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NEGOTIATIONS
THE URUGUAY ROUND

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Negotiating Group on Tropical Products

TROPICAL PRODUCTS: BACKGROUND MATERIAL FOR NEGOTIATIONS

Jute and Hard Fibres

Draft Note by the Secretariat

Table of Contents

[1] To be issued as Add.1 to this document.

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Introduction

1. At the first meeting of the Negotiating Group on Tropical Products held on 26 February 1987, there was general agreement that the work in the initial phase should 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. 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.

2. This document provides background material for negotiations with respect to one of the seven product groups covered by the 1982-84 consultations - jute and hard fibres in unprocessed and processed forms. This document covers the eleven developed country markets as in the background documentation prepared for the consultations. As far as jute and hard fibres are concerned, any additional information that the Group might wish to have included as background material will be circulated as addenda to this document.

3. Section I includes tables which show the tariff and non-tariff measure situation according to the new Harmonized System classifications. This section also includes an overview of the tariff situation and information on non-tariff measures. Section II provides information on trade flows and consumption and Section III documents the activities of other international organizations relevant to this product group.

4. With respect to the eleven markets referred to above, the annex to this document provides tariff and trade flow data extracted from the 1984 Tariff Study files. These data are presented according to tariff classifications used before the adoption of the Harmonized System. With respect to pre-HS tariff items covered by the Annex, the secretariat has

added corresponding new HS-based tariff item numbers and tariff rates on a provisional basis. It is expected that these data will help identify broadly, if not precisely, major suppliers and the amount of trade involved with respect to new HS-based tariff items.[1]

SECTION I: The commercial policy situation

5. Tables 1 to 3 show the tariff situation of eleven developed country markets with respect to jute and hard fibres, yarns and fabrics thereof and major jute and hard fibre manufactures, respectively. The MFN rates indicated in these tables are new rates based on the Harmonized System, which will take effect on 1 January 1988. The GSP rates should also be those which will take effect on 1 January 1988, but where this information is not available those in force in 1987 have provisionally been given. Tariff rates other than MFN and GSP rates are given in the annex to this document.

6. The following symbols are used in Tables 1-3:

* = reduction of MFN rates and GSP improvements after the 1982-84 consultations on tropical products (to the extent that information is available at the secretariat)

MFN rate

B = MFN rate fully bound
P = MFN rate partially bound
U = MFN rate not bound
A = MFN rate applied actually on a temporary basis or otherwise

Examples: (a) 0%B, 10%B Two bound rates at zero and 10 per cent apply on the HS item

(b) 10%B, 8%A MFN rate is bound at 10 per cent, but a rate of 8 per cent is actually applied on the HS item.

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[1] A number of participants in the Uruguay Round including developed countries will adopt new tariff schedules based on the Harmonized System effective 1 January 1988. The United States and Canada will adopt an internationally standardized tariff nomenclature for the first time. However, it may be noted that import data according to HS-based tariff items will not be available before 1989 or 1990. Thus, there is no other choice but to use the latest available import data for 1984, which are presented in the Annex according to pre-HS tariff classifications, i.e. CCCN, TSUS or CTS.

Table 1

Jute and Hard Fibres - raw and processed fibres

United States, Canada, Japan, EEC, Norway and Sweden - 0%B (all items)
New Zealand - 0% U (HS 5304.90), 0% B (all other items)

H.S. Code No. (CCCN)	Harmonized commodity description		Austria	Finland	Switzerland	Australia
5303.10	Jute and other textile bast fibres:	MFN	0%B	1.5%B 0%U	0%B	2%U
(5703)	- raw or retted	GSP				0%
5303.90	- processed; tow and waste	MFN	0%B	1.5%B 0%U	0%B	2%U
(5703)		GSP				0%
5304.10	Sisal and other Agave fibres:	MFN	0%B	1.5%B 0%U	0%B	0%B
(5704)	- raw	GSP				
5304.90	- processed; tow and waste	MFN	0%B	1.5%B 0%U	0%B	0%B
(5704)		GSP				
5305.11	Coir:	MFN	0%B	1.5%B 0%U	0%B	0%B
(5704)	- raw	GSP				
5305.19	- processed; tow and waste	MFN	0%B 8%B[1]	1.5%B 0%U	Sw F 0.08/kg.B	0%B
(5704)		GSP	5.2%[1]		Sw F 0.04/kg.B	
5305.21	Abaca fibre:	MFN	0%B	1.5%B 0%U	0%B	2%U
(5702)	- raw	GSP				0%
5305.29	- processed; tow and waste	MFN	0%B	1.5%B 0%U	Sw F 0.04/kg.B	2%U
(5702)		GSP			Sw F 0.02/kg.	0%
5305.91	Ramie and other vegetable textile fibres:	MFN	0%B	1.5%B 0%U	0%B	0%U
(5402) (5704)	- raw	GSP				
5305.99	- processed; tow and waste	MFN	0%B	1.5%B 0%U	Sw F 0.24/kg.B	0%U
(5402) (5704)		GSP			Sw F 0.12/kg.	

[1] With supporting material.

Table 2

Yarn and Fabrics

Norway 0%B on all items except 5311.00 (ramie fabrics 7-16%B, GSP 0%; other 2.9%B, GSP 0%)

H.S. Code No. (CCCN)	Harmonized commodity description		United States	Canada	Japan	EEC	Austria	Finland	Sweden	Switzerland	Australia	New Zealand
5307.10 (5706)	Yarn of jute or other bast fibres - single	MFN	3.6%B	10.2%B	10%B 6.4%A*	5.3%B	10%B	6%B	0%B	Sw F 0.07/kg.B	15%U*	5%P 0%U
		GSP	0%	0%	(3.2%)	(0%)	6.5%	0%		Sw F 0.035/kg.	10%	
5307.20 (5706)	- multiple (folded) or cabled	MFN	4.5%B	15%B	10%B 6.4%A*	5.3%B	10%B	6%B	0%B	Sw F 0.38/kg.B	15%U*	5%P 0%U
		GSP	0%	0%	(3.2%)	(0%)	6.5%	0%		Sw F 0.19/kg.	10%	
5308.10 (5707)	Coir yarn	MFN	0%B	0%B	3%B 2.4%A*	0%B	0%B	0%B	0%B	Sw F 0.0025/ kg.B	2%U	0%B
		GSP			0%*					Sw F 0.0013/kg	0%	
5308.90 (5707)	Yarn of other vegetable textile fibres	MFN	4%B	10.3%B[1]	12%B 9.6%A,* 3/	3.8%B, 4.6%B of ramie	8%B	8%B	5.3%B	Sw F 0.26/kg.B	2%U	5%P 0%U
		GSP	0%	5-7.5%	0%*	(0%)	5.2%	0%	0%	Sw F 0.13/kg.	0%	
5310.10 (5710)	Woven fabrics of jute or other bast fibres: - unbleached	MFN	0%B	0%B[2], 17.5%B	20%B 12.8%A*	9%B	25%B	20%B	8%B[6], 10%B	Sw F 0.03/kg.B	0%B	7.5%P 0%U
		GSP		11.5%	(0%)*	(0%)	16.3%	0%	0%	Sw F 0.015/kg.		
5310.90 (5710)	- bleached	MFN	1%B	0%B[2], 17.5%B	20%B 12.8%A*	8.8%B	25%B	20%B	8%B[6], 10%B	Sw F 0.55/kg.B	0%B	7.5%P 0%U
		GSP	0%	11.5%	(0%)*	(0%)	16.3%	0%	0%	Sw F 0.275/kg.		
5311.00 (5711)	Woven fabrics of other vegetable textile fibres	MFN	7%B	13.5%B, 3/	3.7%B 3%A* 4/	5.8%B, 5/	20%B	14%B	3.2%B[7], 6.2%B	Sw F 0.93/kg.B	0%B	7.5%P 0%U 8/
		GSP	-	?	0%*	(0%)	13%	0%	0%	Sw F 0.465/kg.		8/

[1] Not containing man-made fibres.
[2] Wholly of jute.
[3] Of ramie 7 -16%B, 3%A, GSP 0%.
[4] Of ramie 20%B, 16%A, GSP ?.
[5] Of ramie 14%B.
[6] Of a width of 150cm or less and a weight of 310g or more per m^2.
[7] Wholly of coir.
[8] Of ramie 30%U, GSP 22.5%.

Table 3

Major Manufactures

H.S. Code No. (CCCN)	Harmonized commodity description		United States	Canada	Japan	EEC	Austria	Finland	Norway	Sweden	Switzerland	Australia	New Zealand
5607.10 (5904)	Twine, cordage, rope of jute and other bast fibres	MFN	4%B	13.5%B, 12%B[2]	10%B 6.4%A*	12%B	22%B	32%B	0%B	0%B	Sw F 0.77/ kg.B	25%U	35% or $1.25/ kg.U
		GSP	0%		(0%)	(0%)	14.3%	0%			Sw F 0.385/ kg.	20%	15% or $1.15/ kg.
5607.21 (5904)	Binder or baler twine of sisal and other Agave fibres	MFN	0%B	0%B	6%B 4.8%A*	12%B	22%B	4%B	0%B	8%B	Sw F 0.70/ kg.B	25%U	35% or $1.25/ kg.U
		GSP			(0%)	(0%)	14.3%	0%		0%	Sw F 0.35/ kg.	20%	15% or $1.25/ kg.
5607.29 (5904)	Other twine, cordage, ropes of sisal and other Agave fibres	MFN	7.2%B	12.5%B, 20%B[2]	6%B 4.8%A*	12%B	22%B	4%B[5] 37%B	0%B	8%B	Sw F 0.70/ kg.B	25%U	35% or $1.25/ kg.U
		GSP	ex0%		(0%)	(0%)	14.3%	0%		0%	Sw F 0.35/ kg.	20%	17.5% or $1.25/ kg.
5607.30 (5904)	Twine, cordage, rope of abaca and other hard fibres	MFN	0%B[1], 7.2%B	12.5%B, 20%B[2]	3.7%B 3%A	12%B	22%B	32%B	0%B	8%B	Sw F 0.88/ kg.B	25%U	35% or $1.25/ kg.U
		GSP	-	7.5%; -	(0%)	(0%)	14.3%	0%		0%	Sw F 0.44/ kg.	20%	15% or $1.25/ kg.U
5702.20 (5802)	Floor coverings of coir	MFN	0%B, ¢21.5/m^2 with pile	0%B	10.5%B, 8.4%A*	8%B	25%B	6.2%B min. FIM 0.52/kg.	NOK 0.54/ kg.B	0%B[7] 12%	Sw F 0.40/ kg.B	30%B[8] 0%A	5%U, 40%U
		GSP	0%		0%*	(0%)	16.3%	0%	0%	0%	Sw F 0.20/ kg.		0%, 22.5%
6305.10 (6203)	Sacks and bags of jute and other bast fibres	MFN	0%B	8%B	3/	4/	28%B	30%B[3]	6/	0%B	Sw F 0.22/ kg.B	0%B[9], 0%A	0%U[10], 15%U
		GSP		0%	(0%)	(0%)	18.2%	0%	0%		Sw F 0.11/ kg.		5%

[1] Of stranded construction measuring 1.88 cm or over in diameter.

[2] Circumferance over 25 mm. (No GSP for this item).

[3] Used sacks and bags - 0%B, new ones - 20% minimum ¥ 21/kg.B, 12.8% minimum ¥ 13.44 kg.A*.

[4] Used 5.3%B, other 7.7%B, 8.7%B, 8.9%B.

[5] Single, not plaited.

[6] Knitted or crocheted 17%B; other, of jute NOK 0.28/kg.B; other, other NOK 0.81/kg.B.

[7] Wholly of coir.

[8] Except hand-woven.

[9] Bound except for knitted or crocheted and wool packs.

[10] Wool packs.

GSP rate

blank space = no GSP treatment for MFN duty-free item
- = no GSP treatment for MFN dutiable item
(...%) = GSP rate whose application is subject to quantitative limitations (i.e. ceiling or quota).

Note: Information on country limitations for the GSP application is given in footnotes to tables.

7. Table 4 lists HS items covering miscellaneous manufactures of jute and hard fibres. Tariff and trade flow data on these items are available in the Annex circulated as Add.1 to this document. Information on non-tariff measures affecting these products are available in Section I:B.

A. An overview of the tariff situation

Fibres

8. With respect to raw and processed fibres of jute and hard fibres, all the eleven developed country markets under study provide developing countries duty-free treatment on an MFN basis or under the GSP.[1] except that certain processed fibres are still dutiable in Austria and Switzerland (see Table 1 for details).

9. In adopting the Harmonized System, the United States will eliminate its duty on jute slivers and Austria will eliminate its duties on jute roves and processed coir fibres except those with supporting material.

Yarn and fabrics

10. With respect to yarn and fabrics of jute and hard fibres, Finland, Norway, Sweden and New Zealand provide developing countries duty-free treatment on an MFN basis or under the GSP. The United States provides developing countries duty-free treatment except for fabrics of other vegetable fibres (HS No. 5311.00). Australia does likewise except for jute yarn and Canada, except for yarn and fabrics of other vegetable fibres, and fabrics of bast fibres other than jute.

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[1] The expression "provide developing countries duty-free treatment" is used throughout this section to provide a succinct picture of the tariff situation affecting exports from developing countries. Details of such treatment, i.e. whether "duty-free" is on an MFN basis, bound or unbound, or under the GSP, are shown in Tables 1-3.

TABLE 4

HS Items Covering Other Manufactures of Jute and Hard Fibres

Note: Reference may be made to the Annex circulated as Add.1 to this document for tariff and trade flow data for these items.

HS Code Number	Harmonized Commodity Description	CCCN
	Knotted netting of twine, cordage or rope; made up fishing nets and other made up nets, of textile materials.	
5608.90	- Other (than of synthetic fibres)	5905 6205
5609.00	Articles of yarn, strip or the like of heading No. 54.04 or 54.05, twine, cordage, rope or cables, not elsewhere specified or included.	5906
	Carpets and other textile floor coverings, knotted, whether or not made up.	
5701.90	- Of other textile materials (than of wool or fine animal hair)	5801
	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.	
	- Other[1], of pile construction, not made up:	
5702.39	- - Of other textile materials	5802
	- Other[1], of pile construction, made up:	
5702.49	- - Of other textile materials	5802
	- Other[1], not of pile construction, not made up:	
5702.59	- - Of other textile materials	5802
	- Other[1], not of pile construction, made up:	
5702.99	- - Of other textile materials	5802
	Carpets and other textile floor coverings, tufted, whether or not made up.	
5703.90	- Of other textile materials	5802
5705.00	Other carpets and other textile floor coverings, whether or not made up.	5802
5905.00	Textile wall coverings.	5906
6305.90	Sacks and bags of other textile materials	6005 6203

[1] Other than floor coverings of coir.

11. The EEC grants coir yarn MFN duty-free treatment and all other items GSP duty-free treatment, but GSP treatment is subject to quantitative or country limitations. The EEC's MFN rates are between 3.8 per cent and 14 per cent. Japan grants all items GSP treatment, but its GSP rate on jute yarn is still positive at one half of the MFN rate and its GSP treatment on four of seven items is still subject to quantitative limitations. Japan applies temporary duties which are lower than Tokyo Round concession rates. These temporary MFN rates are between 2.4 per cent and 16 per cent.

12. With respect to manufactures of jute and hard fibres including yarn and fabrics, Austria and Switzerland apply the formulae of GSP rates for the textiles and clothing sector. The GSP rate of Austria for this sector is 65 per cent of the MFN rate instead of 50 per cent for other industrial products. The GSP rate of Switzerland for this sector is one-half of the MFN rate instead of zero for other industrial products.

13. In revising its GSP scheme, Australia has reduced its MFN duty on jute yarn from 20 per cent to 15 per cent while maintaining the GSP rate of 10 per cent. Japan has: (i) reduced its MFN duties on yarn and fabrics by 20 per cent on a temporary basis; (ii) formally abolished GSP ceiling limitations on coir yarn and yarn of other vegetable fibres; and (iii) reduced GSP rates on jute fabrics from 8 per cent to zero.

Major manufactures

14. Table 3 covers major manufactures of jute and hard fibres, which are separately identified at the level of six-digit code numbers of the Harmonized System. Only three Nordic countries (Finland, Norway and Sweden) provide developing countries duty-free treatment with respect to all manufactures covered by Table 3. The United States provides such treatment except for cordages of certain hard fibres, and Canada except for cordages and ropes.

15. Both the EEC and Japan include all manufactures covered by Table 3 in their GSP schemes, but their GSP duty-free treatment is subject to quantitative or country limitations, except that Japan does not apply such limitations to coir floor coverings. The EEC's MFN rates are between 8 per cent and 12 per cent. Japan's temporarily reduced rates are between 3 per cent and 8.4 per cent with the exceptions that jute sacks and bags are subject to a higher mixed duty.

16. In Switzerland all the manufactures covered by Table 3 have been granted GSP treatment, but GSP rates are positive as textile items. In Austria, major manufactures of jute and hard fibres are subject to MFN duties of 22-28 per cent. GSP rates are 14.3-18.2 per cent according to the GSP rate formula of Austria on textile products. Australia maintains an MFN duty of 25 per cent (unbound) and a GSP rate of 20 per cent on four items covering twine, cordage and ropes: under its current GSP rate formula, the GSP rate is the MFN rate minus 5 percentage points. In New Zealand most items are dutiable.

General

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. 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. A separate treatment of these products which do not share the general features and market situation for textiles, might facilitate th liberalization of trade in jute and hard fibres and their products.

B. Non-tariff measures

The United States, Canada, Japan, Austria, Finland, Norway and Australia apply no non-tariff measures to imports of jute and hard fibres.

1. Quantitative restrictions

Within the European Economic Community, some members still apply quantitative restrictions to certain items, although imports from India, Bangladesh, and Thailand are unrestricted. Voluntary limitations are in force for exports of harvest twine, the principal sisal product, from Brazil and Mexico to the EEC.[1] France and the United Kingdom apply quotas on imports of woven fabrics of jute or other textile fibres and Spain applies global quotas to floor coverings of coir.[2]

Sweden maintains bilateral quotas on twine, cordage, and rope of jute and hard fibres with Czechoslovakia, Hungary, Poland and Romania. New Zealand applies global quotas on twine, cordage and rope of jute and hard fibres.

France notified that, as of 1 January 1986, quantitative restrictions on jute sacks and bags have been superseded by a régime without quantitative limitations. In 1986, New Zealand liberalized imports of coir mats.[3]

2. Other non-tariff measures

Among EEC members, Ireland maintains licensing requirements on imports of sacks and bags of jute and other bast fibres from several countries (Hong Kong, Japan, Macao, Malaysia, Pakistan and Yugoslavia). Spain applies licensing procedures to woven fabrics and sacks and bags of jute and other bast fibres except for imports from Bangladesh, India and Thailand. Italy applies a border tax (7.2 per cent) to twine.[4] Jute products are subject to licensing in Switzerland.[5]

As of 1 July 1986, the Federal Republic of Germany abolished import licensing requirements for woven fabrics of jute and other bast fibres.

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[1] FAO, Hard Fibres: Supply, Demand and Trade Projections to 1990; CCP: HF 85/5; p.7.

[2] Protocol of Accession.

[3] Import Licensing Schedule 1986.

[4] The EEC considers this reverse notification by Brazil to be out of date but no official notification has been made.

[5] Notification by the United States.

SECTION II: Trade flows and consumption

A. Jute and other textile bast fibres (including Kenaf)

Production and exports

Jute and other textile bast fibres are mostly produced in the tropical zone. The world production of jute fibres had been at the level of 3.1-3.5 million metric tons in the period 1979/80 - 1984/85. A shortage of supply and a sharp increase of prices in the crop year 1984/85 (July-June) brought about an extraordinarily large production of 6 million tons in 1985/86. However in 1986/87 the production was back to normal at 3.7 million tons.

With regard to major suppliers of fibres and manufactures, Table 5 shows the production of fibre, exports of fibre and exports of manufactures in two crop years 1984/85 and 1985/86.

Following the shift in world jute processing to the producing countries, world trade in fibres has declined sharply, accounting for less than one-third of the exports of both fibres and manufactures in terms of weight. World exports of both fibres and manufactures declined from 1.9 million tons in 1979/81 (average) to 1.7 million tons in 1983, to 1.65 million tons in 1984 and to 1.5 million tons in 1985.

A sharp decline in the production of jute goods by developed countries exceeded a rise in such production by the jute producing countries and Pakistan. FAO document CCP: JU 86/5 states as follows:

> "The share of world jute goods production of developed countries fell from 23 per cent in 1970-72 to 6 per cent in 1983-85. Production of jute goods in Western Europe fell from 12 per cent of the world total to 2 per cent in 1983-85. The United Kingdom, Belgium and France were all significant jute processing countries in the early

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[1] The EEC considers this reverse notification by Brazil to be out of date but no official notification has been made.

[2] Notification by the United States.

TABLE 5

Jute and other textile bast fibres - production and exports

(thousand metric tons)

	Production of fibre	Exports of fibre	Exports of manufactures
	1984/85	1984/85	1984/85
World	3,467	345.7	1,088.2
Bangladesh	922	253.8	438.0
India	1,322	-	300.0
China	746	45.0	49.1
Thailand	197	21.7	101.4
Brazil	60	-	7.0
Burma	52	2.0	-
Western Europe	-	15.0	82.7
Other	168	8.2	110.0
	1985/86	1985/86	1985/86
World	6,054	517.7	1,066.1
Bangladesh	1,548	414.2	483.2
India	2,207	10.4	254.3
China	2,060	60.0	60.0
Thailand	266	4.7	85.3
Brazil	65	1.9	4.1
Burma	60	-	-
Western Europe	-	15.0	76.8
Other	152	11.5	102.4

Source: Compiled from data in FAO document CCP: JU/OS 87/1

Seventies. The decline of Western Europe's jute industry was the result of proliferation in the use of relatively cheaper synthetic substitutes and modern cargo handling techniques. The European jute industry was unable to respond by lowering sufficiently its processing costs. Similar developments took place in Japan which was also a significant producer of jute goods in 1970-72. The share of Eastern Europe and the USSR combined, was 5 per cent in total world production in 1970-72 and amounted to less than 4 per cent in 1983-85, while the quantities of fibre processed in North America have never been significant."

India is the leading producer of jute goods: this country accounted for 39 per cent of world production in 1983-85 (46 per cent in 1970-72). China emerged as the second largest producer with a share of 21 per cent in 1983-85, as a result of a sharp rise of its production since mid-1970's. Bangladesh's share of world total has remained stable at about 17 per cent. Other important producers of jute manufactures include Thailand and Pakistan.

Table 6 shows the value of exports of jute fibre and manufactures from major producing countries in the period 1979/80 to 1985/86. Export earnings from jute fibre and manufactures have fluctuated and have tended to decline over the long term.

Imports and consumption

Table 7 shows imports of fibres and manufactures into major markets in the period 1979-1985. Notable developments are as follows. The EEC(12), the largest market, has decreased its imports of fibres sharply without increasing imports of manufactures. This indicates that the contraction of manufacturing activities in the EEC has not brought about an increase in imports of jute manufactures, but rather a switchover to competitive substitute materials. Jute goods have been faced by severe competition from synthetic products that offer comparable or superior performance, ready availability from local sources and stable prices. In the United States and Canada, imports of jute manufactures have tended to decline for the same reason.

TABLE 6

Jute and other textile bast fibres - value of exports from major producing countries

(..... U.S. $ million .....)

BANGLADESH

	FIBRE	Hessian	Sacking	Carpet backing	Others	Total
1979/80	138.1	175.3	141.5	64.5	3.2	384.5
1980/81	119.1	151.5	143.5	60.1	2.0	357.1
1981/82	99.8	113.0	132.4	36.5	1.5	283.4
1982/83	108.8	141.5	91.9	60.2	3.1	296.7
1983/84	114.9	155.5	85.1	69.0	4.2	313.6
1984/85	147.9	176.3	112.8	66.0	4.3	359.3
1985/86	147.7	102.1	118.4	48.2	12.2	280.9

BURMA

		Hessian	Carpet backing	Yarn	Total
1979/80	8.3				
1980/81	13.8				
1981/82	1.9				
1982/83	0.6				
1983/84	-				
1984/85	0.6	...	0.4	0.3	0.7
1985/86	...	0.1	0.1	0.1	0.3

INDIA

		Hessian	Sacking	Carpet backing	Others	Total
1979/80	...	n.a.	n.a.	n.a.	n.a.	399.5
1980/81	8.2	338.2	41.4	74.5	43.8	497.9
1981/82	17.5	146.3	28.0	48.1	13.4	235.8
1982/83	3.7	137.6	16.5	32.4	19.4	206.9
1983/84	-	92.0	9.2	18.7	16.0	135.5
1984/85	-	206.8	27.9	35.2	21.6	291.6
1985/86	4.0	135.0	17.9	20.8	20.3	194.0

NEPAL

		Hessian	Sacking	Twine	Others	Total
1979/80	12.6	6.5	4.2	0.1	-	10.8
1980/81	12.1	1.3	2.0	0.1	0.2	3.6
1981/82	9.7	1.8	3.5	0.3	0.3	5.9
1982/83	5.9	4.4	5.9	) 0.9 (		11.2
1983/84	1.7	4.8	5.3	1.8	...	11.9
1984/85	2.1	5.1	4.3	2.4	...	11.8
1985/86	1.5	3.5	2.9	1.2	...	7.6

THAILAND

		Yarn	Twine	Fabrics	Sacking	Total
1979/80	12.5	31.0	11.9	0.9	34.0	77.8
1980/81	3.0	20.5	6.9	0.8	35.5	63.7
1981/82	2.2	20.4	7.2	1.1	24.7	53.4
1982/83	1.6	35.6		0.6	18.8	55.0
1983/84	13.7	30.2		0.3	31.6	62.1
1984/85	6.6	38.3		0.3	40.0	78.6
1985/86	1.0	33.9		1.8	18.6	54.3

Source: FAO document CCP: JU/OS 87/1

TABLE 7

Jute and other textile bast fibres - imports of raw fibres and manufactures

(thousand metric tons)

	Raw fibres					Manufactures				
	1979-81 average	1982	1983	1984	1985	1979-82 average	1982	1983	1984	1985
World	554.1	551.4	507.2	392.9	454.9	1246.0	1198.0	1184.6	1148.9	1124.5
EEC(12)[1]	115.6	77.1	75.4	69.4	43.5	213.3	228.9	224.6	256.9	207.2
USSR	47.0	57.0	56.1	19.9	28.3	169.2	181.5	166.5	172.5	177.7
United States	16.3	17.9	15.4	10.2	14.8	189.3	127.8	142.4	130.0	108.8
Pakistan	51.3	88.0	98.2	79.7	116.6	36.5	47.6	16.8	8.7	13.6
Australia	8.0	7.3	5.9	7.6	9.0	76.6	51.7	57.4	47.9	61.5
Iran	8.7	6.1	20.0	3.2	7.0	49.1	20.4	111.7	53.7	52.7
Japan	16.9	9.4	9.6	7.7	6.0	57.6	62.9	56.5	63.3	46.3
China	33.1	40.7	35.0	23.7	35.0	4.8	5.1	5.0	15.0	10.0
Indonesia	15.4	15.7	13.5	16.9	21.6	24.4	40.1	13.9	0.4	13.1
Egypt	17.7	18.9	12.5	14.6	16.8	8.4	7.6	10.6	10.7	10.6
New Zealand	0.9	0.3	0.1	-	0.1	16.4	13.8	17.2	17.6	16.0
Czechoslovakia	6.0	7.0	6.3	4.0	3.2	12.1	15.3	15.0	13.0	11.0
Poland	18.5	17.2	16.7	10.6	14.1	1.7	4.5	0.6	3.0	0.7
Bulgaria	9.0	24.8	5.9	3.8	5.0	13.4	10.0	12.0	10.0	8.0
Yugoslavia	18.3	19.2	7.6	17.1	11.2	2.1	2.5	2.0	1.6	1.5
Brazil	16.0	3.6	-	7.5	11.9	0.1	-	-	-	-
Canada	0.9	0.5	0.3	0.7	1.1	20.2	12.5	16.3	13.5	9.3
Thailand	16.9	44.8	29.4	15.0	10.0	1.7	-	-	-	-
Kenya	11.0	8.2	11.1	7.5	8.3	0.2	0.8	0.5	0.7	1.0
Nigeria	5.2	4.0	3.8	1.1	4.6	2.6	6.6	2.0	1.4	3.7

[1] Including intra-EEC trade.

Source: Compiled from data in FAO document CCP: JU/OS 87/1

Table 8 shows developments of consumption in recent years. By far the largest consumers are the two largest producing countries, i.e India and China. Their consumption has tended to increase in recent years, reflecting their growing requirements for packaging material for agricultural commodities. FAO document CCP: JU 86/5 states that the growth of demand for jute in developing countries would be slower than in the seventies, mainly because of a sharp drop in consumption in Latin America where substitutes would increasingly encroach on markets for jute and of further reductions also in Africa. Growth would slacken in the Near East where non-packaging uses of jute would stabilize and in the Far East where synthetics are increasingly encroaching into markets for jute. As a result of these developments the share of total demand accounted for by developing countries amounted to over 80 per cent in 1985 compared to 72 per cent in 1979-81 and 53 per cent in 1969-71.

The FAO document also states that demand for jute in developed countries would continue to decline, though not as sharply as in the previous decade since the most serious erosion in jute's vulnerable end-uses has already occurred. A study by the International Trade Centre UNCTAD/GATT on the jute market in Western Europe (ITC/JUTE/24) shows the following major end-uses of jute goods:

Yarn	- woven carpets, hessian backing for linoleum, warp yarn for multi-textile wall coverings, electrical and other cables, specialist cordage, twine, etc.
Fabric	- carpet backing, upholstery, shopping bags, luggage construction and woven wall coverings.
Sacks and bags	- agriculture and other.

The ITC study adds that among various minority end-uses of jute, jute geotextiles offer a potential for growth owing to a growing awareness of the need for the protection of environment and the naturally destructible quality of jute.

TABLE 8

Jute and other textile bast fibres - apparent consumption[1/,2/]

	1979-81 average	1982	1983	1984	1985
	(..... thousand metric tons				)
WORLD	**3 610**	**3 487**	**3 442**	**3 576**	**4768**
DEVELOPING	**2 606**	**2 559**	**2 549**	**2 760**	**4013**
Latin America	212	157	160	159	155
Argentina	15	10	6	6	4
Brazil	85	50	62	58	70
Cuba	79	79	77	75	68
Africa	138	137	118	101	123
Ghana	4	3	6	4	2
Kenya	11	9	12	8	9
Mozambique	4	4	4	3	1
Nigeria	8	11	6	3	9
Tanzania	7	9	8	5	12
Near East	243	185	305	221	290
Egypt	49	44	49	49	49
Iran	63	28	140	61	64
Sudan	40	35	32	35	91
Far East	1 437	1 553	1 481	1 521	1773
Bangladesh	99	101	116	98	113
Burma	36	39	38	48	46
India	990	1 086	1 074	1 099	1 302
Indonesia	41	58	31	16	34
Nepal	9	5	5	12	9
Pakistan	95	115	93	93	141
Thailand	137	108	102	102	111
Other Developing	577	526	485	759	1 672
China	536	479	438	704	1 616
DEVELOPED	**1 004**	**929**	**893**	**816**	**755**
North America	240	168	185	164	142
United States	248	154	167	144	131
Western Europe	254	235	232	235	190
EEC	213	197	208	203	167
Belgium-Luxembourg	35	39	64	64	48
France	36	29	23	24	17
Germany, Fed. Rep.	37	34	30	27	25
Greece	6	5	6	5	6
Italy	17	11	9	12	7
Netherlands	23	23	19	19	18
United Kingdom	50	48	50	47	41
Other western Europe	41	38	24	32	22
Eastern Europe and USSR	281	337	291	241	256
USSR	198	230	211	179	199
Czechoslovakia	19	23	22	18	15
Hungary	5	11	7	4	4
Poland	16	17	178	12	15
Oceania	107	77	86	77	92
Australia	89	62	67	58	75
Other Developed	121	112	99	99	75
Japan	78	76	70	74	55

1/ Fibre equivalent.
2/ Calendar year basis for all countries, excluding Bangladesh, India and Nepal for which data relate to crop year beginning in year shown.

Source: FAO document CCP: KU/OS 87/1

B. Hard fibres (sisal, henequen, abaca and coir)

Production and exports

Hard fibres are practically all produced in the tropical zone. With regard to major suppliers of hard fibres, Table 9 shows the type of hard fibres produced, the production, exports of fibre and exports of manufactures in 1985.

With regard to developments in exports, FAO document CCP: HF 85/5 dated July 1985 provides the following information.

(1) Sisal and henequen

"A strong contraction in aggregated exports of fibre and manufactures from producing countries has taken place between 1970 and 1980 from a total of 646,000 tons to 364,000 tons (in fibre equivalent). There was, however, a progressive increase in exports of manufactures, largely agricultural twines, from producing countries, partly offsetting the sharp fall in shipments of fibre. The rising output of twines in producing countries was almost totally exported and the share of manufactures in total exports increased from 19 per cent in 1970 to 45 per cent ten years later and to 50 per cent in 1984 although aggregated exports fell.

"[Exports of raw fibres and manufactures] will depend to a large degree first on developments in sisal spinning, polypropylene twine extrusion and marketing practices for both sisal and polypropylene twine in the main consuming markets of North America and Western Europe and, second, on the consequences of the keen competition for market shares of harvest twines among producing countries should it continue, including developments regarding voluntary self-limitation in force for exports of harvest twine from Brazil and Mexico to the EEC."

TABLE 9

Hard fibres - production and exports of major suppliers

(thousand metric tons)

Producer/ exporter	Type of hard fibre produced	Production of fibre 1985	Exports of fibre 1985	Exports of manufactures 1985
Brazil	sisal	218.2	90.7	104.7
Mexico	henequen	68.0	2.1	17.6
Kenya	sisal	44.9	38.4	0.5
Tanzania	sisal	31.9	11.1	10.3
Colombia	fiqué	23.8	n.a.	n.a.
China	sisal	16.0	n.a.	n.a.
Madagascar	sisal	12.3	12.0	0.2
Haiti	sisal	11.0	3.0	4.6
Cuba	henequen	6.3	n.a.	n.a.
EEE(Portugal)	sisal and henequen	-	-	30.0
Philippines	abaca	59.0	24.4	22.8
Ecuador	abaca	10.4	10.4	0.1
Sri Lanka	coir	n.a.	72.2	4.6
India	coir	n.a.	-	23.8
Thailand	coir	n.a.	4.4	1.1
EEC	coir	-	-	7.5

Source: Compiled from data in FAO documents CCP: HF 86/2, 3 and 4

(2) Abaca

Most of abaca exports are from the Philippines and Ecuador. Exports of abaca fibres and manufactures from these countries (000 metric tons, fibre equivalent) were as follows:

	Exports of abaca fibre			Exports of abaca manufacture		
	1969/71 average	1979/81 average	1983	1969/71 average	1979/81 average	1983
World	64	48	40	13	30	23
Philippines	57	38	30	13	29	23
Ecuador	2	9	10	-	1	-

Source: Compiled from data in FAO document CCP: HF 85/5

(3) Coir

"The coir sector can be divided into two distinct branches, brown fibres and white fibres. Brown fibres are a by-product of the output of copra and other coconut product and used in the manufacture of mattresses, brushes and brooms, rubberized pads and for a number of other end-uses. White fibres are almost totally spun into yarn in producing countries. Yarn properties make it particularly suitable for the manufacture of floor coverings of many kinds and for numerous other end-uses. A substantial share of coir yarn is consumed by producing countries themselves.

"Output of brown fibre in Sri Lanka, the main producing country, largely followed the trend in import demand and fluctuated around 85,000 tons in recent years. Production of coir fibre expanded rapidly in India since the mid-seventies, reaching 34,000 tons in 1983, which are almost totally consumed domestically. There is a vast unused potential for the production of coir in other countries of the tropical belt as only an estimated 10 per cent of the world annual coconut harvest is exploited for coir production. Recorded output in these countries has, however, tended to decline, reflecting low economic viability compared to other agricultural opportunities."

Imports and consumption

Table 10 shows 1985 imports of different types of hard fibres (fibres and manufactures separately) into major markets for these commodities.

Table 11 shows the consumption of sisal in sisal importing and producing countries.

FAO document CCP: HF 85/5 provides also the following information concerning the use and consumption of different varieties of hard fibres.

(1) Sisal and henequen

"An estimated two-thirds of the world production of sisal and henquen is used for the manufacture of cordage products. After a noticeable erosion of the rope market by synthetic fibres in the sixties, mainly on account of their superior and specific properties, polypropylene started to penetrate the market for agricultural twines in the seventies although by varying degrees in different regions. Thus, in North America polypropylene harvest twine has now taken a share of about 30 per cent of the market against more than 50 per cent in Western Europe and nearly 60 per cent in Eastern Europe and the USSR. In recent years, however, the displacement of sisal by polypropylene in consuming countries was checked by very competitive pricing of imported twines manufactured in sisal producing countries.

"Agricultural twines, absorbing about 50 per cent of total fibre availability worldwide, will continue to represent the major single end-use for sisal... During the past decade, the agricultural twine market was also adversely affected by the expanding use of new harvesting techniques and hay storage methods, involving the handling of hay and straw in larger and heavier bales and the spread of alternative methods of fodder conservation, especially ensilage. These techniques reduced the need for, or did away with, baling, and thus twine usage, in many areas.

TABLE 10

Hard fibres - Imports of major markets in 1985

(thousand metric tons)

Major importers	Sisal, henequen and other agave		Abaca		Coir		
	Net imports of fibre	Imports of manufactures (cordage, etc.)	Imports of fibre	Imports of manufactures**	Net imports of fibre	Net imports of yarn	Imports of mats, matting and rugs
World	170.2	196.8	37.3	17.9	76.8	16.9	21.1
Developed countries:	141.8	186.8	35.7	15.9	65.2	14.5	20.7
United States	2.6	109.2	14.3	8.4	9.6	2.0	2.0
Canada	1.6	17.4	1.1	0.8	-	-	0.8
Japan	6.3	2.0	5.8	5.5 (pulp)	7.4	-	0.2
EEC(10)	41.7	50.2	13.8	1.6	36.9	9.9	12.6
Portugal	34.5	-	0.1	-	0.8	0.6	-
Spain	8.0	0.5	-	-	0.3	0.3	-
Austria	-	-	-	-	1.0	-	0.2
Finland	0.2	1.2			0.1	-	0.1
Sweden	-	3.3	-	-	0.6	-	0.2
Poland	18.0	-	-	-	1.0	0.6	
USSR	17.8	-	-	-	2.0	-	0.1
Australia	1.2	1.5	-	0.2	1.6	-	0.9
New Zealand	3.5	-	0.1	-	0.9	-	-
South Africa	1.5	-	0.4	-	0.8	0.2	-
Developing countries	28.4	10.0	1.6	2.0	11.6	2.4	0.4
Yugoslavia	7.4	-	0.1	-	6.0	0.1	-
Morocco	5.0*	n.a.	-	-	-	0.1	-
Ivory Coast	2.5*	n.a.	-	-	-	-	-
Korea, Rep.of	2.2*	n.a.	1.0*	-	0.4*	-	-
Egypt	2.0*	n.a.	0.2*	-	-	-	-
Tunisia	2.0*	n.a.	-	-	-	-	-
Malaysia	-	n.a.	-	0.6*	-	-	-
Singapore	-	n.a.	-	0.7*	-	-	-
Pakistan	0.3	n.a.	-	-	0.9	1.2	-

* Imports in 1984
** Cordage only except for Japan

Source: Compiled from data in FAO document CCP: HF 86/2

Table 11 - Sisal Importing and Producing Countries: Supply Available for Domestic Consumption (in sisal fibre equivalent)

	1970-72 Average	1974-76 Average	1981	1982	1983	1981-83 Average
	..... thousand metric tons					
DEVELOPED COUNTRIES	570.3	416.1	287.8	267.9	289.0	281.5
North America	217.8	153.4	97.1	77.9	98.9	91.3
Canada	40.5	37.5	19.9	15.3	15.9	17.0
United States	177.3	115.9	77.2	62.6	83.0	74.3
Western Europe	259.4	188.7	117.3	116.4	110.7	114.8
EEC	216.9	156.6	93.5	94.7	93.1	93.8
Belgium-Luxembourg	9.9	4.7	3.7	5.3	4.9	4.6
Denmark	7.0	5.9	4.2	6.6	7.8	6.2
France	63.8	58.0	34.8	39.0	34.3	36.1
Germany Fed. Rep.	41.1	27.4	17.4	16.8	19.3	17.8
Greece	2.4	2.1	0.6	0.4	0.3	0.4
Ireland	5.4	5.4	2.7	1.4	2.4	2.2
Italy	34.6	24.0	19.3	11.4	11.8	14.2
Netherlands	9.1	5.9	1.9	3.6	3.4	3.0
United Kingdom	43.6	23.2	8.9	10.2	8.9	9.3
Other Western Europe	42.5	32.1	23.8	21.7	17.6	21.0
Austria	3.5	1.7	1.4	1.0	0.9	1.1
Finland	1.6	1.6	1.8	1.6	0.4	1.3
Iceland	0.3	0.2	0.2	0.2	0.2	0.2
Norway	1.0	0.5	0.5	0.3	0.2	0.3
Portugal	4.8	0.1	0.1	3.8	0.4	1.4
Spain	16.7	14.4	7.9	9.1	7.0	8.0
Sweden	5.3	3.8	3.8	3.8	4.1	3.9
Switzerland	2.1	1.4	0.2	0.3	0.4	0.3
Yugoslavia	7.2	8.4	7.9	1.6	4.0	4.5
Oceania	21.6	13.2	7.0	7.4	7.4	7.3
Australia	15.4	7.4	3.5	3.9	3.9	3.8
New Zealand	6.2	5.8	3.5	3.5	3.5	3.5
Other Developed Countries	28.7	21.7	16.2	16.0	16.2	16.1
Israel	1.5	0.5	0.2	0.2	0.2	0.2
Japan	21.2	13.3	7.7	7.9	8.2	7.9
South Africa	6.0	7.9	8.3	7.9	7.8	8.0
USSR and Eastern Europe	42.8	39.1	50.2	50.2	55.8	52.0
USSR	7.3	8.8	19.0	18.0	26.4	21.1
Eastern Europe	35.5	30.3	31.2	32.2	29.4	30.9
Albania	0.5	0.5	0.5	0.5	0.5	0.5
Bulgaria	-	-	0.4	0.4	0.4	0.4
Czechoslovakia	8.2	3.3	2.5	3.3	3.0	2.9
German Dem. Rep.	3.1	2.6	2.9	3.0	2.0	2.7
Hungary	6.3	2.9	0.2	1.7	1.5	1.1
Poland	15.5	19.0	23.1	21.2	20.3	21.5
Romania	1.9	2.0	1.6	2.1	1.7	1.8
DEVELOPING COUNTRIES	195.9	228.9	197.3	180.7	175.5	184.5
Importing countries (incl. China)	48.9	72.3	40.3	44.4	44.3	43.0
Producing countries (excl. China and South Africa)	147.0	156.6	157.0	136.3	131.2	141.5
TOTAL	766.2	645.0	485.1	448.6	464.5	466.0

Source: FAO document CCP: HF/CE 84/2

"World consumption of sisal in other cordage uses, such as ropes, packaging and other twines and core for steel ropes, which currently represent about 20 per cent of sisal utilization, is affected by a number of substitutes, with superior properties or technical advantages. Moreover, an overall reduction of the market due to the expanding use of containers and bulk transport is affecting the rope and twine sector in general... Sacks and bags are a traditional utilization of hard fibres in producing countries..."

(2) Abaca

"Demand for abaca in cordage, particularly marine and indutrial ropes, nets and cables, has continued to decline in recent years with intensified competition from a number of synthetic fibres. This contraction has, however, been partly offset by growing demand for abaca as a raw material for paper-making. In fact, pulp for speciality papers is now the main outlet for abaca in the major consuming countries, absorbing nearly two-thirds of world abaca output.

"Consumption of abaca continues to be concentrated in three countries, the United States, the United Kingdom and Japan, which together account for about 80 per cent of world abaca imports. In addition to raw fibre, Japan imports substantial quantities of dried abaca pulp from the Philippines due to stringent anti-pollution legislation and the United States has replaced domestic spinning of abaca with imports of cordage and yarn for rope-making from producing countries.

"While world demand for abaca is projected to return to 90,000 tons, the level of 1980, the outlook for international trade is for a decline of 6,000 tons during the decade, due to higher consumption in the producing countries. The decline will be more noticeable for manufactures as the expected increase in shipments of dried abaca pulp may not be sufficient to offset the expected decline in exports of ropes and cordage manufactured in producing countries."

(3) Coir

"World demand for coir fibre (brown) is largely concentrated in importing countries which absorb more than 70 per cent of fibre output. Though subject to fluctuations from year to year, its consumption, has moderately increased since the early seventies, reaching 126,000 tons in 1983. The demand for coir yarn on the contrary has tended downward to an estimated level of 125,000 tons in 1983.

"The market for floor coverings of coir has declined in developed countries where a large number of substitutes are available. The fall in demand after 1980, consequent to the general economic recession, forced some manufacturing plants in Europe to close down. The situation deteriorated further in 1984 and 1985 following the sharp reduction of yarn output in India and the consequent increase in prices to levels considered uncompetitive by the coir industry in importing countries... A recovery in the coir yarn manufacturing sector in Europe is expected assuming that supplies and prices return to normal. Consumption in other developed countries, on the contrary, particularly in the United States, where the demand is largely met by imported finished products, is expected to decline, thus offsetting the projected increase in Europe.

"A number of synthetic products have made considerable inroads in traditional coir markets. Synthetics are not only competing with coir on price, but also on technical properties and quality standards. Synthetic fibres and foams already have the advantage of being produced in more uniform lots, thus greatly reducing processing costs, and petrochemical companies make continuous efforts to improve technical characteristics and their consumer service."

SECTION III: Activities of other organizations

Several international organizations undertake work which is relevant and complementary to negotiations in the GATT on tropical products.

The Food and Agriculture Organization, UNCTAD and the International Trade Centre UNCTAD/GATT are all involved in activities relating to jute and hard fibres. Under United Nations auspices, UNCTAD is a major forum for international commodity action. Its principal achievements have been the Integrated Programme on Commodities (IPC), established as a result of resolution 93(IV) at UNCTAD IV and the Agreement on the Common Fund for Commodities. Designed to bring stability and strength to international commodities markets, it was concluded in 1980 but has not yet entered into force: although the required number (90) of countries have ratified the agreement, they do not account for the required two-thirds of the Fund's directly contributed capital.

Under UNCTAD's Integrated Programme on Commodities, the International Agreement on Jute and Jute Products 1982 established the International Jute Organization which came into existence in 1985. Representing basically the producers, this organization considers questions of stabilization of prices and supplies and has initiated a promotional campaign through the International Trade Centre to win back markets in developed countries. Jute market development projects have been aimed at enlarging the offtake of jute carpet backings, building-up the identity and image of jute textile wall coverings and establishing jute geotextile material as an ideal means for erosion control.[1] Also, the International Trade Centre has recently taken steps to implement a bilaterally funded product development and market promotion project for coir floor coverings in India.[2] In addition, the ITC provides technical services aimed to reduce costs and improve quality of production.

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[1] ITC/AG(XX)/106, Annual Report on the Activities of the International Trade Centre UNCTAD/GATT 1986; p.16.

[2] FAO, Hard Fibres: Supply, Demand and Trade Projections to 1990, CCP: HF 85/5; p.18.

The FAO Intergovernmental Group on Jute, Kenaf and Allied Fibres, whose membership includes countries accounting for 90 per cent of world exports and more than 50 per cent of world imports, has met regularly for over two decades to consider problems relating to production, demand, trade and prices; in the latter case it has established indicative prices. At its most recent meeting, the Twenty-Second Session, in December 1986, a study was submitted by the FAO Secretariat forecasting an increase in demand for jute until 1990 based on expanding consumption in developing countries, particularly the Near East markets, reflecting the packaging needs related to the increasing output of agricultural commodities.[1]

The FAO Intergovernmental Group on Hard Fibres proposed the setting-up of a trust fund for the implementation of R and D projects on coir and decided during its September 1985 session to establish a sub-group of sisal and henequen producing countries to hold consultations on matters of common interest related to the production, processing and marketing of sisal and henequen. A market support measure already in place is the use of indicative prices.

With respect to inter-governmental facilities to compensate for shortfalls in commodity export earnings, the IMF Compensatory Financing Facility, the STABEX programme for ACP countries and a forthcoming arrangement, COMPREX, for non-ACP least-developed countries are noteworthy as measures of financial transfers to stabilize export earnings, while the variety of development projects and financial arrangements to promote and diversify exports are numerous. In the case of jute and hard fibres, the STABEX programme includes raw sisal as an eligible product. The United Republic of Tanzania is the only significant ACP exporter.

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[1] FAO, Factors Affecting Demand for Jute and Kenaf Fibres in the Medium Term; CCP: JU 86/5; p.11.