

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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## Special Group on Trade in Tropical Products

### RECENT MARKET DEVELOPMENTS AND ACTIVITIES IN OTHER INTERNATIONAL ORGANIZATIONS RELATING TO SELECTED TROPICAL PRODUCTS

Note by the Secretariat

#### Addendum

#### FAO Banana Study Group

1. The fourth session of the Study Group was held in Guadeloupe and Martinique during May 1971. Concern was expressed at the indications of a growing disequilibrium between supply and demand, with medium-term projections reflecting the prospect of an excess of supply over demand. While agreeing with the desirability of rationalizing the expansion of production to meet available import outlets, exporting countries emphasized the scope for increasing consumption. The need for developing the market potential of the socialist countries of Eastern Europe was stressed. With regard to access to markets the Group reaffirmed the consensus reached at its meeting in 1967 that customs duties and other restrictions affecting the banana trade, including import quotas, should be gradually abolished taking into account the special position of certain less-developed banana exporting countries and provided that these measures did not entail the risk of jeopardizing the position of certain producing countries. It was recommended that participating countries pursue these objectives in international fora including FAO, UNCTAD and GATT. Internal taxes should also be phased out.

2. The Study Group agreed to the setting up of a Standing Exporters' Group to consider how best to cope with situations of serious supply/demand imbalance and low prices and to develop recommendations on concerted action to be taken. It was agreed that the work of the Statistical Committee should be extended to cover all statistical matters both quantitative and economic and also to cover medium-range forecasts.

#### Natural rubber

3. At the July 1971 session of the UNCTAD Permanent Group on Synthetics and Substitutes, representatives of several developed market-economy countries and the spokesman for a group of such countries indicated that all improved forms of natural rubber were included in their preferential schemes and would enjoy zero duty. The representative of one developed country informed the Group of a decision taken by his government to abolish tariffs completely on certain categories of improved forms of natural rubber. The representative of one major importing country stated that her government proposed to introduce revised legislation to provide duty-free entry for improved forms of natural rubber.