

GENERAL AGREEMENT ON TARIFFS AND TRADE

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FUTURE ACTION ON TROPICAL PRODUCTS

In connexion with the discussion of preparatory work for the multilateral trade negotiations at the twenty-third session of the Committee on Trade and Development, it was suggested that those countries which had made proposals concerning further work on tropical products should indicate the details with greater precision (paragraph 31, L/3760). The delegation of Mexico, a non-GATT developing country participating in the preparatory work, has submitted the following proposals.

1. Trade flows should be described with greater precision; this should include the identification of triangular trade and the amount of trade covered by preferential systems.
2. Other sectors should be identified and analyzed; for example, the tropical products that are of particular importance to the developing countries or which play a significant part in the trade of developing countries. In this connexion priority should be given to the analysis of processed and semi-processed products, bearing in mind the effect which a liberalization of the trade in these products would have on the developed countries where there is substantial effective protection for them, and the possible measures of adjustment assistance that could be applied.
3. Examination of the techniques and modalities that might be adopted to facilitate trade negotiations in connexion with tropical products, taking into account the varying degrees of processing and the range of products.
4. Identification of the elements standing in the way of greater liberalization of trade, with an estimate of the extent to which they distort trade, especially in the case of measures relating to non-generalized preferential access to markets in developed countries; the existing economic alternatives should be examined, so as to achieve the highest possible degree of liberalization in this field. Such an examination should take account of the need to avoid injury to the economies of all developing countries and would review the possible means of compensation.

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Investigation of these problems could be entrusted directly to the secretariat, in view of its very wide experience and expertise; it would be based on information provided mainly by the developed countries, together with that which could be obtained from the developing countries. These studies would be of particular value to the developing countries as a whole and would help to ensure that due attention is given during the 1973 trade negotiations to the problems of the developing countries, both as regards tropical products and as regards other fields and products of interest to them. The Group of Three could also be of assistance in this matter.