

GENERAL AGREEMENT ON TARIFFS AND TRADE

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CONSULTATIONS AND APPROPRIATE NEGOTIATIONS ON TROPICAL PRODUCTS

Note by the Secretariat

1. At the Ministerial Meeting of the CONTRACTING PARTIES in November 1982 a Decision was taken "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." Pursuant to the above Decision and an agreement reached by the Committee for the implementation of the Decision, a first round of consultations took place on 7-11 November 1983. Another round of consultations on tropical products took place on 2-4 May 1984 under the Chairmanship of H.E. Ambassador Tai Soo Chew (Singapore).

2. These consultations covered a newly added product group - jute and hard fibres in addition to the following six product groups covered by the consultations held in November 1983: tropical beverage items (coffee, cocoa, tea); tropical wood and rubber; certain oilseeds, vegetable oils and oilcakes; tobacco, rice and tropical roots; spices, flowers, plants, etc.; tropical fruits and nuts including bananas. A provisional record of the 1984 consultations is being made available to the delegations participating in the consultations, as Spec(84)27.

3. On the last day of the 1984 consultations the Chairman made the following remarks in summing up the discussions and reviewing the progress of the work programme in this area:

"The Committee on Trade and Development has now concluded three rounds of informal consultations on various groups of tropical products selected for examination. The first round of consultations was held in 1982, before the Ministerial meeting itself. After the adoption of the Ministerial Decision on tropical products, calling for consultations and appropriate negotiations aimed at further liberalization of trade in tropical products, another round of informal consultations was held in November last year, and we have just concluded the third round.

"During these three rounds an in-depth examination of the problems affecting exports of developing countries at specific product level was carried out. Specific requests submitted by developing countries in accordance with the procedures adopted by the Committee on Trade and Development were also examined. In response to the requests submitted to them, representatives of developed countries gave indications of recent trade liberalization measures taken in their respective countries which favour an increase in imports of

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specific products covered by the consultations. They also presented their views on problems and issues raised by developing countries, and indicated the possibilities for action at present.

"Under present circumstances, in my view, this process of informal consultations has been carried to the extent possible. Unless developing countries put in a sufficiently large number of new or additional requests before November, or there is a radical change in the responses from the developed countries to the existing requests, I do not see the need to hold further informal meetings this year to cover the same ground. The requests made by developing countries have been noted and remain on the table. It is understood that delegations may revert to these requests in future work and that it will be open to developing countries to submit additional requests or modify existing ones in the light of developments. In this context, bilateral contacts between delegations would be very welcome. It would now seem necessary to examine how best to proceed with the work in this area on the basis of the stage that has been reached, having in mind the need to enter into "appropriate negotiations", as envisaged by the Ministerial Decision. It should also be recalled that in their Decision the Ministers called for a review at the 1984 Session of the CONTRACTING PARTIES of "the progress achieved in eliminating or reducing existing obstacles to trade in tropical products.

"I therefore propose we carry out an initial exchange of views on how best to proceed with the work in this area. I further propose that, in the light of this exchange of views, the Committee on Trade and Development take up this matter under the corresponding agenda item at its forthcoming session in June, so that it may assess the results of these consultations, determine any future course of action, and prepare its report to the 1984 Session of the CONTRACTING PARTIES."

4. Representatives of both developed and developing countries expressed general agreement with what was described as a realistic assessment of the situation by the Chairman. Representatives of a number of developed countries observed that the consultations had served a very useful purpose in clarifying the situation and clearly identifying the interests of developing countries in this area. Developed countries had tried to respond to the specific requests from developing countries to the extent possible under the circumstances. Some developed countries intended to respond to the requests made to them later, after due consideration. All requests in any case remained on the table and would continue to receive consideration from the developed countries in the course of the future periodic reviews of their respective GSP schemes. It was stated that hard core cases often remained on the table and that it was unlikely that substantial further progress could be achieved except in a somewhat different context, e.g. the negotiated exchange of concessions.

5. Representatives of some developing countries suggested that at the next meeting of the Committee on Trade and Development, consideration should be given to the possibilities of moving forward to the "appropriate negotiations" process, and to the terms and conditions that would govern such a process. Representatives of some developed countries observed that such a negotiating process might need to be folded into the larger context of a next round of multilateral trade negotiations that was currently being discussed. Some other representatives felt that there was a need to reflect further on this question until the next meeting of the Committee on Trade and Development.