

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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TOKYO ROUND RESULTS WITH RESPECT TO REQUESTS SUBMITTED  
IN THE TROPICAL PRODUCTS NEGOTIATIONS  
AND FUTURE WORK

Note by the Secretariat

Addendum

1. In connexion with requests for concessions submitted by developing countries during the Tokyo Round in the framework of the Group "Tropical Products" this addendum to document COM.TD/W/310 provides information on the results with respect to items covered by Chapters 25-99 of the CCCN.

Tariffs

2. Requests submitted in the tropical products negotiations on items in CCCN Chapters 25-99 particularly related to such areas of interest to developing countries as wood, rubber, leather, certain textile fibres as well as semi-manufactures and manufactures thereof including furniture, paper, rubber tyres, footwear, carpets, and textile goods not covered by the Multi-Fibre Arrangement. The majority of these products were subject to "formula" m.f.n. reductions utilized by the developed participants concerned, although there were a number of instances where greater or less than "formula" cuts were applied having regard, *inter alia*, to the sensitivity of the product and requests submitted including requests from developing countries. As indicated below, certain GSP actions were also taken.

3. In response to requests submitted on some 2,120 dutiable items of eleven developed participants<sup>1</sup> falling within CCCN Chapters 25-99, tariff actions were taken with respect to some 1,710 items or 80 per cent of the total, of which 72 per cent were subject to m.f.n. concessions, 14 per cent were subject to GSP contributions and the remaining 14 per cent were subject to both m.f.n. concessions and GSP contributions.<sup>2</sup> It may be noted that nearly two-thirds of m.f.n. concessions on GSP dutiable items have also been accompanied by GSP contributions<sup>3</sup>, either already implemented or being implemented according to the

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<sup>1</sup>Australia, Austria, Canada, EEC, Finland, Japan, New Zealand, Norway, Sweden, Switzerland and United States.

<sup>2</sup>It should be noted that the level of tariff line detail may vary significantly in the tariff schedules of different developed countries and that the importance of each tariff line or product category in trade terms could thus also vary widely.

<sup>3</sup>Mostly by Australia, Austria, Canada and New Zealand. For the industrial countries covered by the summary table on page 3, it is estimated that the GSP rate average\* will be reduced from the pre-Tokyo Round level of 0.7 per cent to the post-Tokyo Round level of 0.5 per cent ad valorem.

\* Average of items covered by GSP in Chapters 25-99 weighted by imports of such items from GSP beneficiary countries. The GSP rate average should be read with the understanding that certain products are subject to country or quantitative limitations.

same staging as for the implementation of relevant m.f.n. concessions (see explanatory notes in the annex). About 10 per cent of m.f.n. concessions on non-GSP items were also accompanied by GSP contributions. M.f.n. concessions reduce m.f.n. duties on some eighty items to zero. GSP contributions included unlimited duty-free treatment under the GSP for some 110 items.

4. About 70 per cent of non-GSP items and some 82 per cent of GSP dutiable items of the eleven developed participants included in requests lists were subject to m.f.n. concessions and/or GSP contributions. With regard to GSP duty-free items subject to requests, some 86 per cent were granted m.f.n. concessions, mainly as a result of the application of tariff-cutting formulae. These included items subject to country or quantitative limitations for the purpose of GSP entry.<sup>1</sup>

5. The summary table on page 3 shows that m.f.n. tariff concessions and GSP contributions of industrial countries covered 88-92 per cent of their dutiable imports from developing countries with respect to wood, rubber and chemical goods (essential oils, etc.), 69-70 per cent with respect to jute and hard fibres and leather, and 26 per cent with respect to footwear and travel goods. In terms of the depth of m.f.n. tariff reductions, wood, rubber and chemical goods as well as jute and hard fibres obtained above average results: the weighted average m.f.n. tariff cuts<sup>2</sup> by industrial countries amounted to 36-40 per cent for these product groups. On the other hand, the average m.f.n. cuts with respect to leather and footwear were 22 per cent and 1 per cent respectively.

6. Information relating<sup>3</sup> to individual products may be found in the detailed tabulations in the annex.<sup>3</sup> Delegations concerned are invited to inform the secretariat of any corrections, amendments, etc., to the details provided.

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<sup>1</sup>Table 6 on page 40 of the Supplementary Report of the Director-General on the Tokyo Round provides an indication of the scope of the results relevant to developing country interests with respect to industrial products as a whole. Industrial countries' imports of industrial products from GSP beneficiary countries amounted to US\$52.9 billion in 1977, of which US\$18.3 billion was duty-free and US\$34.6 billion was dutiable before the Tokyo Round. M.f.n. concessions and GSP contributions were granted for US\$27.8 billion\* or some 80 per cent of dutiable imports. US\$21.4 billion\* of this figure covers Tokyo Round GSP contributions as well as m.f.n. concessions on pre-Tokyo Round non-GSP items, on GSP items having been subject to country or quantitative GSP limitations and on items in respect of which GSP beneficiaries enjoy a predominant trade share (over 60 per cent) in the market concerned. The remaining US\$6.3 billion includes cases where m.f.n. concessions were requested by the country concerned presumably because of its competitive status in the market and cases where different varieties of products imported from developed and developing countries under the same tariff heading do not compete with each other.

\* Figures adjusted to take into account more recent developments.

<sup>2</sup>Average of all tariff items (i.e. duty-free as well as dutiable items) weighted by imports of such items from GSP beneficiary countries.

<sup>3</sup>Two copies of the annex are being circulated separately to each delegation. Additional copies are obtainable on request.

SUMMARY TABLE

Pre- and Post-MTN (Tokyo Round) M.f.n. Tariff Averages<sup>1</sup> of Industrial Countries<sup>2</sup>  
and Relevant Import Statistics

Product Group	M.f.n. tariff average <sup>1</sup>			Imports from GSP beneficiaries in 1977 (US\$ million)			
	Pre-MTN	Post-MTN	% cuts	Total	Duty free	Duti-able	Of which: MTN tariff action <sup>3</sup> (% of dutiable)
All products in Chapters 25-99	7.8	5.7	27	52,869	18,300	34,562	27,746 (80%)
Of which:							
Wood, pulp, paper, furniture (Chs. 44, 45, 47, ex 48, 49, 94):	3.7	2.3	39	5,373	3,434	1,937	1,777 (92%)
raw materials	0.1	0.0	52	2,384	2,354	29	23 (79%)
semi-manufactures	5.8	3.6	38	1,912	984	927	845 (91%)
finished products	8.1	4.9	40	1,077	96	981	909 (93%)
Rubber (Ch. 40):	1.2	0.7	40	1,608	1,300	308	271 (88%)
raw rubber	0.1	0.0	99	1,360	1,300	60	56 (93%)
semi-manufactures	8.3	3.4	60	12	-	12	12 (100%)
finished products	7.5	4.9	35	236	-	236	203 (86%)
Leather and fur (Chs. 41, ex 42, 43):	6.7	5.2	22	1,741	362	1,379	958 (69%)
raw hides and skins	0.0	0.0	37	274	272	2	2 (83%)
leather and fur	5.6	3.5	38	642	90	552	492 (89%)
leather and fur articles	9.7	8.2	16	825	-	825	464 (56%)
Footwear and travel goods (Ch. 64, 4202)	13.3	13.2	1	2,180	-	2,180	573 (26%)
Chemicals - essential oils, etc. (2705, Chs. 28-30, 32, 33, ex 34, ex 35, ex 36, 37, ex 38, 39)	7.2	4.6	36	2,031	495	1,535	1,414 (92%)
semi-manufactures	5.8	4.0	31	1,378	473	905	813 (90%)
manufactures	10.1	5.8	43	653	22	630	601 (95%)
Jute and hard fibres (Ch. 57):	2.9	1.8	37	388	317	71	51 (70%)
fibres	0.0	0.0	40	158	157	1	1 (96%)
yarns	5.7	4.0	30	31	10	21	16 (77%)
fabrics	4.7	2.9	37	199	150	49	34 (69%)

<sup>1</sup> Average of all tariff items (i.e. duty-free as well as dutiable items) weighted by imports of such items from GSP beneficiary countries.

<sup>2</sup> Austria, Canada, EEC, Japan, Finland, Norway, Sweden, Switzerland and United States.

<sup>3</sup> M.f.n. concessions and GSP contributions.

Non-tariff measures

7. As regards CCCN Chapters 25-99, requests with respect to quantitative restrictions and import licensing covered some 220 tariff items. The majority of requests related to leather products and footwear, wood and wood products, carpets, textiles and certain rubber products. It was indicated by developed participants that in connexion with 120 of these 220 items, quantitative restrictions no longer applied or were not applicable to developing countries or the measures in question had no restrictive effects.

8. About one half of the other 100 restrictions subject to requests are those maintained by two developed countries which had, until recently, invoked GATT Article XII for balance-of-payments reasons. Certain restrictions were indicated by some other developed countries as being applied in accordance with GATT Articles XIX, XX or XXI. The remaining quantitative restrictions on some forty-five items subject to requests covered mostly textile goods, leather and footwear. In this respect, offers were submitted for the removal or relaxation of restrictions on thirteen items. Towards the end of the Tokyo Round, import restrictions on three additional items were removed by one participant (leather garments, jute yarn and rubber footwear for children).

9. With regard to requests for the removal of internal taxes on some fifty tariff lines falling within CCCN Chapters 25-99, these were mostly taxes of general application and as such were justified by the participants concerned under Article III of the General Agreement.

10. In general, with respect to such matters as health and sanitary regulations, standards, packaging and labelling regulations, customs valuation and licensing procedures, it was noted during the negotiations that problems in these areas could be expected to be dealt with in the context of multilateral agreements being concluded in the MTN on technical barriers to trade, customs valuation and import licensing procedures.