

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

MTN/3F/W/20

4 October 1974

Limited Distribution

Multilateral Trade Negotiations

GROUP 3(f) TARIFF CLASSIFICATION - TROPICAL PRODUCTS

Note by the Secretariat

1. At the April meeting of Group 3(f), it was suggested that the secretariat might identify products of particular interest to developing countries where the question of separate tariff classification or sub-classification could be considered (MTN/3F/3, paragraph 8). Further at its July meeting, the Group gave some preliminary consideration to this question on the basis of a study concerning tropical fruit and fruit products and exchanged views on questions related to the possible use of separate classification and miscellaneous sub-tariff positions as a technique in negotiations on tropical products. Some members considered that it might be desirable to examine these issues in more detail before arriving at any conclusions relating to the use of these approaches in the trade negotiations as a means of achieving, where possible, duty-free access for items of interest to developing countries (MTN/6, page 24, paragraph 9).

2. In its report to the twenty-fourth session of the CONTRACTING PARTIES soon after the conclusion of the Kennedy Round, the Committee on Trade and Development indicated that one of the technical problems which had prevented certain developed countries from taking action on products of interest to developing countries during the Kennedy Round was that their tariff nomenclatures did not, in certain cases, differentiate between items produced in developed countries and those emanating from developing countries (L/2912). In this respect, it may be noted, however, that proposals for the use of separate tariff classifications were made by developing countries in the course of the Kennedy Round¹, and a limited number of tariff sub-headings were established by some developed countries in order to grant concessions for tropical wood, certain processed fruit, pre-tanned or semi-tanned leather, cotton fabrics of cottage industries etc., which appear in the Kennedy Round tariff schedules.

¹COM.TD/55 contains a summary of the proposals.

3. At the twenty-fourth session, the CONTRACTING PARTIES urged the developed countries to give early and sympathetic consideration to requests already made, or that may be made, by developing countries for the separate identification in their tariffs of products for which these countries were seeking, or may be seeking, further tariff concessions or duty-free entry (BISD, 15th Supplement, page 71). At its meetings during the period 1968-1971, the Committee on Trade and Development pursued this question and, among other things, noted the action taken by certain contracting parties in separately classifying products of interest to developing countries. Some members of the Committee expressed the view that this technique was relevant not only for action in the tariff field but also useful in relation to other commercial policy actions, such as the removal of import restrictions.

4. At the July 1974 meeting of Group 3(f) it was also suggested that although separate tariff classification was one technique which could be used for providing improved market access, it should be utilized only where it was not possible to reduce or eliminate duties applying to the whole tariff item or relevant tariff line.

5. Past discussions on this subject and observations made in background documentation prepared by the secretariat¹ as well as an additional study on the tariff classification of tropical fruits and fruit products provided in the Annex hereto suggest the following points, which would appear to be particularly relevant to the classification of such items as fruit and vegetables, tropical cut flowers including orchids, essential oils and certain vegetable oils.

- (a) The customs tariffs of some developed countries often show separately only the main lines of primary products exported by developing countries and in some cases do not separately identify items in which developing countries have a trade interest.² For example, the tropical varieties of certain commodities, whether in their raw or processed forms, are not always separately classified in the tariff schedules of importing countries and fall

¹MTN/3F/W/10 (tung, babassu, tobacco and citicica-nuts, seeds and oils), MTN/3F/W/12 (tropical fruit and fruit products), MTN/3F/W/14 (tropical cut flowers including orchids) and MTN/3F/W/15 (essential oils and resinoids).

²Governments using the Brussels Tariff Nomenclature under the Nomenclature Convention of the Customs Co-operation Council or otherwise are free to sub-divide the four-digit BTN headings where this is desirable to provide for special rates of duty for particular products falling under the headings.

within tariff positions or sub-positions covering miscellaneous products (e.g. "other fruits" or "fruits, not elsewhere specified"). These miscellaneous tariff positions sometimes cover non-tropical as well as tropical products and may sometimes carry higher duties than other items under the same heading or section.

- (b) Because sufficient statistical, technical and other information on tropical varieties of certain products is not always readily available, these items have not been separately identified in tariff schedules or have been only partially identified. Variations also occur in listings established by different developed countries.
- (c) There appears to be some difference in tariff classification at the level of BTN four-digit headings for some tropical items. For example, it has been found that with regard to papayas and cashew shell liquid, the BTN headings utilized by developed countries sometimes differ.
- (d) Certain tropical producing countries are supplying items including certain fruits, vegetables and flowers¹ to developed countries primarily during out-of-season production periods in these latter countries. However, one of the impediments to an increase of this seasonal trade appears to be generally the high tariff protection in developed countries.

6. Against this background and in the light of the necessary technical examination, it might be found feasible for the purpose of facilitating the granting of concessions in the negotiations:

- (a) to create separate tariff sub-positions as appropriate or necessary for the tropical varieties of certain commodities in their raw, semi-processed or processed forms;
- (b) to include tropical products at present subject to duties under miscellaneous or "other" headings carrying nil or lower rates of duty;
- (c) to provide through appropriate classification, for duty exemption in respect of seasonal periods during which the products in question do not compete with domestic production in the importing country.

¹That is, those which may be produced in both tropical and temperate zones or may be substitutable in end-use.

ANNEX

Separate Tariff Classification of Tropical Fruits
in Raw or Processed Form

1. In the structure of the Brussels Nomenclature, fresh or dried fruits (including nuts) are classified under ten headings¹ by different groups or varieties (e.g. citrus fruit and stone fruit) while fruits processed further are classified under nine other BTN headings² by type of processing (e.g. preserved by sugar) or form of end product (e.g. jams and juices) irrespective of different varieties of fruit used as the raw material. Although a group of important tropical fruits including bananas, pineapples, avocados, mangoes, guavas and mangosteens are separately classified under heading No. 08.01, other tropical fruits, which could be expected to fall under other headings covering fresh or dried fruits, have not been separately identified in either the description of these headings or in the Explanatory Notes thereof.
2. It may be noted that while a number of developed countries have already provided special concessions as a result of earlier negotiations and under the Generalized System of Preferences (GSP) for some tropical fruits under certain BTN headings covering processed fruit by creating separate sub-positions, there appears to remain scope for further action in this direction in the tropical fruit sector. For example, sub-positions either of a specific or miscellaneous character could be created, where considered appropriate, under BTN headings covering fresh or dried or processed fruit. In the case of countries which have not adopted the Brussels Nomenclature, there also appears to remain scope for action along these lines.
3. Listed below for purposes of illustration are different varieties of fruit notified or considered as "tropical" by some producing and importing countries as well as those separately classified in the tariffs of some importing countries. To facilitate the identification of tropical fruits, which are often known under various names, both the Latin and common names are shown on the basis of information available at the secretariat.

¹ BTN 08.01-08.09 and 08.12

² BTN 08.10, 08.11, 08.13, 20.01 and 20.03-20.07

Fruits Notified or Considered as
"Tropical" by Some Producing and/or Importing Countries

Explanatory Notes

Symbols used in "Reference" column

- ASEAN = Fruits notified by ASEAN group of countries
- India = Fruits notified by India
- KR = Fruits included in the indicative list of tropical items in the Kennedy Round
- ALA, ATA = Tropical fruits separately classified within certain BTN headings covering processed fruit for the purpose of the GSP schemes of Australia and Austria respectively under a sub-position "fruits falling within BTN 08.01"
- EEC = Tropical fruits separately classified under certain BTN headings covering processed fruit for the purpose of the GSP scheme of the EEC
- Japan = Tropical fruits specified under certain tariff headings covering processed fruit for the purpose of the GSP scheme of Japan
- Nordics = Fruits considered as tropical under certain tariff headings covering processed fruit for the purpose of the GSP schemes of Finland, Norway and Sweden
- Swiss = Fruits considered as tropical under certain tariff headings covering processed fruit in the Swiss tariff
- US = Tropical fruits separately classified in the tariff of the United States
- ITC = Fruits stated to be tropical in an ITC publication "The Market for Selected Exotic Fruit Products"

Notes

1. This list of tropical fruits (not including nuts) is illustrative only and is not intended to be exhaustive. Tropical fruits identified in respect of importing countries are those specified under tariff headings covering processed fruit. The number of such tariff headings having sub-positions covering tropical fruits varies from country to country.
2. Only a limited number of tropical fruits are separately identified under tariff headings covering processed fruit in the tariffs of developed countries not referred to on page 5.
3. This list does not include ginger (BTN 09.10, when not processed) and angelica stems (BTN 12.08, when not processed) which are considered as tropical in the GSP schemes of several developed countries under BTN 20.04 and 20.06, which cover certain preserved fruit together with preserved parts of plants.
4. "Kehapi, jambosa, diambo-kaget and dookoo kokosan" specified in the GSP scheme of Japan are not included in this list due to lack of information.

Latin name	Common name	BTN heading ¹	Reference ²
Achras sapota, zapota, Manilkara achras	Sapodilla, Dilly, Chiku, Naseberry, Chico, Nispero	08.01	ASEAN, India, US
Anacardium occidentale	Cashew apple, Jambu monyet, Pajuil, Maranon		Nordics, US
Ananas comosus	Pineapple		KR, ALA, ATA, EEC, US
Annona cherimolia	Cherimoya		Japan
Annona muricata	Soursop, Bengal durian, Mecca durian, Dutch durian, Dutch jackfruit, Guanabana		Japan, US
Annona reticulata	Bullock's heart, Corazon		Japan
Annona squamosa, A. Asiatica, A. Cinerea, A. forskahlti	Sweetsop Sugar apple		Japan, US
Artocarpus champeden	Champedak, Champedar		Japan
Artocarpus communis, A. Altilis	Breadfruit, Pana		Japan
Artocarpus integra, A. heterophyllus	Jackfruit, Jaca		Japan, ITC
Asimina triloba	Papaw		Japan
Averrhoa bilimbi	Bilimbi, Grosella china, Blimbe, Cucumber tree		Japan

¹BTN numbers have been shown only for fruits specified in the description for No. 08.01. See Annex paragraph 1 above.

²This column is generally intended to indicate countries which have separately identified tropical fruits as a group or individually in their tariffs either for the purpose of the GSP or otherwise. In certain cases products identified by the ITC are also shown. For further details see Explanatory Notes above.

Latin name	Common name	BTN heading	Reference
Calocarpum mammosum, C. sapota, Lucuma mammosa, L. sapota	Sapote, Mamey sapote, Marmalade fruit, Chico-mamey		Japan
Carica papaya	Papaya, Pawpaw Chiluachan		EEC, Japan, Nordics, Swiss, US, ITC
Chrysophyllum cainito	Cainito, Star-apple		ASEAN
Durio zibenthus	Durian		Japan
Eriobotrya Japonica, Mesphilus J., Photina J.	Loquat, Pi-pa, Nispero Japanese medlar, Bibace		ITC
Eugenia Jambos, Caryophyllus J., J. vulgaris	Jambos, Rose apple, Malabar plum, Jambosa		Japan
Garcinia mangostana	Mangosteen	08.01	ASEAN, ALA, ATA, EEC, Japan, Nordics, Swiss, ITC
Lansium domesticum	Langsat, Ayer-ayer, Duku, Lanzone, Lanseh		ASEAN
Litchi chinensis, Nephelium L., Scytalia chinensis, Dimocarpus Litchi	Litchi, Chinese cherry, Lychee		Japan, Nordics, ITC
Malpighia glabra, M. punicifolia	Acerola, Barbados cherry, West Indian cherry		ITC
Mangifera Indica	Mango	08.01	KR, India, ALA, ATA, Japan, Nordics, Swiss, US, ITC
Morus nigra	Black mulberry		India
Musa	Banana	08.01	KR, ALA, ATA, EEC, US

Latin name	Common name	BTN heading	Reference
Nephelium lappaceum	Rambutan		Japan
Nephelium longnana, Euphoria L., Dimcarpus Longnan	Lungnan, Dragon's eye, Longans		ITC
Passiflora edulis	Passion-fruit, Purple granadilla		Japan, ITC
Persea Americana P. gratissima	Avocado, Avocado pear, Alligator pear, Calavos	08.01	ASEAN, ALA, ATA, EEC, Japan, Swiss, Nordics, US
Phoenix dactylifera	Date	08.01	ALA, ATA, EEC, US
Phyllanthus emblica, Ph. Mimosaeifolius, Emblica officianlis, Dichelantime nudicaulis	Emblic, Amla, Ceylon gooseberry, Aonla, Myorolan, Nelli, Indian gooseberry	08.01	India
Psidium guajava	Guava, Jambu	08.01	KR, ALA, ATA, EEC, Japan, Nordics, Swiss, US, ITC
Solanum quitoense	Naranjilla, Lulo, Quito orange, Tomato fruit		ITC
Tamarindus indica	Tamarind		EEC, Nordics, US, ITC