

GENERAL AGREEMENT ON TARIFFS AND TRADE

Preparatory Committee

TROPICAL PRODUCTS

Note by the Secretariat

1. This note is issued under the responsibility of the secretariat and is intended to facilitate further discussion in the Preparatory Committee. It seeks to identify, in the light of the discussions recorded in PREP.COM(86)SR/2 and earlier discussions, the main points which would appear to be relevant should a decision be taken to negotiate further liberalization of trade in tropical products. The note is not intended to be a summary of the discussions. It in no way prejudices the views that delegations may have as to whether and how this matter might figure in the Preparatory Committee's recommendations to Ministers, nor should the listing of points for further discussion be regarded as exhaustive.

Main points emerging from the discussion

2. The view was expressed that tropical products should receive special treatment as a priority sector in negotiations. It was proposed that the negotiations should aim at the fullest possible liberalization of trade in tropical products in their primary, semi-processed and processed forms, and should cover action on tariffs, with particular attention to tariff escalation, as well as non-tariff measures, including internal taxes and levies. A widely held view was that the negotiations should not require reciprocity from developing countries. It was pointed out that the original commitment to liberalization of tropical products had been made as far back as the 1963 Action Programme. It was also suggested that before the launching of the new round it should be agreed that negotiations in this area be completed within a specified period of time, not dependent on the completion of negotiations in other areas. It was suggested that the results of negotiations in tropical products be implemented forthwith by developed countries and at the end of the negotiations as a whole by developing countries.

3. Another view was that it would be difficult to agree upon priority sectors since priorities differ among contracting parties. In regard to product coverage it was suggested that different negotiating procedures might need to be envisaged for different categories of products within this sector. The view was also expressed that negotiations on tropical products should be seen as an integral part of the negotiations from which all contracting parties should be able to derive benefits.

Points for further discussion

4. In the light of the discussion on tropical products, the Committee may wish to consider further the following questions:

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- i. What should the objectives of negotiations be in the field of trade in tropical products?
- ii. What would be the coverage of products for the purposes of negotiations in this area?
- iii. In addition to tariffs on primary, semi-processed and processed tropical products, what non-tariff measures should be covered in negotiations in this area? For example, should internal taxes and levies be included?
- iv. Could the negotiations on tropical products be concluded and results implemented before the completion of negotiations on other matters?
- v. How should the question of reciprocity be treated in this area of the negotiations?