GENERAL AGREEMENT ON TARIFFS AND TRADE

<u>RESTRICTED</u> MTN/3F/3 1 May 1974 Special Distribution

Multilateral Trade Negotiations

GROUP 3(f) - MEETING OF APRIL 1974

1. Group 3(f) met from 23 to 25 April 1974 in order to take up the programme of work outlined in document MTN/3F/2. The Group undertook a preliminary examination of the material contained in document MTN/3F/W/3 and addenda with respect to cocca, coffee, tea, bananas and pepper in their raw, semi-processed and processed forms and certain vegetable oilseeds, oils and oil-cake, with a view to identifying the problems facing these commodities.

2. The secretariat was requested to prepare a note containing the general observations and specific points made by members on the various items which were discussed on a commodity-by-commodity basis. The note would include requests made by delegations for the provision of certain additional information relating to the products examined. The Group agreed that taking into account the competence of other groups and having regard to the availability of the information requested, the secretariat should provide the relevant details. In this connexion, it was noted that the secretariat may need to contact delegations in order to obtain details regarding certain of the points put forward.

3. In recognizing the preliminary nature of the discussion, it was suggested that delegations who wished to do so, might submit additional comments and observations relating to the matters taken up by the Group to the secretariat for circulation to members.

4. Further work on vegetable oilseeds, oils and oil-cake was discussed. It was noted, <u>inter alia</u>, that trade in tropical vegetable oilseeds, oils and oil-cakes was influenced by, and in turn influenced, the trade in temperate vegetable oilseeds, oils and oil-cakes. In view of this inter-relationship, the Group, while reiterating its competence in respect of tropical products, agreed that the material provided by the secretariat in MTN/3F/W/3 and addendum 6, together with a summary of the comments and observations made by members, should be transmitted to Group 3(e) for consideration when the question of vegetable oilseeds, oils and oil-cake was being examined in that body on a global basis. The Group requested Group 3(e) to give priority to this matter having regard to the interests of developing countries in the sector and the special and priority treatment being accorded tropical products in the Multilateral Trade Negotiations. The Group agreed that thereafter it would pursue the discussion on particular aspects of tropical oilseeds, oils and oil-cakes in the light of the documentation and views of Group 3(e).

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5. With regard to the future programme of work, the Group noted that as provided in paragraph 8 of MTN/3F/2 the secretariat was in the process of compiling information for items listed in COM.TD/W/205, where available in the necessary breakdown and detail and having regard to the competence of other groups, along the lines of the material circulated in MTN/3F/W/3 and addenda. The Group also noted the importance in its further work of the indicative list of products contained in Annex I of MTN/3F/1 which includes certain items falling within BTN Chapters 25-99 as well as the additional products suggested by certain delegations and listed in Annex 2 of MTN/3F/W/2. It was understood that delegations of tropical producing countries may wish to submit further items for consideration in Group 3(f). In this connexion, it was noted that certain products were likely to fall within tariff classifications and subclassifications of a miscellaneous nature.

6. The Group agreed that, in the further work to be undertaken, the secretariat would adopt a flexible approach both with regard to the product coverage and the collection of data taking into account the comments and observations made by members of the Group. In this connexion, a number of delegations pointed out the desirability of limiting the product coverage to acceptable proportions. As a guide they proposed a certain number of criteria in this regard. Other members doubted whether it would be desirable to limit coverage or introduce criteria in this respect. In response to a question, the secretariat confirmed that it was continuing work on marketing and distribution systems, as provided for in paragraph 12 of document MTN/3F/2.

7. Certain members referred to the competence of other groups in respect of some products listed in the documentation. It was stated by a number of delegations that because rice, sugar and sugar products (ex 17.02 and 17.03) and tobacco were also significantly produced in the temperate zone, these items could more appropriately be taken up in Group 3(e), which would be studying them in detail. There was general agreement, however, to request other groups to send to Group 3(f) for its consideration in due course the results of the discussions and the information collected on these products so that the Group could pursue the discussion on the products falling within its competence.

8. Some members suggested that in the collection of information it might be kept in mind that although world trade in certain items may be relatively small, these items could nevertheless be of considerable importance in the exports of a number of developing countries. Where possible, the secretariat might provide a tabulation showing the export dependence of developing countries in respect of the additional products for which data was being collected along the lines of Table I of MTN/3F/W/3. Some members suggested that in the collection of additional data, the secretariat might identify products of particular interest to developing countries where the question of separate tariff classification or sub-classifications could be considered. Concerning the question of total revenue collections from internal taxes including selective taxes and variable levies, etc., on particular tropical products, certain delegations asked the secretariat to see what information was readily available on this aspect. 9. In the course of the discussions, some members proposed additional items for inclusion in the programme of work. A list of such products will be circulated by the secretariat for the information of members of the Group.

10. At its next meeting, Group 3(f) would take up any further points members may wish to submit in respect of the items already examined in MTN/3F/W/3 and addenda. In addition, it would review and analyse the further material to be provided by the secretariat. Recalling that the Programme of Work states that each group shall in the course of its work be guided by the Ministerial Declaration as it relates to developing countries, the Group also agreed to take up this aspect in its work at its next meeting.

11. The Group agreed to meet again in July, taking into account the dates to be determined for meetings of Group 3(e) and the Trade Negotiations Committee. The date would be fixed by the Chairman of the Group in consultation with delegations.