

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

RESTRICTED

MTN.GNG/NG6/1
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Group of Negotiations on Goods (GATT)

Negotiating Group on Tropical Products

NEGOTIATING GROUP ON TROPICAL PRODUCTS

Meeting of 26 February 1987

Note by the Secretariat

. The Group held its first meeting on 26 February 1987.

Agenda item A

2. Mr. Paul Leong Khee Seong (Malaysia) was appointed by the Group as its Chairman for the initial phase. Mr. Siaka Coulibaly (Côte d'Ivoire) was appointed Vice-Chairman of the Group for the initial phase.

3. The agenda, set out in GATT/AIR/2371 dated 5 February 1987, was adopted.

4. The Group had before it the Negotiating Plan for Tropical Products (document MTN.GNG/5) adopted by the Group of Negotiations on Goods (GNG) on 28 February 1987 and a note by the secretariat on Past Negotiations and Consultations in GATT on Tropical Products (document MTN.GNG/NG6/W/1).

5. The Group focussed its discussions on matters covered under items B, C and D of the Agenda:

- Exchange of views on work done so far in GATT in the tropical products area;
- Compilation of background material for negotiations;
- Further work in the initial phase.

Agenda items B, C and D

6. The Chairman recalled that extensive work had been carried out in GATT in the tropical products area during the last two rounds of multilateral negotiations and thereafter in pursuance of the post-Tokyo Round Work Programme and the 1982 Ministerial Decision regarding trade in tropical products. He stated that the experience gained through the post-Tokyo Round process of consultations could provide a useful basis to begin the work in the Negotiating Group on Tropical Products.

7. Many delegations emphasized the importance which they attached to negotiations in tropical products. Several delegations emphasized that the work in this Group should progress at a pace commensurate with the importance given by the CONTRACTING PARTIES to the issues of trade in tropical products, and with the agreement that negotiations in this area shall receive special attention, including the timing of the negotiations and the implementation of results as provided for in Section B(ii) of the Ministerial Declaration on the Uruguay Round. It was generally felt that the Group could proceed expeditiously in the light of work already accomplished in this area. One delegation expressed the view that in relation to agricultural products produced both in tropical and temperate zones, negotiations would have to take into account problems and issues to be dealt with under the broader framework of negotiations on agriculture. This delegation also indicated that it would be in a position at a later stage to put forward more specific proposals in the light of internal preparatory work presently underway. A number of other delegations stressed that negotiations on Tropical Products should avoid unwarranted cross-sectoral demands.

8. A number of delegations reaffirmed the importance attached by them to the application of the principle of differential and more favourable treatment for developing countries as specified in Section B of the Ministerial Declaration. Other delegations while reaffirming their commitment in regard to this principle underlined that progress in the Group could only be ensured through a real process of negotiations involving a fuller participation of developing countries in accordance with their level of development and economic and trade needs.

9. A number of delegations said that negotiations in this area should aim at full tariff and non-tariff liberalization of trade in tropical products. Particular reference was made to tariff escalation and to internal taxes and levies, quantitative restrictions, health and sanitary regulations and certain standards. Concern was expressed in regard to developments in the prices of certain commodities. The importance for indebted countries of improved and stable market access and of finding solutions to serious difficulties in commodity markets was also underlined.

10. There was general agreement in the Group that the work in the initial phase could start on the basis of the seven product groups selected for the purpose of the consultations on tropical products held in the Committee on Trade and Development in 1982/84, in the understanding that this would not constitute a definition of tropical products nor an exhaustive listing and that other products might be included as negotiations proceed. A number of delegations expressed their preparedness to consider any proposals for addition of products on a case-by-case basis. One delegation stated that in its view, tropical products should include vegetables, fruits and flowers produced in developing countries during the Northern winter.

11. As a first step in compiling background material for negotiations the Group agreed that the secretariat should be invited to update and revise the background documentation prepared for the 1982/84 consultations, including as appropriate data on the new Harmonized System of tariffs, so as to provide the Group with a summary of current trade flows and the tariff and non-tariff measures relating to the seven individual product groups covered by the consultations. Several delegations requested that

the scope of the documentation be broadened in order to cover trade measures maintained by all countries with a significant involvement in trade in tropical products. It was agreed that informal consultations with delegations be held by the secretariat on the question of broadening the scope of the documentation, and that the Group might revert as necessary to this matter at its next meeting.

12. In regard to techniques and modalities of negotiations some delegations referred to the proposal put forward by ASEAN countries in the Committee on Trade and Development concerning the alignment of the custom duties on tropical products in developed countries to the lowest level of duty prevailing in these countries. Other delegations expressed their preference for the traditional request and offer procedure. The view was also expressed that the question of techniques and modalities for negotiations should be addressed by the Group at an early stage in its future work.

13. On the question of Observer Organizations it was noted that this issue was on the agenda of the forthcoming meeting of the GNG. The Group was informed that a number of organizations have sought observer status in the negotiations as a whole while some organizations had expressed interest only in regard to specific groups. As far as the Negotiating Group on Tropical Products was concerned the Group noted that such a request had been received from FAO.

Agenda items E and F

14. It was agreed that the secretariat would prepare a short factual note on the main points raised at each meeting of the Group.

15. The Group agreed to hold its next meeting during the week beginning 11 May 1987.