group on Oilseeds, Oils and Fats, it is essential that all measures that might be contemplated in respect of fats and oils, or certain vegetable fats or oils, should as a matter of course cover oilve oil. In the particular case of the problems to be examined by the GATT Agriculture Committee on 18 November 1969, one can only request likewise that any provisions that might be contemplated with respect to vegetable oils and oilseeds should also cover olive oil. Otherwise, the increasing difficulties encountered by international trade expansion in the fats and oils sector, in particular as a result of the ever-growing competition between vegetable oils or, at least, from some of them, would inevitably become still more pronounced and might threaten attainment of the objectives set forth in the international commodity arrangements and pursued by the advisory committees on those commodities.