

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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TROPICAL PRODUCTS

Note by the secretariat

1. The CONTRACTING PARTIES adopted the following Decision during their 38th session at Ministerial level regarding tropical products:

"The CONTRACTING PARTIES decide to carry out, on the basis of the work programme pursued by the Committee on Trade and Development, consultations and appropriate negotiations aimed at further liberalization of trade in tropical products, including in their processed and semi-processed forms, and to review the progress achieved in eliminating or reducing existing obstacles to trade in tropical products at their 1984 Session." (L/5424)¹

The Council, at its meeting on 26 January 1983, noted that the Committee on Trade and Development would make the necessary arrangements to carry out the consultations and appropriate negotiations provided for in the Ministerial Decision.

2. This note is intended to provide a summary of the work carried out by the Committee on Trade and Development in the area of tropical products since the conclusion of the MTN.

The Post-Tokyo Round Work Programme

3. Under the GATT Work Programme adopted after the conclusion of the MTN in late 1979, the Committee on Trade and Development was given the task to "work on trade policy and development policies including trade liberalization in areas of special interest to developing countries" (BISD 26th Supp. page 221). At its meeting in March 1980 the Committee considered how it could best proceed with work relating to trade liberalization. In this connexion, delegations of developing countries identified tropical products as one of the areas which should be dealt with by the Committee on a priority basis. It was noted at the meeting that information with regard to tropical products would be updated along the lines indicated in a secretariat note (COM.TD/W/305, paragraph 12) without prejudice to the definition of tropical products (COM.TD/104, paragraphs 21-24 and 27).

¹ The Summary Record of the discussion on the Ministerial Declaration is to be found in SR.38/9.

4. Thus, as an initial step in further work on tropical products, a document on the MTN Tropical Products Negotiations was updated and circulated as COM.TD/W/310 and Add.1 in June 1980, showing the results obtained from these negotiations.

5. Following preliminary discussions at its July 1980 meeting on the procedural suggestions indicated in paragraph 21 of COM.TD/W/310, the Committee reached a broad consensus at its November session that work with regard to tropical products should proceed on a step-by-step basis. As a first step in this connexion, the secretariat was requested to provide detailed data on the commercial policy situation and the trade flows for products listed in the Annex to a note by the secretariat - "Work on Trade Liberalization" - dated 17 October 1980 (COM.TD/W/319). It was understood that such information would be furnished without prejudice to the definition of tropical products or to the position of any delegation with regard to the treatment of issues in this area (L/5074, paragraph 30).

6. Accordingly, the secretariat prepared, during the course of 1981, a number of documents (see Table 1) containing information on the commercial policy situation and trade flows with respect to the products listed in the Annex to COM.TD/W/319.¹ In addition, document COM.TD/W/348 and Rev.1 provided a synoptic picture of the commercial policy situation for the products covered by these documents.

7. At its meetings in March and July 1981 the Committee exchanged information and views on the products covered by the documentation and continued with the identification and analysis of trade problems in the area of tropical products. At the November 1981 meeting, the Chairman of the Committee stated as follows:

"There was a general view in the Committee that, in accordance with the step-by-step approach adopted for work on trade liberalization, the Committee should now move to a stage aimed at a more systematic identification and analysis of trade problems and examination of the possibilities for, and ways of, making further progress. To this end, it was felt that without prejudice to any bilateral discussions which might take place, plurilateral consultations should proceed without undue delay among delegations including the importing countries concerned and interested developing country suppliers in the areas of tropical products and quantitative restrictions to the extent possible on a product-group-by-product-group basis". (L/5253, paragraph 40)

The 1982 Programme of Consultations on Trade Liberalization

8. As agreed at the Committee's meeting in November 1981, the secretariat prepared a programme for plurilateral consultations (Spec(82)1) in consultation with delegations and the Chairman of the Committee. The consultations took place on 1-30 March 1982 with the participation of 49 countries (including some MTN participants not contracting parties to GATT)

¹ Not including sugar and molasses, whose trade problems were being dealt with in the context of other GATT activities.

TABLE 1

1982 Consultations on Trade Liberalization (Tropical Products)
- Products covered, background documentation and informal record -

Products covered by background documents and the 1982 consultations		Documents containing background information	Documents containing informal record
Product groups and sub-groups	CCCN headings		
1. <u>Tropical beverage items</u> Coffee and coffee products Cocoa and cocoa products Tea and instant tea	0901, 2102 1801, 1803-1805 0902, 2102	COM.TD/W/328 and Add.1 " /329 and Add.1 " /330	Spec(82)19/Rev.1 Spec(82)20/Rev.1 Spec(82)21/Rev.1
2. <u>Spices, flowers, plants, etc.</u> Spices and essential oils, tropical Cut flowers, tropical Plants, vegetable materials, lacs, etc. and products thereof, tropical	0904-0910 3301 0603 1207, 1302, 1401-1403, 1516 ^{1/}	" /334 and Add.1 " /355 " /340 and Add.1 " /344	Spec(82)22/Rev.1 Spec(82)23/Rev.1 Spec(82)24/Rev.1 and Add.1
3. <u>Certain oilseeds, vegetable oils and oilcakes</u>	1201, 1507, 1508, 1510, 1511, 2304 (castor, palm, copra, palm kernel, groundnut, babassu, shea, etc.)	" /337 and Add.1	Spec(82)27/Rev.1
4. <u>Tobacco, rice and tropical roots</u> Tobacco and tobacco products Rice Manioc and other tropical roots, and products thereof	2401, 2402 1006 0706, 1104, 1108, 1904	" /351 " /353 " /349	Spec(82)25/Rev.1 Spec(82)26/Rev.1 Spec(72)30/Rev.1
5. <u>Tropical fruits and nuts</u> Bananas and banana products Tropical fruits and nuts and products including fruit juices	0801, 1104 0801, 0805, 0809-0812, 2001, 2003-2007	" /331 and Add.1 " /352 and Add.1 and 2	Spec(82)29/Rev.1 Spec(82)31/Rev.1
6. <u>Tropical wood and rubber</u> Tropical wood and wood products Natural rubber and rubber products	Chapter 44 ^{2/} Chapter 40	" /345 " /339 and Add.1	Spec(82)32/Rev.1 Spec(82)28/Rev.1 and Add.1

^{1/}An exporting country submitted in the consultations, proposals for possible action on the following additional products of vegetable materials:

"mats and matting of plaiting materials (CCCN ex 4602), basket-work, wicker-work and other articles of plaiting materials including luggage, handbags and flat goods of bamboo, rattan or of palm leaf (4603), chairs and other furniture of wicker, bamboo or cane (ex 9401 and ex 9403) and abaca cordage (ex 5904)." (Cf. Spec(82)24/Rev.1, para. 4).

^{2/}Certain exporting countries submitted in the consultations, proposals for possible action on "chairs and other furniture of tropical wood falling within CCCN headings 9401 and 9403".

and the EEC, with respect to the product groups and sub-groups covered by the background documentation referred to in paragraph 6 above. As agreed by the Committee, an informal record of the discussions held was prepared by the secretariat on a product-group-by-product-group basis. Table 1 indicates the products covered by the 1982 Consultations on tropical products, as well as the documentation containing background information and informal record of discussions.

9. At its meeting in April 1982, the Committee had before it an information note reporting on the 1982 Consultations on tropical products (COM.TD/W/363) and a list of the specific suggestions for improved market access made by developing countries in the course of the Consultations (Spec(82)35). At the end of the meeting, the Chairman summed up discussions on the Programme of Consultations on Trade Liberalization, as follows:

"The Committee noted that the informal consultations on trade liberalization enabled interested countries to carry out a useful exchange of views on issues related to trade of developing countries in tropical products and to import restrictions which affect exports of developing countries both in agricultural and industrial products. Developed countries recalled the efforts made during and after the MTN to further liberalize trade in products of interest to developing countries. While expressing their appreciation for past efforts of developed countries to further liberalize trade in products of interest to them, developing countries were able to identify a number of barriers, some of which they considered to be inconsistent with the provisions of the General Agreement, which, in their view, constituted impediments to the expansion of their trade. Issues relating to these points were discussed, and specific suggestions were made and duly noted.

"The Committee agreed that there is scope for further work in this area, with a view to seeking means of further liberalizing trade in products of interest to developing countries. It also agreed that the meeting of the CONTRACTING PARTIES at Ministerial level in November 1982 presents an opportunity for the consideration of specific measures of trade liberalization and of appropriate modalities for carrying forward the unfinished process of liberalization in this area. It agreed that it could carry out preparatory work to this end, with a view to facilitating decisions by Ministers." (COM.TD/110, Annex)

Identification of tropical products

10. In the Committee's discussions in 1980 on tropical products, some delegations noted that the MTN negotiations took place without prejudice to the definition of tropical products and referred to the need to identify more precisely a list of tropical products on which future work on trade liberalization could be based (COM.TD/104, paragraph 24). In this context, the secretariat provided later in 1980 an indicative list which included those items which had been taken up for consideration in the pre-Tokyo Round Special Group on Trade in Tropical Products as well as those subject to examination and discussion in the Committee at the beginning of the Tokyo Round and in MTN Group 3(f). The list was circulated initially as Annex 1 to COM.TD/W/310 in June 1980 and then as Annex to COM.TD/W/319 in October 1980.

As indicated in paragraphs 6 and 8 above, the 1982 Consultations on tropical products and the background documentation covered products included in this list.

11. In this connexion, it may be noted that at a meeting of the Committee in 1980, delegations of some developing countries proposed that the possibility of making additions or changes to the list be kept open (L/5074, paragraphs 27 and 30). Since then, certain developing country delegations have suggested that products such as coir, jute and hard fibre (e.g. apaca)¹ products be covered by the Committee's work on tropical products.

¹ Cf. L/5074, page 8, footnote 1, COM.TD/106 and Spec(82)24/Rev.1, paragraph 4.