

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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GROUP 3(e) - WORK ON TASK 4

Suggestion by Turkish Delegation

In connexion with the study on tobacco to be undertaken under point 4. of document MTN/2, I have the honour to present some suggestions on behalf of my delegation concerning certain important aspects of production of and trade in this product. These suggestions are set forth below with a view to the preparation of more appropriate documentation covering in a general way the problems of tobacco-producing developing countries.

Considerations of a comparative nature

- Structures of tobacco farms, characterized by type of product, in developed and developing countries, and economic and social implications thereof.
 - Cost of labour and of other inputs in the various processes of tobacco cultivation (with a view to determining the cost price of various types of tobacco).
 - Productivity and yield per hectare of various types of tobacco.
 - Evolution of marketing prices and export prices of various types of tobacco over the past decade.
 - Share of various types of tobacco in the preparation of mixtures for the manufacture of cigarettes in developed countries, and application of the various relevant regulations in force.
- (Evolution, current trend and possibilities for increasing the share of tobacco imported from developing countries.)
- Current trend and policy applied to encourage imports of tobacco from developing countries.
 - Plans or possibilities for reducing various taxes and charges on tobacco imported from developing countries.

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- Possibilities for reducing various taxes and charges on cigarettes made with tobacco imported from developing countries, or possibilities for reducing taxes and charges exclusively on the share of tobacco from developing countries that is included in the mixture used for the manufacture of cigarettes.

- Intrinsic quality of various types of tobacco, with particular reference to nicotine content considered on the basis of its effects on human health.

Considerations concerning tariff and non-tariff barriers affecting trade in tobacco and cigarettes in developed countries

- Tariff barriers (customs duties and charges with equivalent effect).
- Taxes and charges of any kind and profit margins (including monopoly margins) incorporated in the sale price of cigarettes; various relevant regulations and the purposes thereof (financial, social, etc.).
- Existing quantitative restrictions that have a restrictive effect on imports.
- Preferential bilateral agreements.
- Aids granted by developed countries to production and export of tobacco.