

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Special Distribution

Multilateral Trade Negotiations

Group "Tropical Products"

ACTIONS IN OTHER ORGANIZATIONS RELEVANT TO THE ACTIVITIES OF THE GROUP

Note by the Secretariat

1. In connexion with paragraph 2(iv) of the guidelines for the organization of negotiations on tropical products, a summary of recent developments in other organizations concerning certain matters of interest to the Group is contained in the following paragraphs.

UNCTAD

2. At its meeting in February 1975, the UNCTAD Committee on Commodities, inter alia, assessed the results of the intensive ad hoc intergovernmental consultations on commodities and addressed itself to proposals for an integrated programme for commodities. In connexion with its future work, the Committee called for the further elaboration of this programme by the secretariat. The Committee also discussed matters related to access to markets and pricing policy, marketing and distribution systems, diversification and synthetics and substitutes.

International Cocoa Agreement

3. The International Cocoa Agreement which was concluded in October 1972 and entered into force in June 1973 is due to expire on 30 September 1976. The Cocoa Council decided at its meeting in March 1975 that the Agreement should be renegotiated and that there should be a renegotiating conference under the auspices of UNCTAD in September/October 1975. In preparation for such a conference, the Council has established a Preparatory Committee to prepare a draft of a Second International Cocoa Agreement. Points being examined by the Committee include, inter alia, the following: supply (setting of quotas, basic quotas, annual export quotas, compliance with quotas); guarantee of supply (buffer stock, purchases and sales by buffer stock, redistribution of shortfalls); prices (level of prices, indicator price system); production and stock policies; and expansion of consumption.

International Coffee Agreement

4. At its twenty-fifth session in September 1974, the International Coffee Council adopted a resolution providing for the continuation of the International Coffee Agreement 1968 as extended until 30 September 1976. A working group on the negotiation of a new agreement was established for the purpose of submitting a draft text of a new Agreement to the Council for consideration in June 1975. The Working Group met in April 1975 to discuss a number of proposals in the context of the draft text including, inter alia, allocation of export quotas, a mechanism for controlling the supply of coffee, a control system for stocks and a minimum price. Procedures to be followed in respect of the negotiation of a new International Coffee Agreement will be considered at the twenty-sixth session of the International Coffee Council 24 June - 11 July 1975. In addition to consideration of the objectives of a new International Coffee Agreement, the following points are expected, inter alia, to be considered: regulation of supply (setting of quotas, quota markets, controls); guarantee of supply (suspension and reintroduction of quotas, stock policy, redistribution of shortfalls); share of the market among exporting members (distribution of annual and quarterly export entitlements, duration of basic quotas, criteria for establishing the shares of exporting members and non-members); prices (level and review of prices, indicator price system, effect on supply, retail prices in consuming countries); production policy; and promotion.

FAOOilseeds, oils and fats

5. At the March 1975 meeting of the Inter-Governmental Group on Oilseeds, Oils and Fats, consideration was given, inter alia, to the short-term outlook and international policy action for this group of commodities as well as to certain medium and long-term issues. As regards medium and long-term trade problems, the need for taking effective and early action to ensure price stability and to improve market access was particularly stressed by delegations.

Bananas

6. The Inter-Governmental Group on Bananas met during the period 29 April-3 May. Among other things, the Group decided to establish a Working Party to try and develop a mechanism to improve the position of the world banana economy. Emphasis was also given by some delegations to the need for a substantial improvement in access to markets for bananas.

Jute, kenaf and allied fibres

7. The tenth session of the Inter-Governmental Group on Jute, Kenaf and Allied Fibres took place on 21 - 23 May 1975. Despite the failure to agree on an

indicative price range, the Inter-Governmental Group emphasized that the objectives of the informal arrangements remained valid. It was expected that the Jute International Centre for Research, Product Development and Production will be formally established before the end of this year.

Hard fibres

8. The ninth session of the Inter-Governmental Group on Hard Fibres which deals with sisal, henequen, coir fibre, yarn and coir products and abaca will take place on 30 June - 4 July 1975. In the context of the informal arrangements for sisal and henequen, the Group is expected, inter alia, to re-examine the situation with regard to the understanding on export quotas for fibre and cordage and the indicative target price for 1975.