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GENERAL AGREEMENT ON TARIFFS AND TRADE

Committee on Trade and Development

TROPICAL PRODUCTS: INFORMATION ON THE COMMERCIAL POLICY SITUATION AND TRADE FLOWS

Jute, Hard Fibres and their Products

Note by the Secretariat

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[1] Being circulated as COM.TD/W/400/Add.1
[2] In English only

Introduction

1. The CONTRACTING PARTIES, meeting at Ministerial level in November 1982, decided "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". In accordance with the Ministerial Decision, a round of consultations on tropical products took place in November 1983.

2. Participants in the 1983 consultations discussed the proposals made at the Fifty-First Session of the Committee on Trade and Development that jute and hard fibres (coir, abaca, sisal, etc.) and products thereof be included in the consultations and appropriate negotiations on tropical products to be held in the future. They agreed that jute and hard fibres could be included as a new product group. The secretariat has prepared this document with a view to providing background material for consultations and appropriate negotiations on trade in jute and hard fibres to be held in 1984.

3. This document covers the following products:

CCCN	
5702	Manila hemp (abaca)
5703	Jute and other textile bast fibres, n.e.s.
ex5704	Coir, sisal, henequen and other fibres of agave family
5706	Yarn of jute or of other textile bast fibres
ex5707	Yarn of hard fibres
5710	Woven fabrics of jute or of other textile bast fibres
ex5711	Woven fabrics of hard fibres
ex5802	Floor coverings of jute and hard fibres
ex5904	Twine, cordage and ropes of jute and hard fibres (including reaper and binder twine)
ex5905	Nets and netting of the above
ex5906	Other articles made from yarn, twine, cordage and ropes of jute and hard fibres
ex6203	Sacks of bags for the packing of goods made from jute and hard fibres
ex6204	Camping goods made from jute and hard fibres

Section I: Importance in Export Earnings, Production, Trade, Prices and Competition with Synthetic Substitutes

Importance in export earnings

4. A number of developing countries are highly dependent on jute, hard fibres and their products for a significant part of their merchandise export earnings, as indicated below:

Bangladesh	70 per cent	(1979)
Nepal	38 per cent	(1979)
Tanzania	11 per cent	(1980)
India	5 per cent	(1979)
Angola	4 per cent	(1974)
Mozambique	4 per cent	(1975)
Sri Lanka	2 per cent	(1981)
Kenya	2 per cent	(1980)
Madagascar	2 per cent	(1980)

It may be noted that the three countries most dependent on jute and hard fibres for their export earnings are least-developed countries.

Jute, kenaf and allied fibres

5. Table 1 shows the volume of production and trade in recent years. Jute, kenaf and allied fibres are produced and exported by developing countries in the tropical zone such as Bangladesh, China, India, Nepal, Thailand, Burma and Brazil. Approximately one-half of world production enters into international trade. About 30 per cent of jute and kenaf-related exports have been in the form of fibre. The remaining 70 per cent have been in the form of processed products such as yarn, fabric, carpet backing, cordage, floor coverings, sacks and bags. FAO statistics show that in recent years 85-90 per cent of the exports of processed products have been from fibre-producing developing countries.

6. Table 1 shows that the production of and trade in jute, kenaf and allied fibres have declined in recent years. According to the FAO, the downward trend in world production of recent years reflected deteriorating returns to jute growers both in real terms and relative to competing crops, in particular paddy. In recent years, exports and imports of jute and kenaf, along with other raw materials, continued to suffer from the unfavourable general economic climate and persistent recession in developed countries. In the long term, however, trade and prices of these products have been affected by competition with synthetic substitute materials (see paragraph 15 below).

TABLE 1

Jute, Kenaf and Allied Fibres - Production, Exports and Imports

Production	1977/78-1979/80	1980/81	1981/82	1982/83	1983/84 forecast
	(. . . . . thousand metric tons				. . . .)
WORLD TOTAL	3 721	3 443	3 205	3 168	
DEVELOPING COUNTRIES	3 674	3 397	3 158	3 120	
Bangladesh	1 177	868	783	864	864
Burma	76	71	25	21	45
India	1 411	1 476	1 332	1 170	1 350
Nepal	63	59	43	31	24-30
Thailand	287	209	213	233	212
Brazil	82	94	69	85	
China	507	549	630	650	

Exports	FIBRE 1977/78-1979/80	FIBRE 1980/81	FIBRE 1981/82	FIBRE 1982/83 (prel.)	PRODUCTS 1977/78-1979/80	PRODUCTS 1980/81	PRODUCTS 1981/82	PRODUCTS 1982/83 (prel.)
	(. . . . . thousand metric tons							. . . .)
WORLD TOTAL	508	560	526	474	1 235	1 354	1 276	1 225
DEVELOPING COUNTRIES	498	550	516	466	1 059	1 166	1 104	1 058
Bangladesh	339	353	347	362	481	501	537	520
Burma	19	66	21	4	-	-	-	-
India	3	18	53	36	428	490	369	350
Nepal	36	51	44	14	13	6	12	20
Thailand	79	20	11	6	100	104	112	100
Brazil	1	-	-	-	9	7	4	6
China	18	36	38	42	18	46	56	50
DEVELOPED COUNTRIES	10	10	10	8	176	188	172	167

Crop year (July/June) for exporting countries of the Far East. For other countries data relate to calendar years beginning in the first year shown.

Imports	FIBRE 1977-79	FIBRE 1980	FIBRE 1981	FIBRE 1982	PRODUCTS 1977-79	PRODUCTS 1980	PRODUCTS 1981	PRODUCTS 1982
	(. . . . . thousand metric tons							. . . .)
WORLD TOTAL	524	586	576	540	1 222	1 239	1 332	1 168
DEVELOPING COUNTRIES	210	307	300	297	388	417	544	439
Africa	61	68	59	55	69	63	82	74
Latin America	16	44	46	24	90	88	85	73
Near East	38	31	37	35	140	151	241	172
Far East	62	119	112	134	75	106	124	110
Other Developing	33	45	46	49	13	7	12	10
DEVELOPED COUNTRIES	314	279	275	243	834	822	788	729
North America	18	10	18	24	275	197	193	140
Western Europe	171	121	117	97	203	242	227	242
Oceania	10	11	8	4	88	82	79	70
Other Developed	42	43	30	19	77	82	75	85
Eastern Europe and U.S.S.R	72	93	103	99	191	219	214	192

(Source: FAO document CCP: JU 83/5)

7. According to the "UN Monthly Bulletins of Statistics", jute prices (per long ton, Bangladesh, white C, c.i.f. UK) were as follows in 1975-1983:

1975	1976	1977	1978	1979	1980	1981	1982	1983 (July)
209	216	239	269	245	n.a.	252	267	275

8. A closer look at import data reveals that imports into developed countries of both fibre and processed products have declined considerably. A decline in the output of the jute manufacturing industry in developed countries has been reflected in a fall in their imports of raw material. While imports of processed products have been maintained in Western Europe and "other developed countries" (Japan, etc.), they have decreased in North America, Oceania, Eastern Europe and the USSR. In terms of tonnage developed countries have represented one-half of the market for fibre and over one-third of the market for processed products. The share of developing countries in the world market is increasing, particularly owing to increasing imports into developing countries in the Far East and the Near East.

Sisal, henequen and miscellaneous hard fibres

9. Tables 2, 3 and 4 show the volume of production, exports and imports, respectively, in recent years. Sisal and henequen are produced and exported by developing countries in the tropical zone such as Brazil, Tanzania, Kenya, Mexico and Madagascar. Approximately two-thirds of world production enters into international trade. Some 50-60 per cent of sisal and henequen-related exports have been in the form of fibre and the remaining 40-50 per cent, in the form of manufactures such as agricultural harvest twine, baler twine and cordage. FAO statistics show that some 90 per cent of the exports of processed products have been from developing countries.

10. Table 2 indicates that the production of those fibres has stagnated in recent years, and Tables 3 and 4 show that exports and imports of these fibres in both raw and processed forms have tended to decline significantly. Unlike the case of jute, most exports of sisal in both raw and processed forms, mainly harvest twine, are destined for developed country markets. Demand for sisal products has continued to shrink with persistent market erosion caused by non-twine using harvesting techniques and competition from polypropylene twine.

11. According to the "UN Monthly Bulletins of Statistics", sisal prices ($ per metric ton, Tanzania/Kenya, No.3, long, c.i.f. UK) were as follows in 1975-1983.

1975	1976	1977	1978	1979	1980	1981	1982	1983 (July)
694	505	562	542	730	833	716	639	620

TABLE 2

Production of Sisal, Henequen and Miscellaneous Hard Fibres

(thousand metric tons)

	1978	1979	1980	1981	1982 prelim.	1983 expect.
SISAL TOTAL	374.6	369.6	416.0	388.0	409.3	387.5
Angola	7.0	7.8	8.0 *	8.0 *	8.0 *	8.0
Ethiopia	0.8 *	0.8 *	0.8 *	0.8 *	0.8 *	0.8
Kenya	31.5	36.9	46.9	41.3	50.0	51.3
Madagascar	15.9	14.9	16.0	15.4	15.1	12.0
Mozambique	14.0	11.0	12.0 *	12.0 *	10.0 *	9.0
South Africa	7.0	6.5	6.0 *	5.8 *	6.0 *	6.0
Tanzania	92.0	81.4	86.0	73.4	60.3	82.1
Total, Africa	168.2	159.3	175.7	156.7	150.2	169.2
Brazil	181.5	184.0	212.0	203.0	230.8	190.0
Haiti	9.0	9.0	11.0	11.0	11.0 *	11.0
Jamaica	0.3	0.3	0.3	0.3	0.3	0.3
Venezuela	6.6	8.0	8.0	8.0	8.0	8.0
Total, Latin America	197.4	201.3	231.3	222.3	250.1	209.3
China	9.0	9.0 *	9.0 *	9.0 *	9.0 *	9.0
HENEQUEN TOTAL	100.1	89.9	92.9	96.3	76.0	89.5
Mexico	93.5	83.4	86.4	89.8	70.0	83.5
El Salvador, Guatemala, Honduras and Nicaragua.	6.6 *	6.5 *	6.5 *	6.5 *	6.0 *	6.0

	1978	1979	1980	1981	1982 prelim.	1983 expect.
PHORMIUM TENAX TOTAL	15.4	11.6	11.7	10.7	10.7	
Argentina	5.0	4.2	4.3	4.3	4.3	
Chile	0.4 *	0.4 *	0.4 *	0.4 *	0.4 *	
New Zealand	2.0	0.0	0.0	0.0	0.0	
South Africa	8.0	7.0	7.0 *	6.0 *	6.0 *	
OTHER HARD FIBRES TOTAL	57.2	61.7	56.8	56.0	55.0	
Colombia (fique)	35.1	37.9	39.0	39.0 *	39.0 *	
Ecuador (cabuya)	6.0	6.0	6.0	5.0	4.0	
Mexico (ixtle)	8.1	9.8	3.8	4.0	4.0 *	
Other hard fibres	8.0	8.0	8.0 *	8.0 *	8.0 *	

Estimates of
Brazil(caroa), Costa Rica(cabuya), El Salvador(letona), Ethiopia(banana and doum), Mauritius(aloe), Philippines(maguey) Reunión(aloe).

(Source: FAO document CCP: HF 83/2)

TABLE 3

- **Sisal and henequen fibres and manufactures:** (thousand metric tons)

Exports from producing countries.

		1978	1979	1980	1981	1982 prelim.	1983 expect.
TOTAL							
	fibre	224.3	211.9	224.0	195.2	155.4	166.9
	manufact.	169.4	191.3	164.0	142.1	112.3	157.4
	TOTAL	393.7	403.2	388.0	337.3	267.7	324.3
Angola							
	fibre	7.0	7.0	7.5 *	7.5 *	7.5 *	7.0
	Total	7.0	7.0	7.5	7.5	7.5	7.0
Brazil							
	fibre	89.8	87.1	100.3	69.7	36.7	60.0
	cordage	70.7	96.2	77.5	80.2	50.0	80.0
	Total	160.5	183.3	177.8	149.9	86.7	140.0
Haiti							
	fibre	2.0	1.5	1.5	0.8	1.0	1.0
	cordage	5.0	5.8	7.7	8.3	8.5	8.5
	Total	7.0	7.3	9.2	9.1	9.5	9.5
Kenya							
	fibre	27.1	26.0	39.2	38.4	40.8	41.0
	cordage	2.8	1.4	1.1	0.9	0.5	0.3
	Total	29.9	27.4	40.3	39.3	41.3	41.3
Madagascar							
	fibre	15.7	14.0	14.8	14.8	14.6	11.8
	cordage	0.3	0.3	0.2	0.2	0.2	0.2
	Total	16.0	14.3	15.0	15.0	14.8	12.0
Mexico							
	fibre	0.3	0.2	0.2	0.1	0.1	0.1
	cordage	56.0	56.8	33.7	37.1	29.8	38.4
	oth.manuf	3.9	1.7	0.3	0.2	0.3	2.5
	Total	60.2	58.7	34.2	37.4	30.2	41.0
Mozambique							
	fibre	13.9	8.0	9.0 *	10.0 *	10.0 *	9.0
	cordage	0.9	3.0	3.0 *	1.5 *	2.5 *	1.0
	Total	14.8	11.0	12.0	11.5	12.5	10.0
Tanzania							
	fibre	67.0	66.6	50.0	52.4	43.7	36.0
	cordage	28.0	24.6	39.0	12.2	19.0	25.0
	Total	95.0	91.2	89.0	64.6	62.7	61.0
Exports from consuming countries							
TOTAL E.E.C. (cordage only)		32.0	28.1	25.2	28.9	27.8	
of which: to E.E.C.		27.0	23.6	19.8	23.0	22.1	
to Others		5.0	4.5	5.4	5.9	5.7	
Austria		0.2	0.3	0.3	0.3	0.1	
Portugal		23.1	27.9	29.5	21.0	24.8	
Spain		2.2	2.1	1.2	2.9	3.0	
Sweden		0.1	0.1	0.1	0.1	0.1	
Canada		0.8	0.8	0.6	1.2	1.2	
United States		1.4	1.5	1.0	2.0	1.0	
Japan		0.1	0.1	0.1	0.1	0.0	
South Africa		1.0	1.0	1.0 *	0.0 *	0.0 *	
TOTAL, ABOVE COUNTRIES		62.9	63.9	61.0	58.5	60.0	

(Source: FAO document CCP: HF 83/2)

TABLE 4

- Sisal, henequen and other agave: (thousand metric tons)

Imports of fibres (a)

	1978	1979	1980	1981	1982 prelim.
Total, E.E.C.	75.3	85.5	64.0	57.9	54.1
Austria	0.9	1.1	0.8	0.8	0.7
Norway	0.0	0.1	0.0	0.1	0.0
Portugal	18.0	33.6	33.8	23.5	26.6
Spain	12.4	12.6	10.8	9.1	9.5
Sweden	0.7	0.2	0.3	0.1	0.0
Switzerland	0.2	0.2	0.2	0.1	0.1
Czechoslovakia	3.0	2.5	2.8	2.5 *	2.5 *
Germany, D.R.	2.5	2.5	2.2	2.5	2.5
Poland	20.4	22.2	16.0	20.5	16.0
Romania	2.0	2.0	2.0	1.5	1.0
U.S.S.R.	12.0	11.0	29.5	18.0	18.0 *
Australia	3.4	2.9	2.7	2.3	3.0 *
Canada	4.7	4.2	2.7	2.5	1.3
Japan	7.5	11.4	6.3	5.5	6.1
New Zealand	4.8	3.6	3.5	3.5	3.5
South Africa	0.3	0.6	1.3	2.4	2.0
U.S.A.	10.8	8.3	4.9	3.5	3.0
TOTAL, WORLD	222.0	231.7	214.4	186.2	167.1

Imports of manufactures (a)

	1978	1979	1980	1981	1982 prelim.
Total, E.E.C.	84.1	102.2	77.9	68.5	69.0
of which: from E.E.C.	22.5	18.8	18.0	15.7	15.8
from Others	61.6	83.4	59.9	52.8	53.2
Austria	0.4	0.7	0.7	0.8	0.3
Finland	1.2	1.2	2.1	2.3	1.3
Norway	0.1	0.2	0.2	0.2	0.1
Sweden	4.2	3.5	4.9	4.1	4.3
Switzerland	0.5	0.4	0.3	0.2	0.3
Australia	3.2	2.0	1.2	1.2	1.0
Canada	14.6	21.7	20.4	20.0	11.0
Japan	1.6	3.3	2.8	2.6	2.0
Poland	0.0	0.0	0.2	3.0	5.9
United States	93.5	124.7	97.7	84.5	68.5
DEVELOPING COUNTRIES	13.0	15.0 *	14.0 *	14.0 *	12.0 *
TOTAL, WORLD	217.2	276.2	223.3	203.2	177.5

(a) Excluding re-exports
(Source: FAO document CCP: HF 83/2)

Coir

12. Tables 5 and 6 show the volume of exports and imports respectively, with respect to coir fibre, coir yarn and coir floor coverings. Coir is produced and exported by developing countries in the tropical zone such as Sri Lanka, India, Thailand and Malaysia. Approximately two-thirds of the coir-related exports have been in the form of fibre and the remaining one-third has been in the form of processed products such as coir yarn and coir floor coverings (mats, mattings and rugs). While most coir-related exports from Sri Lanka, Thailand and Malaysia have been in the form of fibre, those from India have been mostly in the form of coir yarn and floor coverings. Although some exports of coir floor coverings from developed countries have been recorded , it appears that coir producing countries have been predominant suppliers of coir products.

13. Table 5 and 6 indicate that exports and imports of coir fibres and products have fluctuated, depending on the output and demand situation of the year, and have tended to be stagnant in recent years. Most exports of coir fibre and products are destined for developed country markets. Demand for brown fibre continued to be affected by the reduced activity of the coir using industries, particularly in the automobile and mattress sectors of major consuming countries. Exports of floor coverings from India continued to decline, reflecting a contraction in foreign demand for manufactured goods. On the other hand, exports of yarn from India recovered in 1982 from the exceptionally low level of 1981. Activities of the floor covering industries in importing countries have been affected by the prevailing depressed economic situation and continuing strong competition from lower priced synthetic and other substitutes (e.g. grass mats).

Abaca

14. Table 7 shows the volume of production, exports and imports with respect to abaca fibre and manufactures. Abaca is produced and exported by developing countries in the tropical zone such as the Philippines and Ecuador. Some 75-85 per cent of production enters into international trade and is destined mostly for developed country markets. About two-thirds of the exports have been in the form of fibre and the remaining one-third have been in the form of manufactures such as cordage, handicrafts and pulp for speciality paper. Table 7 shows that the production of and trade in abaca fibre and manufactures have tended to decline since 1979, particularly due to competition from synthetic substitutes in cordage making.

TABLE 5

(thousand metric tons)

-Exports of coir fibre from producing countries
-Exportations de fibre de coco par les pays producteurs

	1978	1979	1980	1981	1982 prelim.	1983 expect.
WORLD, TOTAL	94.8	99.6	96.6	81.6	85.1	89.2
Total, Sri Lanka	87.9	90.7	86.6	74.3	77.9	82.0
bristle fibre/fibre a brosse	9.3	12.2	9.7	8.9	9.5	10.0
twisted fibre/fibre torsee	24.3	30.1	30.8	23.9	27.9	30.0
mattress fibre/fibre a matelas	54.3	48.4	46.1	41.5	40.5	42.0
India	0.6	0.4	0.4	0.0	0.1	0.1
Malaysia	1.5	1.5	1.5 *	1.5 *	1.5 *	
Philippines	0.1	0.1	0.0	0.1	0.1	
Thailand	3.3	5.6	6.7	4.7	4.5 *	
Singapore	0.3	0.3	0.3	0.3 *	0.3 *	
Kenya	0.1	0.0	0.2	0.2	0.2 *	
Mozambique	0.3	0.2	0.2 *	0.0 *	0.0 *	
Tanzania	0.4	0.5	0.4 *	0.2 *	0.2 *	
Mexico	0.2	0.2	0.2 *	0.2 *	0.2 *	
Brazil	0.1	0.1	0.1 *	0.1 *	0.1 *	

-Exports of coir yarn from producing countries
-Exportations de filés de coco par les pays producteurs

	1978	1979	1980	1981	1982 prelim.	1983 expect.
India	20.9	24.7	19.1	13.8	18.9	19.3
Sri Lanka	2.1	2.6	2.4	2.6	2.4	2.5
Thailand	0.1	1.0	0.6	0.1	0.1 *	0.1
TOTAL ABOVE COUNTRIES	23.1	28.3	22.1	16.5	21.4	21.9

-Exports of coir mats, matting and rugs from principal exporting countries
-Exportations de tapis-brosses, nattes et passages et carpettes de coco par les principaux pays exportateurs

	1978	1979	1980	1981	1982 prelim.
India	18.3	20.3	16.8	14.0	13.3
Belgium	2.1	2.2	1.8	1.7	1.1
Denmark	1.5	1.7	2.1	1.7	1.2
France	2.6	3.6	3.0	1.5	1.0
Germany, Fed. Rep.	1.4	1.7	1.6	1.8	1.4
Italy	0.2	0.2	0.3	0.3	0.4
Netherlands	1.2	1.1	1.1	1.2	1.4
United Kingdom	0.1	0.2	0.2	0.2	0.4
TOTAL ABOVE COUNTRIES	27.4	31.0	26.9	22.4	20.2

(Source: FAO document CCP: HF 83/4)

TABLE 6

Retained imports of coir fibre into principal importing countries (thousand metric tons)

	1978	1979	1980	1981	1982 (prelim.)
Total, E.E.C.	46.0	46.5	44.6	32.6	37.1
Austria	1.6	1.5	1.8	1.0	1.4
Finland	0.0	0.1	0.0	0.0	0.2
Norway	0.2	0.2	0.2	0.1	0.0
Portugal	2.5	1.8	2.5	1.9	1.3 *
Spain	0.8	0.6	0.5	0.2	0.2
Sweden	0.1	0.1	0.1	0.6	0.8
Switzerland	0.1	0.1	0.1	0.1	0.0
Australia	3.3	3.5	3.5	1.9	2.1
Japan	7.5	11.5	9.4	9.2	7.7
New Zealand	0.5	0.5	0.5	0.5	0.7 *
Poland	1.2	1.4	1.0	1.0	0.9
South Africa	0.7	1.2	1.4	1.9	1.5 *
U.S.S.R.	2.5	2.5	2.5 *	2.5 *	3.6 *
United States	9.7	10.5	11.2	9.2	11.0
DEVELOPING COUNTRIES	2.0	2.0 *	2.0 *	2.5 *	3.5 *
TOTAL, ABOVE COUNTRIES	89.7	97.0	93.2	76.5	81.8
Retained imports of coir yarn into principal importing countries					
Total, E.E.C.	15.4	16.0	11.9	7.2	8.5
Finland	0.1	0.1	0.0	0.0	0.1
Norway	0.1	0.1	0.1	0.1	0.0
Portugal	0.6	1.0	0.9	0.4	0.4
Spain	0.5	0.5	0.3	0.3	0.3
Sweden	0.1	0.1	0.1	0.0	0.0
Switzerland	0.6	0.6	0.7	0.1	0.0
Australia	0.1	0.1	0.1	0.1	0.1 *
Canada	0.2	0.2	0.2	0.2	0.2 *
Israel	0.1	0.1	0.1	0.1	0.1 *
Japan	0.0	0.1	0.0	0.0	0.0
Poland	0.6	0.5	0.4	0.3	0.4
South Africa	0.2	0.3	0.5	0.3	0.2 *
United States	3.1	1.7	2.2	4.5	4.2
DEVELOPING COUNTRIES	3.0	3.0 *	3.0 *	2.0 *	2.5 *
TOTAL, ABOVE COUNTRIES	25.9	26.3	21.6	15.8	18.0
Imports of coir mats, matting and rugs into principal importing countries					
Total, E.E.C.	18.3	19.0	18.1	16.5	12.8
Austria	0.1	0.1	0.1	0.2	0.2
Finland	0.2	0.2	0.2	0.2	0.1
Norway	0.2	0.2	0.2	0.2	0.1
Sweden	0.6	0.9	0.6	0.3	0.3
Switzerland	0.8	1.1	0.9	0.9	0.9
Australia	1.5	2.0	1.5	1.5	1.7
Canada	1.1	0.9	0.9	0.9	0.7
Japan	0.4	0.2	0.3	0.3	0.1
New Zealand	0.1	0.1 *	0.1 *	0.1 *	0.1 *
U.S.S.R.	2.0	2.0	2.0 *	2.0 *	2.0 *
United States	2.4	2.3	2.3	2.9	1.8
DEVELOPING COUNTRIES	0.2	0.2 *	0.2 *	0.2 *	0.2 *
TOTAL, ABOVE COUNTRIES	29.7	31.0	28.9	27.2	22.0

(Source: [illegible] Document: CCP: HF 83/[illegible])

TABLE 7

- Production of abaca

(thousand metric tons)

		1978	1979	1980	1981	1982 prelim.	1983 expect.
Ecuador		11.3	9.9	10.1	11.0	10.0	9.5
Philippines		76.0	87.6	75.8	73.2	72.5	71.5
Other Countries		1.5	1.1	1.1 *	1.1 *	1.0 *	1.0
TOTAL		88.8	98.6	87.0	85.3	83.5	82.0
- Abaca: Exports of fibre and manufactures from producing countries							
Ecuador							
	Fibre	9.8	8.5	9.1	10.0	8.5	9.0
	Cordage	1.5	1.4	1.0	1.0	0.4	0.5
	Total	11.3	9.9	10.1	11.0	8.9	9.5
Philippines							
	Fibre	37.3	41.5	39.6	33.5	34.0	34.3
	Cordage	12.0	11.1	11.9	13.6	10.2	10.7
	Pulp	3.5	4.4	4.8	5.0	5.9	7.1
	Other	3.8	9.1	7.4	6.0	5.0	4.5
	Total	56.6	66.1	63.7	58.1	55.1	56.6
TOTAL							
	fibre	47.1	50.0	48.7	43.5	42.5	43.3
	manufact.	20.8	26.0	25.1	25.6	21.5	22.8
	TOTAL	67.9	76.0	73.8	69.1	64.0	66.1

- Abaca: Imports of fibre

	1978	1979	1980	1981	1982 prelim.
Total, E.E.C.	11.5	11.4	9.5	9.6	11.9
Australia	0.1	0.0	0.1	0.1	0.1
Canada	0.4	0.6	0.6	0.6	0.9
Japan	7.5	8.5	6.5	5.3	6.3
New Zealand	0.2	0.2	0.2	0.2	0.2
Poland	0.2	0.2	0.1	0.0	0.0
South Africa	0.4	0.6	0.8	0.6	0.5 *
United States	22.1	24.7	26.1	20.6	22.0
TOTAL, DEVELOPED COUNTRIES	42.7	46.3	44.2	37.4	42.4
TOTAL, DEV.ING COUNTRIES	4.0	3.6	2.9	3.2	2.8
TOTAL, ABOVE COUNTRIES	46.7	49.9	47.1	40.6	45.2
- Imports of abaca manufactures (Cordage only, except for Japan)					
TOTAL E.E.C.	1.2	1.0	0.9	0.7	0.7
of which: from E.E.C.	0.7	0.5	0.5	0.4	0.4
from Others	0.5	0.5	0.4	0.3	0.3
Norway	0.1	0.1	0.1	0.1	0.1
Australia	0.3	0.7	0.4	0.4	0.4
Canada	0.3	0.3	0.7	0.5	0.5
Japan (pulp)	3.2	4.2	4.1	3.2	4.3
United States	8.6	9.1	7.6	9.0	7.1
TOTAL, DEVELOPED COUNTRIES	13.7	15.4	13.8	13.9	13.1
TOTAL, DEV.ING COUNTRIES	3.1	3.8	4.0	4.0	3.8
TOTAL, ABOVE COUNTRIES	16.8	19.2	17.8	17.9	16.9

(Source: FAO document CCP: HF 83/3)

Competition with synthetic substitutes

15. FAO document CCP: 83/15 prepared for submission at the October 1983 session of the Committee on Commodity Problems contains the following information on the competition of jute, sisal, abaca and coir with synthetic substitutes.

A. Jute and Sisal: Competition with Polypropylene

The greatest losses due to displacement by synthetics were incurred by producers of jute and sisal, since these fibres had to face competition from polypropylene and polyethylene in markets which were already shrinking as a result of technological changes. Outlets in packaging and carpet-backing (the principal end-uses for jute) contracted with the continuing trend towards bulk handling and pre-packaging for retail sale, and with the progressive reduction in the weight of backing required for each square metre of carpet. Outlets in agricultural twines (the main end-use for sisal) diminished with changes in harvesting techniques.

For both jute and sisal, the main synthetic competitor is polypropylene, which is lighter, stronger and more supple. The only end-use in which jute is preferred on technical grounds is secondary carpet-backing, where its heat-resistance, dimensional stability, good adhesion to cement flooring, and ease of removal give it an advantage. Sisal twine is easier to knot than polypropylene twine and is bio-degradable, which gives it a certain advantage on farms which carry livestock.

Polypropylene, like other polyolefins, was developed for a wide range of household and industrial applications, the overall demand for which was greatly overestimated during the seventies. This, and the aggressive marketing policies of manufacturers, contributed to the development of considerable excess capacity, and polypropylene granulate and slit film were sold at prices below cost of production. Prices of the end products also undercut the competing jute or sisal products, so that both fibres lost large shares of their traditional markets.

Since the machinery used for processing polypropylene could not always handle the competing natural fibre, jute or sisal, market losses at times of high prices were seldom reversed. Moreover, the shift of processing to the fibre-producing areas led to competition between two industries, one based on natural fibres and the other on synthetics. Consequently, the price advantages of polypropylene were reinforced by technical and cost advantages deriving from more efficient machinery, fewer management and labour problems, lower transport charges and better marketing infrastructures.

As a result of these developments, jute has been faced over the last decade with a steady contraction in the relative size of its markets, although in absolute terms, apparent world consumption has shown a modest growth. The average value of the fibre produced and exported also declined as the proportion of the higher grades used in hessian and carpet-backing fell, while that of the lower grades utilized mainly in the producing countries increased.

Changes in the demand for jute

	1970	1981
	('000 tons, fibre equivalent)	
Apparent world consumption	3496	3751
Developing countries	2467	2782
of which Producing countries 1/	(1844)	(2011)
Developed countries	1030	968
World exports of jute and jute goods	1904	2187
Production of hessian and carpet-backing in India and Bangladesh	897	727

1/ Bangladesh, Burma, India, Nepal, Pakistan, Thailand and China

Efforts to maintain market shares were reflected in progressively lower real prices: between 1972 and 1982, prices of jute fibre declined by 63 percent, those of jute carpet-backing by 62 percent, those of hessian by 55 percent and those of jute sacking by 49 percent. These falls had multiplier effects on the entire economies of the producing areas, since they not only curtailed the amounts of foreign exchange available for investment, but also curbed the growth of subsidiary industries to cater to the needs of jute growers, and limited the ability of governments to raise taxation.

Sisal too experienced dramatic and disruptive declines in total market size, market share and real price. The global market for harvest twine (sisal's largest outlet) shrank by around 40 percent over the decade and the share of that market accounted for by sisal fell from virtually 100 percent to less than 75 percent. The country most seriously affected by this decline was Tanzania: sisal's contribution to its export earnings fell from 25 percent to 10 percent, and its contribution to government revenue from 5 percent to less than 1 percent.

Changes in demand for sisal

	Early seventies	Early eighties
	(...'000 tons, fibre equivalent...)	
World sisal consumption (including other agaves)	790	420
Sisal consumed in harvest twine	430	210

B. Abaca: Competition with Polypropylene and Nylon

Abaca has two main end-uses, cordage and high-quality paper. The proportion consumed in cordage uses fell from 66 percent in 1970 to 31 percent in 1981 as a result of losses to synthetics. By contrast, the proportion used in paper making, where competition from such materials is negligible, rose from 30 to 60 percent. The absorbency of abaca and its permeability to air and liquid have promoted its use in paper for teabags (the most important outlet), fibrous sausage casing bases, vacuum cleaner bags and typewriter stencil bases.

It is in cordage that abaca competes with synthetics, chiefly nylon and polypropylene, and like other natural fibres is at a technical and price disadvantage because of the lightness, durability and strength of the synthetics, and of the low prices at which they are sold for use in ropes, lines and other cordage. Because of the scope for adjusting grading and processing procedures to requirements for cordage and for paper, there is a complex relationship between prices of the different grades of abaca, but ultimately price levels are determined by competition with synthetic substitutes in the cordage market. Real prices of both paper-making and cordage grades have tended to decline over the past decade, but the volume of fibre exported, while fluctuating widely from year to year, showed a modest upward trend averaging some 2.8 percent per annum.

C. Coir: Competition with Polyurethane and PVC

Coir has a wider variety of end-uses than either jute or sisal; in some of these, notably car seats, brushes and floor coverings, it has lost markets as a result of competition from synthetics; in others, such as soil stabilization fabrics, it has gained. In car seat padding, outlets were lost because of the greater weight and higher processing costs of coir. Coir has both technical and price advantages for doormats, but in the floor-covering market its use has been limited to cheap utility matting. In soil stabilization fabrics, coir's rot-resistance and bio-degradability give it technical advantages, but in mattresses it competes essentially on price. With its range of end-uses, in each of which it competes with a different alternative material, it is not possible to single out one synthetic as the principal substitute, but it is with polyurethane, PVC and polypropylene that coir most frequently finds itself in competition. Although the volume of coir produced and the level of real prices have shown little change over the last decade, exports of yarn and fibre have fallen.

16. Another FAO document circulated in 1983 - CCP:HF 83/7 provides an example of the erosion of markets for tropical fibres by synthetic substitute materials. Japan, together with Germany, F.R., had once been the leading consumer of rubberized coir for car seat padding. The use of this type of coir by the Japanese automobile industry has now declined to about 400 tonnes of fibre from about 7,300 tonnes in the early 1970's because of substitution by polyurethane foam. Although Japan's coir consumption for other purposes (soil stabilization, mattresses, hop twine and drainage filters) has increased, it is not sufficient to compensate for a dramatic loss in the automobile sector, as indicated below.

Japan: Estimated end-use structure of coir fibre
early 1970's and early 1980's

End-use	Early 1970's		Early 1980's	
	Tons	% total	Tons	% total
Rubberized coir	8800	70.4	4700	50.0
of which for:				
soil stabilization	-	-	2200	23.4
mattresses	1500	12.0	2100	22.4
vehicle upholstery	7300	58.4	400	4.2
Hop twine	800	6.4	2000	21.2
Cordage other than twine	200	1.6	100	1.1
Brushes and brooms (mainly tawashi)	2000	16.0	1200	12.8
Mats and matting	400	3.2	150	1.6
Drainage filters (needle felt)	-	-	1200	12.8
Other (mainly nori nets for seaweed harvesting)	300	2.4	50	0.5
Total	12500	100.0	9400	100.0

Section II: Commercial Policy Situation

17. Table 8 shows a summary of the post-Tokyo Round tariff situation in eleven developed country markets with respect to jute, hard fibres and major products thereof. More detailed information at the tariff line level is available in Annex 2, including corresponding trade flow data for 1980.

Tariff reductions made in the Tokyo Round

18. Document COM.TD/W/310/Add.1 circulated in 1980 shows the results obtained in the Tokyo Round with respect to fibres, yarns and fabrics of jute and hard fibres falling within CCCN Chapter 57. Imports of these products into nine industrial country markets (Austria, Canada, EEC, Japan, Finland, Norway, Sweden, Switzerland and the United States) from developing countries (recognized as GSP beneficiaries) amounted to US$388 million in 1977. Of this amount US$317 million were imports of duty-free items and US471 milion were imports of items dutiable before

Explanatory Notes to Table 8

This table shows a summary of post-Tokyo Round tariff situation as of the time when all Tokyo Round concessions have been fully implemented, as well as current tariff rates actually applied which are different from final concession rates, e.g. "84: 8%".

The GSP rates indicated for Austria and Canada are those obtained on the basis of final concession rates in accordance with the GSP formulae of these countries. Current GSP rates are also indicated for these countries.

Annex 2 provides further details, e.g. information on items not covered by this table and data on pre-Tokyo Round m.f.n. rates and preferential rates other than the GSP.

Symbols used

LDC = Duties applicable to least-developed countries.

FI (Australia, New Zealand) = duties applicable to the Forum Island countries in the South Pacific.

(...%) = ad valorem incidence of specific, mixed or compound duties based on 1980 imports.

...%B = bound rates (often final Tokyo Round concession rates).

84:...% = rates applying in 1984.

Summary of post-Tokyo Round tariff situation

New Zealand: 0%B (first 3 items) or 0% unbound (four other items)
Finland: M.f.n. or GSP duty-free for all items except for woven fabrics of bast fibres other than jute (ex 5710 - 20% B).
Norway, Sweden: M.f.n. or GSP duty-free for all items.

		Australia	Austria	Canada	EEC	Japan	Switzerland[3]	United States
5702	Manila hemp or abaca	2% GSP 0%	0%B	0%B	0%B	0%B	0%B[4] slivers: dutiable (incidence unknown)	0%B
5703	Jute and other textile bast fibres, n.e.s.	2% GSP 0%	Roves[1]: (6%B, GSP 3.9%, LDC 3%) Other: 0%B	0%B	0%B	0%B	0%B[4] slivers: (2.7%) GSP (0.8%) LDC 0%	Raw, waste, processed: 0%B slivers: (4%B)
5704	Other vegetable textile fibres	0%B	On a support[1] 8%B, GSP 5.2%, LDC 4% Coir fibres, prepared 5%B, GSP-3.3%, LDC 2.5% Other: 0%B	0%B	0%B	0%B	0%B[4/5] slivers: (0.8%) GSP (0.5%) LDC 0%	Coir 0%B Sisal, henequen: raw 0%B processed 8%B GSP 0% Other 0%B
5706	Yarn of jute and of other textile bast fibres	20% GSP 10%	(10%, GSP 6.5%, LDC 5%)[1]	10.2%-15%B 84: 0-17.5% GSP 0%	5.3%B 84: 6.7% GSP 0%[2], LDC 0% ACP 0%	10%B 84: 8% GSP 4% under ceiling (prior allotment)	(0.4-17.8%) GSP (0.1-5.5%) LDC 0%	3-5%, 84: 3-6.5% GSP 0% partly with exclusion of Bangladesh
5707	Yarn of other vegetable textile fibres	2% GSP 0%	Coir yarn 0%B Other (8%B, GSP 5.2%, LDC 4%)	Coir yarn 0%B Other 9.2-12.5%B 84:12.1-16.3% GSP 5.0-7.5%	Coir yarn 0%B Other 3.8%B 84: 4.4% GSP 0% under ceiling LDC 0%, ACP 0%	3%B GSP 0%	(0.1-1.9%) GSP (0.1-1.1%) LDC 0%	Coir 0%B Other 4%B GSP 0%
5710	Woven fabrics of jute or other bast fibres	Hessian, brattice 0%B Other 0%	(25%, GSP 16.3%, LDC 12.5%)[1]	0%B	7.7-9.3%B 84: 11.4-15.7% GSP 0%[2], LDC-0% ACP 0%	20%B, 84: 16% GSP 0% under ceiling (prior allotment) LDC 0% under ceiling	(1-23.5%) GSP (0.3-7.3%) LDC 0%	Unprocessed: 0%B Bleached, coloured 1%B, GSP 0% Not wholly of jute: 3%B 84: 3.1-4% GSP 0%
5711	Woven fabrics of other vegetable textile fibres	0%B	20%B, GSP 13% LDC 10%[1]	Of jute 0%B Of sisal 0%B, 84: 10% GSP 6.5% Other 17.5%B, 84: 18.8% GSP 11.5%, LDC 0%	6.2%B 84: 8.1% GSP 0% under ceiling LDC 0% ACP 0%	3.7%B, 84: 3.8% GSP 0%	(2.0-2.2%) GSP (1.2-1.4%) LDC 0%	3-4.4%B; 84: 3.1-5.5% upholstery fabrics, jacquard-figured - 9%B, 84: 15.8% For covering cotton bales - 0%B

[1] Higher intermediate duties (m.f.n., GSP and LDC) are applied in 1984 (See the Annex). Only final rates are shown in the table.
[2] GSP rates applicable to India, Thailand and least-developed countries including Bangladesh.
[3] The incidences of final concession rates have been shown for Switzerland. Higher intermediate duties are often applied in 1984.
[4] M.f.n. duties on fibres, raw, combed, tow and waste.
[5] If used for stuffing material, the following duties are applicable: (0.8-10.2%), GSP (0.4-6.4%), LDC 0%.
[6] Coir floor coverings with pile not hand inserted or knotted.

TABLE 8 continued

Finland: M.f.n. or GSP duty-free for all items except for ex 5802 carpets, mats, etc. of jute, sisal and abaca - 35%B and ex 5905 fishing nets and netting made of twine, cordage or rope, and made-up fishing nets of yarn - 20% or minimum FmK 3.54/kg.B.
Norway, Sweden: M.f.n. or GSP duty-free for all items.

	Australia	Austria	Canada	EEC	Japan	New Zealand	Switzerland[3/]	United States
5802 floor coverings Of coir	0%	25%B 84: 26.1% GSP 16.3% (84: 17.0%) LDC 12.5% 84: 13.0%	0%B	8%B, 84: 15.5% GSP 0%2/ also applicable to Sri Lanka, LDC 0% ACP 0%	10.5%B 84: 11.1% GSP 0%	45% GSP 27.5% Canada 27.5% FI 0%	(8.6%) GSP (2.7%) LDC 0%	0%B; (1.4%), GSP 0%6/
Of jute	0%		10.2%B 84: 13.9% GSP 0%	8.9-14%B 84: 14.5-18.5% GSP 0%2/, LDC 0% ACP 0%				3.5-5.1% 84: 5.3-6.6% GSP 0%
Of sisal	0%		0%B 84: 5-5.3% GSP 0%	(8.9-14%B (84: 14.5-18.5% (GSP 0% under (ceiling (LDC 0%, ACP 0%	(12%B (GSP 6% (under monthly (controlled ceiling (LDC 0%		((9.0%) (GSP (5.7%) (LDC 0%	(5-8%B (84: 8.8-9.3% (GSP 0%
Of abaca	Hand-made: 0% Other: 40%, GSP 30%		n.a.					
5904 Twine, cordage and ropes	20%, FI 0% GSP 0% under quota ?	22%B, 84: 23.1% GSP 14.3% 84: 15% LDC 11% 84: 115%	Of jute: 10.2-15%B 84: 13.9-17.5% GSP 0% singles only Other: 9.2-20.0%B 84:12.1-20.0% GSP 5.0-7.5% except large cordage	12% B 84: 12.5% GSP 0% of jute2/ of hard fibres under ceiling LDC 0% ACP 0%	M.f.n. duties Of jute, abaca 10%B, 84: 8% Of sisal 6%B Of other fibres 3.7%B, 84: 3.8% GSP 0% under daily controlled ceiling LDC 0%	Reaper and binder twine 35%, GSP 15%, FI 0% Other 35% GSP 17.5% FI 0%	(0.8-8.8%) GSP (0.5-5.5%) LDC 0%	Binder and baler twines 0%B 0- 7.2%B, 84:0-11.1% partly GSP 0% with exclusion of Mexico for TSUS 315.25
5905 Nets of twine and cordage	2% GSP 0%	22%B, GSP 14.3% LDC 11%1/ Fish nets for fishing industry 0%B	n.a.	9-11%B 84: 9.3-11% GSP 0% under quota or ceiling LDC 0%, ACP 0%	6%B GSP 0%	Fishing nets 0% Other 20% GSP 10%, FI 0%	(8.6%) GSP (2.7%) LDC 0%	Fish nets 6.2%, 84: 8.6% GSP 0%
5906 Other articles made from yarn, twine, cordage	30% FI 0% GSP 5% under quota	22%B, GSP 14.3% LDC 11%1/	n.a.	5.8%B, 84: 7.4% GSP 0% under ceiling LDC 0%, ACP 0%	8%B GSP 0%	35%, GSP 20% FI 0%	(2.6-6.7%) GSP (1.6-6.7%) LDC 0%	10%B, 84: GSP 0%
6203 Sacks and bags of jute	0%B	28%B, GSP 18.2%, LDC 14%1/	8%B 84: 10.3% GSP 0%	7.7-8.9%B 84: 11.4-14.5% GSP 0%2/, LDC 0% ACP 0%	(20%B), 84: (16%) GSP 0% under monthly controlled ceiling LDC 0%	Wool packs and other approved by Minister 0% Other 15% GSP 5%, FI 0%	(8.1%) GSP (5.2%) LDC 0%	Not bleached or coloured 0%B) Other (2.7%B) 84: higher compound duty
6204 Tarpaulins, sails, tents	Sails 15%, GSP 0% Other 30%, FI 0% GSP 0% under quota	27%B, GSP 17.6%, LDC 13.5%1/	of jute 11.3%B, 84: 15.7% GSP 0% Other 22.5%B	14%B, 84: 15% GSP 0% under quotas or ceilings LDC 0%, ACP 0%	5.8-6%B 84: 6-6.6% GSP 0%	40%, GSP 20%, 42.5%, GSP 32.5%, 35%, GSP 20% FI 0% for all	(2.6-7.2%) GSP (1.7-4.4%) LDC 0%	4.4%B, 84: 5.5% GSP 0%

Footnotes: See the previous page.

the Tokyc Round. Some 51 million of the dutiable imports or 70 per cent were subject to m.f.n. concessions and/or GSP contributions (inclusion of new items in the GSP, GSP rate reductions, etc.) in the Tokyo Round. As a result, the average[1] m.f.n. rate of the industrial country markets on these products are being reduced from 2.9 per cent ad valorem to 1.8 per cent ad valorem by 37 per cent. Separate data for fibres, yarns and fabrics shows that the average m.f.n. rate for fibres is unchanged at zero before and after the Tokyo Round, the average for yarns are being reduced from 5.7 per cent to 4.0 per cent and that for fabrics, from 4.7 per cent to 2.9 per cent.

19. For technical reasons, the pre- and post-Tokyo Round average tariff data are not obtainable for more processed jute and hard fibre products. As at the beginning of 1984, the tariff concessions made in the Tokyo Round have largely been implemented. Duty rates in force in 1984 which are different from final concession rates are indicated in Table 8. Duty rates before and after the Tokyo Round are available in Annex 2 for each tariff item.

Tariff situation on raw fibres

20. In all the eleven developed country markets under study, imports of raw fibres (CCCN 5702, 5703 and 5704) from developing countries have been granted duty-free treatment on an m.f.n. basis or under the GSP, except that certain processed fibres are still dutiable in Austria, Switzerland and the United States. In 1980 imports of residual dutiable items into these countries were negligible except that imports of prepared coir fibre into Austria amounted to US$78,000 (mostly from Sri Lanka).

Tariff situation on yarns and fabrics

21. Yarns and fabrics (CCCN 5706, 5707, 5710 and 5711) are m.f.n. or GSP duty-free in New Zealand, Norway and Sweden. They are m.f.n. or GSP duty-free in Australia, Canada and Finland with the following exceptions: Australia - jute yarn (20 per cent, GSP 10 per cent), Canada - hard fibre fabrics other than those of sisal (17.5 per cent B, GSP 11.5 per cent) and Finland - woven fabrics of bast fibres other than those of jute (20 per cent B).

22. In Austria coir yarn enjoys m.f.n. duty-free treatment, but other yarns and fabrics are GSP dutiable at 5.2-16.3 per cent. GSP rate formula applying to textiles and clothing (two-thirds of m.f.n. rate instead of one half for other industrial products) has been applied to these products. In the EEC also, coir yarn has been granted m.f.n. duty-free treatment. The EEC grants GSP duty-free treatment for other products, but with country limitations for jute yarn and fabrics[2] and ceiling limitations for yarns and fabrics of hard fibres. Ceilings allocated to each GSP beneficiary in 1984 are as follows: 24 tonnes for sisal yarn, 215 tonnes for yarns of other vegetable fibres and 25 tonnes for woven fabrics of other vegetable fibres. The post-Tokyo Round m.f.n. duties on yarns and fabrics range between 3.8-9.3 per cent (1984 duties: 4.4-15.7 per cent).

[1]Average based on imports from developing countries in 1977.

[2]GSP zero per cent is applicable only to India, Thailand and least-developed countries including Bangladesh.

23. While granting GSP duty-free treatment on hard fibres,[1] Japan applies temporary m.f.n. duties of 8-16 per cent and GSP rates of 4-8 per cent to jute yarns and fabrics. Furthermore, the application of these GSP rates are subject to quota limitations called "prior allotment" (some 623 million yen for jute yarn and some 2,346 million yen for jute fabrics in the 1983/84 fiscal year). In Switzerland yarns and fabrics are dutiable for developing countries as indicated in Table 8.

24. In the United States, coir yarn and rovings, unprocessed jute fabrics and hard fibre fabrics for covering cotton bales have been granted m.f.n. duty-free treatment. Other yarns and fabrics have been granted GSP duty-free treatment except the following five fabric items: 335.75, 335.95, 356.80, 357.05 and 359.20 (see Annex 2 for details). As these items cover not only hard fibre fabrics but also other textile fabrics, the separate tariff classification of hard fibre fabrics might facilitate tariff action by the United States. Bangladesh is excluded from the application of GSP on item 305.30 certain plied jute yarn and rovings under the competitive need provisions of the United States GSP scheme.

Tariff situation on floor coverings

25. Imports of floor coverings (mats, matting, etc. falling within CCCN 5802) from developing countries are entirely or mostly m.f.n. or GSP duty-free in Australia, Canada, Norway, Sweden and the United States. In Austria the post-Tokyo Round final rate is 25 per cent (GSP final rate: 16.3 per cent, LDC final rate: 12.3 per cent). In the EEC, GSP duty-free treatment on jute and coir floor coverings are applicable only to India, Sri Lanka, Thailand and least-developed countries, and GSP duty-free treatment on sisal and abaca floor coverings is subject to a ceiling limitation (137 tonnes for each GSP beneficiary in 1984).

26. In Japan coir floor coverings are given GSP duty-free treatment, normally without any limitation. However, GSP rate on floor coverings of jute, sisal and abaca remains at 6 per cent, one half of m.f.n. rate and imports under this GSP rate are subject to a monthly controlled ceiling limitation (some 2,340 million yen in the 1983/84 fiscal year). In New Zealand m.f.n. rate (unbound) is 45 per cent (GSP: 27.5 per cent). In Switzerland specific rates equivalent approximately to 9 per cent remain (GSP: 2.7-5.7 per cent) after the full implementation of Tokyo Round concessions.

Tariff situation on twine, cordage and ropes

27. With regard to CCCN 5904 twine, cordage and ropes, m.f.n. duty-free treatment is granted only by the United States with respect to binder and baler twines. Where GSP duty-free treatment is granted, it is subject to various limitations; Australia - quota limitation, EEC - country or ceiling limitations[2], Japan - daily controlled ceiling limitation[3] and the United States - product exclusion or competitive need country exclusion. These and other developed countries maintain significant m.f.n. and/or GSP rates.

[1]Without applying ceiling limitations in normal circumstances under the system of "flexible administration of ceilings".

[2]In 1984 ceiling limitations are set at the following levels (in tonne): Thailand 365, Sri Lanka 57, India 21, 19 other countries 4 each.

[3]For the 1983/84 fiscal year a ceiling of some 108 million yen was set for items 5904.1-4. Imports under GSP was suspended on 3 April 1983, soon after the opening of the ceiling. Imports under GSP reached some 868 million yen, an amount significantly exceeding the ceiling.

Tariff situation on sacks and bags

28. With respect to ex 6203 sacks and bags of jute, m.f.n. or GSP duty-free treatment has been granted by Australia (m.f.n., bound), Canada (GSP) and the United States (m.f.n., not bleached or coloured only). The GSP duty-free treatment of the EEC applies only to India, Thailand and least-developed countries, and that of Japan has been subject to a monthly controlled ceiling limitation since 1 April 1983.[1] Previously, it had been subject to a stricter daily control. Imports of these products into Austria, New Zealand and Switzerland are subject to m.f.n. or GSP rates ranging between 5-28 per cent.

29. With regard to tariff information on jute and hard fibre products falling within CCCN 5905, 5906 and 6204, reference may be made to Table 8 and Annex 2.

Special tariff treatment for least-developed countries (LDC)

30. Having regard to the importance of jute and hard fibres for such least-developed countries as Bangladesh, Nepal and Tanzania, particular reference is made to the special tariff treatment granted for least-developed countries. In Austria jute, hard fibres and their products are classified as textiles and thus imports of these products from least-developed countries are subject to duties which are equivalent to one-half of m.f.n. rates (duty-free for non-textile industrial items). In the EEC least-developed countries are waived from quota or ceiling limitations for GSP entry. In Switzerland least-developed countries have been granted duty-free treatment since 1 July 1982 wherever jute, hard fibre and their products were dutiable on an m.f.n. basis or under GSP.

31. With respect to products covered by its GSP scheme, Japan has granted least-developed countries duty-free treatment without any ceiling limitations. However, a limited number of products have been excluded from this general rule, covering notably such jute and hard fibre products as CCCN 5706 and 5710 jute yarn and fabrics, 5904.1-4 twines, cordage and ropes of jute, abaca, sisal, etc., and 6203 sacks and bags for packing purposes. According to information made available by the delegation of Japan, Japan is expected to take the following action to improve its tariff treatment for least-developed countries with effect from 1 April 1984:

5710 - Jute yarn.

- Introduction of zero LDC rate. However, ceiling control (prior allotment) will remain.

5904.1-4 - Twine, cordage and ropes of jute, abaca, sisal, etc.
6203 - Sacks and bags for packing purposes

- Introduction of ceiling-free treatment (duty-free).

As a result, jute yarn only will remain outside Japan's special tariff treatment for least-developed countries.

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[1] For the 1983/84 fiscal year a ceiling of some 99 million yen was set for item 6203. Imports under GSP was suspended on 1 June 1983 reaching 2,522 million yen. This is due to a monthly control of ceiling under which there is a delay of 30-60 days for the suspension of GSP after the completion of ceilings.

Quantitative restrictions

32. GATT document NTM/W/6/Rev.1 provides the following information on the quantitative restrictions on jute and hard fibre products maintained by developed countries. According to a report, all trade in jute products between the EEC and two exporting countries, i.e., Bangladesh and India, has been fully liberalized after the expiry of the final bilateral agreements between the Community and these countries on 31 December 1983. The information is subject to verification.

Country Pays País	Tariff position Position tarifaire Partida del arancel	Product/DGC interest (*) Produit/Intérêt PVD (*) Producto/Interés PMA (*)	Measure Mesure Medida	GATT Documents Documents GATT Documentos GATT
(1)	(2)	(3)	(4)	(5)
	5710 *	WOVEN FABRICS OF JUTE OR OTHER TEXTILE BAST FIBRES TISSUS DE JUTE OU D'AUTRES FIBRES TEXTILES LIBERIENNES TEJIDOS DE YUTE O DE OTRAS FIBRAS TEXTILES DEL LIBER		
EEC				
France			R	Notif. 83
Germany Fed.Rep.	21,31	UNBLEACHED, WIDTH UNDER 150CM, WEIGHT UNDER 500G	R BGD IND	Notif. 83
United Kingdom	Ex	OF JUTE; OVER 45CM WIDE (EXC COMMON SACKING)	GQ	Notif. 83 L/5415+Corr.1&2 NTM/INV/IV.A
	5802 *	OTHER CARPETS AUTRES TAPIS LAS DEMAS ALFOMBRAS Y TAPICES		
EEC				
France	Ex	EXC INDIAN COIR MATTING, KELEM RUGS, ETC	R	Notif. 83 L/5415+Corr.1&2 NTM/INV/IV.A
Greece	Ex	EXC INDIAN COIR MATTING, KELEM RUGS, ETC	R	Notif. 83
New Zealand	018,028	OTHER, EXC TERRY BATH MATS	GQ	Notif. 83 L/5172/Rev.1 COM.TD/W/338/Rev.1

(1)	(2)	(3)	(4)		(5)
	5904 *	TWINE, CORDAGE, ROPES AND CABLES FICELLES, CORDES ET CORDAGES CORDELES,CUERDAS Y CORDAJES			
New Zealand	011-019	REAPER, BINDER, BALER TWINE	GQ		Notif. 83 L/5172/Rev.1
	Ex 021-039	OTHER, EXC FOR SPORTS RACQUETS	GQ		Notif. 83 L/5172/Rev.1
U.S.A.			BQ	KOR	Notif. 83
	5906 *	OTHER ARTICLES MADE FROM YARN, TWINE, ETC AUTRES ARTICLES EN FILS, FICELLES, CORDES OTROS ARTICULOS FABRI. CON HILADOS,CORDELES,CUERDAS O CORDAJES			
New Zealand			DL		Notif. 83 L/5172/Rev.1
	6203 *	SACKS AND BAGS, USED FOR THE PACKING OF GOODS SACS ET SACHETS D'EMBALLAGE SACOS Y TALEGAS PARA ENVASAR			
EEC					
France			R		Notif. 83
	Ex		R		Notif. 83 COM.TD/W/338/Rev.1
Ireland	11-17	OF JUTE, TEXTILE BAST FIBRES	DL	KOR OAN PRT	Notif. 83 L/5415+Corr.1&2
	91	USED; OF FLAX, SISAL	DL	KOR OAN PRT	Notif. 83 L/5415+Corr.1&2
United Kingdom	Ex 15-17	NEW, OF JUTE (EXC HEAVY BAGS OF COMMON SACKING)	GQ		Notif. 83 L/5415+Corr.1&2 NTM/INV/IV.A
6204 *		TARPAULINS, TENTS AND CAMPING GOODS BACHES, TENTES ET ARTICLES DE CAMPEMENT VELAS PARA EMBARCACIONES,TOLDOS,TIENDAS Y ARTICULOS ANALOGOS PARA ACAMPAR			
New Zealand			GQ		Notif. 83 L/5172/Rev.1 COM.TD/W/338/Rev.1

BQ Bilateral quota
DL Discretionary licensing - includes cases where global quotas may have been established, but not published (see GQ)
GQ Global quota - where restriction applies to goods of most, if not all, countries and where the amount of the quota is published
R Restriction - unspecified

Section III: Classification of jute and hard fibre products in the Harmonized System

33. The Harmonized Commodity Description and Coding System (H.S.), developed by the Customs Co-operation Council, is envisaged by the CCC timetable to be applied, for those countries which decide to adopt it, as the basis for customs tariffs and international trade statistics nomenclatures with effect from 1 January 1987. The adoption of the Harmonized System is expected to ensure greater uniformity among countries in customs classification.

34. Under the Harmonized System certain important products of jute and hard fibres are specifically identified or covered by sub-positions "referring to other textile materials". On the basis of a technical examination, it might be found feasible to create separate sub-positions for these products even before the adoption of the Harmonized System. With a view to facilitating possible concessions and contributions on these products, details of the Harmonized System covering the main products of jute and hard fibres are provided below.

Harmonized Commodity Description and Coding System

Heading No.	H.S. Code	
53.07		Yarn of jute or of other textile bast fibres of heading No. 53.03.
	5307.10	- Single
	5307.20	- Multiple (folded) or cabled
53.08		Yarn of other vegetable textile fibres; paper yarn.
	5308.10	- Coir yarn
	5308.20	- True hemp yarn
	5308.30	- Paper yarn
	5308.90	- Other
53.10		Woven fabrics of jute or of other textile bast fibres of heading No. 53.03.
	5310.10	- Unbleached
	5310.90	- Other

Heading No.	H.S. Code	
53.11	5311.00	Woven fabrics of other vegetable textile fibres; woven fabrics of paper yarn.
56.07		Twine, cordage, rope and cables, whether or not plaited or braided and whether or not impregnated, coated, covered or sheathed with rubber or plastics.
	5607.10	- Of jute or other textile bast fibres of heading No. 53.03
		- Of sisal or other textile fibres of the genus *Agave* :
	5607.21	-- Binder or baler twine
	5607.29	-- Other
	5607.30	- Of abaca (Manila hemp or *Musa textilis Nee*) or other hard (leaf) fibres
		- Of polyethylene or polypropylene :
	5607.41	-- Binder or baler twine
	5607.49	-- Other
	5607.50	- Of other synthetic fibres
	5607.90	- Other
56.08		Knotted netting of twine, cordage or rope; made up fishing nets and other made up nets, of textile materials.
		- Of man-made textile materials :
	5608.11	-- Made up fishing nets
	5608.19	-- Other
	5608.90	- Other
57.02		Carpets and other textile floor coverings, woven, not tufted or flocked, whether or not made up, including "Kelem", "Schumacks", "Karamanie" and similar hand-woven rugs.
	5702.10	- "Kelem", "Schumacks", "Karamanie" and similar hand-woven rugs
	5702.20	- Floor coverings of coconut fibres (coir)
		- Other, of pile construction, not made up :
	5702.31	-- Of wool or fine animal hair

Heading No.	H.S. Code	
	5702.32	-- Of man-made textile materials
	5702.39	-- Of other textile materials
		- Other, of pile construction, made up :
	5702.41	-- Of wool or fine animal hair
	5702.42	-- Of man-made textile materials
	5702.49	-- Of other textile materials
		- Other, not of pile construction, not made up :
	5702.51	-- Of wool or fine animal hair
	5702.52	-- Of man-made textile materials
	5702.59	-- Of other textile materials
		- Other, not of pile construction, made up :
	5702.91	-- Of wool or fine animal hair
	5702.92	-- Of man-made textile materials
	5702.99	-- Of other textile materials
<u>57.03</u>		<u>Carpets and other textile floor coverings, tufted, whether or not made up.</u>
	5703.10	- Of wool or fine animal hair
	5703.20	- Of nylon or other polyamides
	5703.30	- Of other man-made textile materials
	5703.90	- Of other textile materials
<u>57.05</u>	5705.00	<u>Other carpets and other textile floor coverings, whether or not made up.</u>

Heading No.	H.S. Code	
63.05		Sacks and bags, of a kind used for the packing of goods.
	6305.10	- Of jute or of other textile bast fibres of heading No. 53.03
	6305.20	- Of cotton
		- Of man-made textile materials :
	6305.31	-- Of polyethylene or polypropylene strip or the like
	6305.39	-- Other
	6305.90	- Of other textile materials

Section IV: Summary of the post-Tokyo Round situation

35. A number of developing countries, in particular three least-developed among them, are heavily dependent on the exports of jute, hard fibres and their products for their export earnings. In recent years exports of these products have declined in volume and value, largely because of severe competition with synthetic substitute materials in developed country markets. Jute and hard fibre exporting countries are thus encountering serious economic problems because of this situation. Although there are reports that very recently the markets for jute and hard fibres have somewhat recovered, it appears that the market erosion for these natural fibres is progressing gradually but steadily. Once a new set of machinery for the use of substitute material has been installed, there is usually no turning back to natural fibres. Efforts are being made at national and international levels to alleviate this situation through various means. One of these means could be the liberalization of trade in jute and hard fibre products.

36. In spite of significant results obtained in the Tokyo Round, jute and hard fibre products are still subject to significant tariff protection in a number of developed country markets. This is partly due to the fact that these products are often treated as textile products in the tariff classification and in the formulation of trade policy by governments.[1] A separate treatment of these products, which do not share the general features and market situation for textiles, might facilitate the liberalization of trade in jute and hard fibres and their products.

37. Every country is facing exceedingly serious problems of pollution by synthetic materials. In this respect, natural fibre products have the advantage of being naturally destructible. A government policy aimed at removing all trade barriers on imports of jute and hard fibre products would encourage their use wherever possible.

[1]For example Austria applies its GSP rate formula for textiles to jute and hard fibre products. In the present nomenclatures of the Customs Cooperation Council, Canada and the United States, jute and/or hard fibre products are often classified together with products of other textile fibres. In many countries the sections or divisions of Ministries in charge of trade and industry dealing with the textiles sector take the responsibility for the formulation of trade policy on jute and hard fibre products.

ANNEX I

Activities of Other International Organizations

FAO

1. FAO's work on jute and hard fibres is being carried out primarily through its two intergovernmental groups on jute, kenaf and allied fibres and on hard fibres. The purposes of these groups are: to provide a forum for consultation on and studies of the economic aspects of production, local processing, marketing, trade and consumption; to study marketing practices and their improvement; to consider the causes of disequilibrium between production and consumption, including competition with synthetics and the development of new uses; and to consider measures to deal with special difficulties which may exist or may be expected to arise.

2. These two groups have met annually in recent years. At its latest meeting held in October 1983, the Intergovernmental Group on Jute, Kenaf and Allied Fibres (i) reviewed market developments, (ii) discussed modifications of informal price arrangements and agreed on the indicative prices of Bangladesh jute and Thai kenaf for the 1983/1984 season, (iii) discussed competition of agricultural raw materials with synthetic substitutes and prospects of jute and kenaf in selected markets, (iv) considered developments in international and national activities in the fields of research, development and promotion, and (v) discussed various FAO activities including technical assistance at the regional and country level and the strengthening of commodity intelligence statistics and economic analysis in the jute and kenaf sectors.

3. The Intergovernmental Group on Hard Fibres met in September 1983 and (i) reviewed market developments, (ii) discussed competition of agricultural raw materials with synthetic substitutes, (iii) discussed the report of the Consultation of Experts on the Reinforcement of the Work of the Group on Sisal and Henequen held in January 1983, (iv) discussed the informal arrangements for sisal and henequen as well as for abaca and recommended that the indicative price ranges currently in force should remain unchanged until the Group's next session, (v) discussed recent trends and prospects in the coir markets of Japan and the United States, and (vi) discussed possibilities and implications of setting up a trust fund for R & D and market promotion projects for coir and abaca.

UNCTAD and International Jute Organization

4. The International Agreement on Jute and Jute Products 1982, negotiated and concluded in the framework of UNCTAD's Integrated Programme for Commodities (IPC), entered into force provisionally on 9 January 1984 when the twenty-three countries that had so far become parties to the Agreement met in Dhaka, Bangladesh. The Agreement is intended to provide an international framework for efforts to improve structural conditions in the jute market and enhance the competitiveness of jute and jute products, especially vis-a-vis synthetics. There are no price stabilization measures in the Agreement. The International Jute Council's main operational activity consists of arranging for the drawing up and implementation of projects in the fields of research and development, market promotion and cost reduction. Under the criteria set out in the Agreement such projects should have the potential of benefiting more than one exporting member and be of benefit to the jute economy as a whole.

5. The first session of the International Jute Council, the main organ of the International Jute Organization, concluded its work on 13 January in Dhaka, Bangladesh, after electing A.K. Dutt (India) as the Council's first Executive Director and Jurgen Brandenburg (Federal Republic of Germany) as its Chairman. Project proposals in the fields of research and development in jute agriculture and market promotion were considered, and representatives of the FAO and the UNCTAD/GATT International Trade Centre made statements on proposals for projects to be executed by these agencies with support from the International Jute Organization established under the Agreement. Positive statements on contributions to finance further preparation of fully elaborated and costed project proposals by these agencies were made by Denmark, Netherlands and Sweden. The Committee on Projects established under the Jute Agreement will meet in early May in Dhaka to begin technical evaluation of project proposals and to decide on any necessary pre-project activities.

International Trade Centre UNCTAD/GATT

6. At the request of UNCTAD/IPC bodies (Preparatory Meeting on Jute and the Working Group on Coir) the International Trade Centre prepared project proposals in the field of market promotion for jute and coir. Pending the establishment of the International Jute Organization, the jute producing and exporting countries requested the Centre in 1980 to mobilise resources, and implement jute market promotion programmes as identified. With the financial support of voluntary funds from multi-bi sources, the Centre began implementation in 1981 of a $ 2 million jute promotion programme limited to Western Europe (in respect of all jute end-use markets), United States(jute secondary carpet backing fabrics) and Australia (jute wool packs). The continuation of these projects in 1985 and beyond, is expected within the framework of the arrangements envisaged under the International Agreement of Jute and Jute Products, 1982.