

GENERAL AGREEMENT ON TARIFFS AND TRADE

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WORK ON TRADE LIBERALIZATION

Note by the Secretariat

1. The post-MTN work programme of the Committee on Trade and Development as adopted by the CONTRACTING PARTIES at their thirty-fifth session in November 1979 provides, inter alia, for

"Work on trade policy and development policies including trade liberalization in areas of special interest to developing countries."

2. At the initial discussion of the Committee's activities in this respect at its March 1980 meeting, developing countries identified three areas on which they considered work in connexion with trade liberalization should begin on a priority basis. These covered tropical products, tariff escalation, and quantitative restrictions and other non-tariff measures. They also referred to the need to take up the question of advance implementation of tariff concessions applying to products of interest to developing countries.

3. In the light of the comments and suggestions made at the March meeting of the Committee, the Chairman was able to sum up by saying that there was a general view that the areas of special interest to developing countries, as mentioned above, should receive the initial attention of the Committee. As a first step, an adequate data base showing the post-MTN situation regarding conditions of access for exports of developing countries in developed country markets with respect to the areas of work indicated would need to be put together (COM.TD/104, paragraph 27).

4. For the July meeting of the Committee, the secretariat made available certain technical data with respect to tropical products (COM.TD/W/310, Add 1 and two Annexes), tariff escalation (COM.TD/W/315), and advance implementation of tariff concessions (COM.TD/W/316). In connexion with quantitative restrictions and other non-tariff measures, it was noted that technical work by the secretariat on matters of interest to developing countries would be facilitated when the Inventories of Non-Tariff Measures and the Joint Working Group documentation had been updated. This was expected to be completed towards the end of 1980.

5. The secretariat notes referred to above also contained a number of suggestions as to how further work might proceed on a step-by-step basis. In the light of the preliminary discussions which took place at the Committee's July meeting (COM.TD/105, paragraphs 25-36), the Chairman noted that some delegations had not

had sufficient time to examine the documentation fully. He felt, however, that informal consultations might be held among delegations and the secretariat before the November session of the Committee with a view to proceeding towards the identification of products and areas that should be taken up and also with a view to discussing procedures in the light of the suggestions that had been made.

6. As regards the procedural suggestions contained in the secretariat notes with which some delegations had broadly agreed, these are reproduced below to facilitate the consideration of this aspect at the Committee's forthcoming meeting:

Tropical products (COM.TD/W/310, paragraph 21)

7. In the light of the information made available to the Committee, it is suggested that further discussion on tropical products might proceed on the basis of:

- (a) the identification of specific tropical products¹ where the post-Tokyo Round tariff or non-tariff measure situation might continue to represent a barrier to the trade of developing countries in particular markets; and
- (b) an examination in the Committee of the specific trade measures identified and the possibilities for making further progress towards trade liberalization taking into account any factors which might have affected action during the Tokyo Round.

Tariff escalation (COM.TD/W/315, paragraph 3)

8. In the light of the examination of the material provided by the secretariat showing pre- and post-Tokyo Round tariff averages and certain trade data for industrial product categories covered by the Tariff Study, and any comments and suggestions that might be made by delegations with respect to the matter under consideration, the secretariat could see what more detailed information it could make available at the product level with respect to those categories identified as of particular interest to developing countries. This might provide a basis for the examination of specific areas where developing countries feel that tariff escalation represents an impediment to their exports of products at different stages of processing taking into account the GSP situation. It might also permit an exchange of views as the work proceeds on possibilities for further progress towards trade liberalization with specific reference to tariff escalation again taking into account the GSP relating to products of interest to developing countries having regard to factors which might have affected action in this area in the course of the Tokyo Round.

¹A possible indicative list of items that had received attention in previous GATT work on tropical products, and was put forward for consideration as Annex 1 to COM.TD/W/310, is attached.

Advance implementation of tariff concessions (COM.TD/W/316, paragraphs 5-7)

9. Having available the background documentation in the Annex to COM.TD/W/316, an appropriate procedure for consultations among interested delegations to deal with advance implementation might be examined. For example, interested supplying developing countries might wish to identify products and concessions in the list contained in COM.TD/W/316 where they could seek advance implementation in the course of consultations with the developed importing country. The procedures should permit other members of the Committee to enter into consultations with the developed country concerned with respect to the requests addressed to it. It is also possible that some developing countries might wish to submit requests for advance implementation of tariff concessions on products not covered by the background documentation. Thus, developing countries might be invited to indicate other items for examination and consultation in the context of such possibilities, taking into account that while developing country exporters collectively might be responsible for less than 50 per cent of the import market for a specific product in a particular country, individual developing countries could nevertheless be principal or substantial suppliers, and could possibly secure benefits from advance implementation where m.f.n. concessions have been granted on non-GSP items, where items are subject to country/quantitative GSP limitations, or rules of origin constraints, etc.

10. It might be noted that for most developed countries implementing Tokyo Round tariff concessions, the necessary domestic legal requirements have been completed. With respect to the possibilities for advance implementation of tariff concessions for products of interest to developing countries, account will need to be taken of any domestic procedures that might be required including the form of advance implementation and whether it could be undertaken on a de facto or a provisional basis.

11. The Committee could be expected to co-ordinate any work it undertakes on this matter with the Committee on Tariff Concessions. Delegations might also note that the technical co-operation services of the secretariat could be made available to deal with requests for assistance by individual developing countries interested in seeking advance implementation of m.f.n. tariff concessions for particular items.

12. It is expected that members of the Committee might be in a position to give consideration to these various suggestions at the November session taking into account the comments and observations made in July, with a view to moving forward the technical work on trade liberalization in areas of particular interest to developing countries.

ANNEX 1Indicative List of Tariff Headings^{1/}

* = tariff headings or chapters taken up in the Committee on Trade and Development in connexion with discussions on tropical products at the beginning of the Tokyo Round and/or subject to examination and discussion in MTN Group 3(f).

+ = tariff headings or chapters taken up in the Special Group on Tropical Products.

- ex 0603* Cut flowers, tropical
- 0706* Manioc and other tropical roots
- ex ch. 08**+ Fruit and nuts, fresh or dried, tropical
- 0901**+ Coffee, raw or roasted
- 0902**+ Tea, in bulk or in small containers
- 0904- Spices
- 0910**+ Spices
- 1006*^{2/} Rice
- ex 1104**+ Flour of tropical fruit and nuts; flour and meal of manioc and other tropical roots
- ex 1108* Manioc starches
- ex 1201**+^{2/} Oilseeds and oleaginous fruit, tropical
- ex 1207* Tropical plants used in perfumery, pharmaceuticals or for insecticidal or similar purposes
- 1302* Lacs and natural gums
- ex ch. 14* Vegetable plaiting materials and miscellaneous vegetable products, tropical
- ex 1507**+^{2/} Vegetable oils, tropical
- ex 1516* Carnauba wax
- ex 1701*^{2/} Cane sugar, raw or refined
- ex 1702*^{2/} Sugar syrup
- ex 1703*^{2/} Molasses from cane sugar
- ex ch. 18**+ Cocoa beans, paste, butter and powder, etc.
- ex 1904* Tapioca and sago
- ex ch. 20* Prepared and preserved tropical vegetables and fruit; tropical fruit juices
- 2102**+ Coffee and tea extracts etc.
- ex 2304**+^{2/} Oilcake from tropical oilseeds
- ex 2401*^{2/} Unmanufactured tobacco
- ex 2402*^{2/} Manufactured tobacco
- ex 3301* + Essential oils, tropical
- ex ch. 40* Natural rubber and products thereof
- ex ch. 44* Tropical timber and products thereof

^{1/} Details of tariff lines taken up may be found in the relevant documentation.

^{2/} Tropical aspects were examined in Group 3(f). The product groupings as a whole were taken up in Group 3(e) dealing with agricultural products.