

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

SGTP/7

2 July 1968

Limited Distribution

---

## Special Group on Trade in Tropical Products

### PROPOSALS BEFORE THE GROUP FOR CONSIDERATION

#### Note by the Secretariat

1. At the last meeting of the Special Group on Trade in Tropical Products, held on 17 January 1968, it was agreed that governments should be invited to submit proposals concerning the nature and scope of problems which should be dealt with in the Group. It was further agreed that, in the first instance, proposals should relate to the following products: tea, coffee, cocoa, bananas, vegetable seeds and oils and spices (cf. secretariat note W(68)3).
2. In response to this invitation, the Governments of Ceylon, Brazil and the United States have submitted proposals which have been circulated in documents SGTP/2, SGTP/3 and SGTP/4 respectively.
3. It will be seen that the proposals submitted by all the three Governments seek consideration by the Special Group of problems relating to tariff and non-tariff barriers, including fiscal charges, as well as problems relating to the existence of certain preferential arrangements. The Brazilian proposal envisages a two-stage approach to the question of tariff barriers: first, the securing of a standstill and then the discussion of ways of eliminating the tariff barriers that exist. It also suggests that non-tariff barriers should be identified and ways of eliminating them considered. The proposal submitted by the United States outlines studies that might be undertaken in order to permit gradual progress towards duty-free, non-discriminatory trade on selected tropical products after due consideration of all the interests involved. In the proposal submitted by Ceylon, instability of markets and competition from synthetics are mentioned as problems requiring consideration. While suggesting that these might be taken up by the Special Group, the proposal also stresses that, in drawing up its work programme, the Special Group should take due account of the work being done in other organizations.
4. To facilitate the task of the Group in examining the proposals, the secretariat has prepared a note setting out the present tariff and non-tariff regulations that apply in the principal importing markets to the six product groups selected for priority study, and recent movements in production, prices and the trade in these products (SGTP/5). The secretariat has also separately summarized recent policy discussions in other organizations that have a bearing on the tasks that the Group has been requested to undertake in terms of the proposals received from governments (SGTP/6).

./.

5. It might be added that, following the discussions at the last meeting of the Special Group, the secretariat has already taken in hand a review of the 1963 GATT Study on Trade in Tropical Products which contained a more systematic analysis of the process of price formation in the main markets for these commodities and of the pattern of international trade in tropical products as influenced by the existing import régimes. The discussions at the present meeting of the Group will, no doubt, serve to indicate the specific directions in which, having regard to the problems presented for consideration in the Group, the Study might be further developed.

récents mouvements de la production, des prix et du commerce de ces produits (SGTP/5). Le secrétariat a également résumé, dans un document distinct (SGTP/6), les discussions de principe qui ont eu lieu récemment au sein d'autres organisations et qui ont une incidence sur les travaux que le groupe est prié d'entreprendre conformément aux propositions présentées par les gouvernements.

5. On ajoutera qu'à la suite des débats de la dernière réunion du Groupe spécial, le secrétariat a déjà entrepris une révision de l'étude consacrée en 1963 par le GATT au commerce des produits tropicaux. Cette étude analysait de façon plus systématique la formation des prix de ces produits sur les principaux marchés et la structure du commerce international des produits tropicaux, considérée du point de vue de l'influence des régimes d'importation existants. Les débats de la présente réunion du Groupe permettront sans aucun doute de déterminer dans quelles directions précises l'étude pourrait être développée, compte tenu des problèmes soumis à l'examen du Groupe.