

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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Group of Negotiations on Goods (GATT)
Negotiating Group on Tropical Products

TROPICAL PRODUCTS

PAST NEGOTIATIONS AND CONSULTATIONS IN GATT ON TROPICAL PRODUCTS

Note by the Secretariat

The note below gives a brief factual summary of the work done so far in GATT on tropical products.

Past negotiations and consultations in GATT on tropical products

Kennedy Round

1. The Trade Negotiations Committee established in the Kennedy Round of Multilateral Trade Negotiations met at Ministerial level in May 1964 and agreed to treat tropical products as a special sector in the negotiations. Accordingly, tropical products were treated as a separate sector of multilateral trade negotiations for the first time. In March 1965, the Trade Negotiations Committee established a Group on Tropical Products "to pursue further the question of trade in tropical products with a view to working out arrangements and procedures for treatment in the trade negotiations".

2. The Group could not reach agreement on a common definition of the sector. However, the Group agreed that "it would not be essential to have an agreed and recognized list of tropical products in order for the negotiations to start", particularly as "several participating governments had made it clear that in tabling their offers they would duly take into account tropical products included in the lists submitted by less-developed countries, irrespective of whether or not these products figured on an indicative list of tropical products [drawn up by the secretariat]." (cf. MTN/W/8). In regard to the timetable for negotiations the Group decided to proceed on the basis of a partial agreement providing for submission of specific and concrete offers in respect of tropical products on the same date as the offers on agricultural products in general. The outcome of the Kennedy Round negotiations was a number of m.f.n. tariff reductions, duty eliminations and bindings at existing rates by developed country participants (cf. BISD 15th supplement, pages 148-155)

Tokyo Round

3. In accordance with the Tokyo Declaration of September 1973, tropical products were treated as a "special and priority sector" in the Tokyo Round. Negotiations on these products commenced earlier than those on other products, following the preparatory work carried out during 1974, which was "to update, extend and analyse the background information and to examine possible negotiation techniques".

4. The Tokyo Round negotiations on tropical products were carried out without any prior definition of tropical products: there was a body of opinion that it would have been counter-productive to prejudge the scope of the negotiation on tropical products, given the fact that on the one hand the exports of many developing countries were more diversified and that, on the other hand, the economic and trade situation in individual developed-country markets varied according to products. Consequently, requests submitted by developing countries in the tropical products negotiations of the Tokyo Round covered a wide range of products. In response to these requests developed-country participants submitted offers on items which they considered as being tropical products or as being appropriate for the tropical products negotiations.

5. The Tokyo Round negotiations on tropical products were conducted in two stages. The first stage negotiations were carried out from 1975 to 1977 within the framework of the Group "Tropical Products" set up in February 1975. Under the procedures for negotiations on tropical products which had been adopted (MTN/TP/1), developing countries submitted requests for concessions on tariffs and non-tariff measures in 1975. The outcome of the first stage negotiations included a number of m.f.n. tariff reductions, GSP improvements and some actions on non-tariff measures which were offered by developed country participants. These concessions and contributions were implemented on an autonomous basis in the early months of 1977 by most of these participants without staging and prior to the conclusions of the Tokyo Round.

6. Within the framework of the Groups "Agricultural Products" and "Non-Tariff Measures" procedures were agreed upon in July 1977 for the submission of requests and offers on agricultural products and on non-tariff measures. The Group "Tropical Products" continued to meet from time to time, however, to review developments in these areas with respect to products originally subject to requests in the framework of that Group. Requests by developing countries in the tropical products negotiations, which were still pending or which in the view of the requesting country had not been fully satisfied, were considered to have been re-submitted under these procedures if the developing countries concerned so indicated. Tariff negotiations on industrial products also got underway at the beginning of 1978. Additional offers responding to requests by developing countries were included in the final package of results arising from the Tokyo Round. Details of the results of the Tokyo Round obtained for tropical products are provided in the Director-General's Report on the Tokyo Round and in documents COM.TD/W/310 and Add.1.

The 1982-1984 consultations

7. During discussion on the post-Tokyo Round work programme on tropical products in the Committee on Trade and Development, some delegations referred to the need to elaborate a more precise list of tropical products on which future work on trade liberalization could be based. In this connection, the secretariat provided in 1980 an indicative list which included those items which had been taken up for consideration by the Special Group on Trade in Tropical Products before the Tokyo Round, as well as those items which were subject to examination and discussion at the preparatory stage of the Tokyo Round. 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.

8. Pursuant to the post-Tokyo Round work programme on tropical products, the Committee on Trade and Development held in March 1982 a series of consultations on the six broad product groups proposed by the secretariat on the basis of the earlier work carried out by the Committee. Forty-nine countries and the EEC took part in these consultations, including some East European countries which participated as importers.

9. At the 1982 Ministerial meeting of GATT 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." Accordingly, two more rounds of consultations took place on tropical products in November 1983 and May 1984.

10. These consultations were initially based on the six product groups covered by the 1982 consultations. Participants in the 1983 consultations discussed a proposal that jute and hard fibres (coir, abaca, sisal, etc.) and products thereof, as well as products of certain tropical plants and vegetable materials (e.g. mats, basket-work, wicker-work), also be included in the consultations. It was agreed that jute and hard fibres could be included as a new seventh product group and that the proposed products of tropical plants and vegetable materials be included in the existing product sub-group covering plants, vegetable materials, lacs, etc.

11. Between 1981 and 1984 the secretariat provided detailed data on the commercial policy situation and trade flows for the seven product groups listed in Table 1 on the understanding 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. (cf. COM.TD/W/319 and 424.)

12. During these rounds of consultations an in-depth examination of the problems affecting exports of developing countries at the specific product level was carried out. Specific requests submitted by developing countries 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. They also presented their views on problems and issues raised by developing countries, and indicated possibilities for future action. Document COM.TD/W/409 provides a summary of requests submitted in the 1982-84 consultations and the trade liberalization measures taken.

Table 1
Product Groups Covered by the 1982-1984 Consultations
and Relevant Documents

<u>Product groups and sub-groups</u>	<u>Background documents</u> <u>COM/TD/W/</u>
1. <u>Tropical beverage items</u>	
a. Coffee and coffee products	328, Add.1-3
b. Cocoa and cocoa products	329/Rev.1
c. Tea and instant tea	330/Rev.1
2. <u>Spices, flowers, plants, etc.</u>	
a. Spices and essential oils, tropical	334, Add.1-3 335
b. Cut flowers, tropical	340, Add.1-3
c. Plants, vegetable materials, lacs, etc. and products thereof, tropical	344, Add.1
3. <u>Certain oilseeds, vegetable oils and oilcakes</u>	337, Add.1-3
4. <u>Tobacco, rice and tropical roots</u>	
a. Tobacco and tobacco products	351, Add.1 and 2
b. Rice	353, Add.1
c. Manioc and other tropical roots, and products thereof	349, Add.1
5. <u>Tropical fruits and nuts</u>	
a. Bananas and banana products	331/Rev.1
b. Tropical fruits and nuts and products including fruit juices	352, Add.1-3
6. <u>Tropical wood and rubber</u>	
a. Tropical wood and wood products	345, Add.1 and 2
b. Natural rubber and rubber products	339, Add.1 and 2
7. <u>Jute and hard fibres</u>	400, Add.1
(Product group added for the 1984 consultations)	

Spec(82)19-32/Rev.1 - Proceedings of the 1982 consultations
Spec(83)55/Rev.1 - Proceedings of the 1983 consultations
Spec(84)27/Rev.1 and Corr.1 - Proceedings of the 1984 consultations

COM.TD/W/409 and Add.1 - Summary of tariff and non-tariff measures
situation, including requests and trade liberalization measures.