

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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Preparatory Committee

PROBLEMS OF TRADE IN CERTAIN NATURAL RESOURCE 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/3 and earlier discussions, the main points which would appear to be relevant should a decision be taken to make recommendations specifically in regard to trade in certain natural resource 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. Under the 1982 Work Programme, a considerable amount of work was carried out on the product areas identified by Ministers. The reports on forestry products and fish and fisheries products adopted by the CONTRACTING PARTIES were circulated in documents MDF/23 and L/5895 respectively. The Working Party has also carried out an examination of problems in trade relating to copper, lead, zinc, nickel and tin. It is expected to examine trade in aluminium and to adopt its final report on non-ferrous metals and minerals in May of this year.

3. Support was generally expressed for trade liberalization in natural resource products in the context of the new round. As a general objective, the negotiations should aim at eliminating, or at least significantly reducing, tariffs and other distortions to international trade in these product areas and at the development of a more predictable trading and investment environment for resource-based and related industries. It was further suggested that specific objectives of these negotiations should include, inter alia, further tariff bindings, especially for semi-processed and processed goods; elimination of tariff escalation; phasing out of quantitative restrictions and related measures; extension of the coverage of GSP schemes.

4. It was stated that both past experience and the work carried out on natural resource products since 1982 would suggest that a sectoral approach in the negotiations might not be practical and that the goal of trade liberalization in this area could be pursued as an integral part of the overall negotiations. It was also stated that natural resource products were of great interest to a number of contracting parties and they should be given priority attention in the new round.

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5. Regarding fish and fisheries products, however, the view was expressed that international trade in these products faced a rather particular situation since other factors in addition to trade barriers, namely the question of access to fishing areas, were having an impact on fish trade. In this view, therefore, fisheries would need to be the subject of a special separate negotiation. On the other hand, the view was reiterated that future negotiations on trade liberalization for fish and fisheries products should only cover problems falling within the purview of the General Agreement.

Points for future discussion

6. In the light of the discussion on problems of trade in certain natural resource products, the following points would appear to warrant further consideration by the Committee:

(i) Can the problems identified in regard to trade in the different product groups be dealt with in the general framework of the negotiations, or is there a need for specific modalities in these sectors?

(ii) If negotiations on problems of trade in natural resource products were to be dealt with in more general negotiating contexts, or groups, would there be need for special monitoring or review procedures?