

GENERAL AGREEMENT ON TARIFFS AND TRADE

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Multilateral Trade Negotiations
Group "Tropical Products"

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STATEMENT MADE BY THE REPRESENTATIVE OF MALAYSIA ON
BEHALF OF THE ASEAN COUNTRIES AT THE MEETING OF
THE GROUP "TROPICAL PRODUCTS" ON 30 JUNE 1976

The delegations of the ASEAN member Governments, Indonesia, the Philippines, Singapore, Thailand and Malaysia, have had the opportunity, over the last two months, of conducting a preliminary examination of the initial offer lists that they had received from the developed countries. We must, at the outset, confess that we have found these offers to be generally disappointing, particularly those coming from countries whose markets are of the utmost importance for our exports. This feeling of disappointment arises both from the scope and content of the offers and the conditions attached to their implementation. We have found little cause for encouragement in the offers of those developed countries to which ASEAN countries badly need improved terms of access. In the case of one developed country, which is a logical and relatively close market for our exports of tropical products, the majority of our requests, some of which are important trade items, met with no response. No tariff reduction, for example, was offered in regard to certain items where tariff rates exceed 100 per cent ad valorem. In other cases, offers involved only minor reductions in GSP rates, or m.f.n. rates, sometimes even to an astonishing cut of only 1.5 to 2.5 percentage points.

In general, the offers of developed countries were made in response to a small proportion of our requests. However, we should like to thank the delegations of some developed countries which made commendable efforts in this regard. Other developed countries have been less than generous and confined their offers to products within GGN chapters 1-24. We believe that this exercise should cover all tropical products within GGN chapters 1-99.

For a large number of items, notably semi-processed products, our requests for duty-free entry on an m.f.n. basis were met by a GSP reduction substantially short of duty elimination, and these on items where GSP has not previously applied. Although we welcome any improvement in the terms governing access, we see no real justification for a preference for GSP over m.f.n. reductions in this sector unless the developed countries' intention is to avoid giving binding commitments so as to retain for themselves the freedom to reimpose the tariffs on semi-processed and processed tropical products.

Again, the offers in regard to non-tariff measures have been extremely limited in scope as well as being vague as to the degree of commitment that will be undertaken. In this regard the Tokyo Declaration envisages concessions on tropical products not only on tariffs but also on non-tariff measures.

In order that we may better assess the offers made to the ASEAN countries we would need some clarification on the question of "bindings". Whether or not the question of binding GSP rates is premature for discussion in this Group, the binding of m.f.n. reductions, which, we may point out, constituted the majority of our requests, should be in no doubt. We note that one developed country has indicated that it "will consider the question of binding at a later stage". We assume, and we hope all doubts will be removed at this meeting, that the m.f.n. concessions made will be bound and included in the respective GATT schedules; otherwise it would not be possible for us to determine their face value. Whilst on the subject of bindings, we must say that we cannot see any compelling reason why duty-free rates on tropical products should remain unbound, especially when the provisions of Article XXXVII of the General Agreement are borne in mind.

This brings us to the question of reciprocity. We have already indicated that in most respects the response to our requests have been inadequate. This gives rise to the question of how do we go about obtaining improvements in these offers. The answer, in the view of one delegation, is to provide what it referred to as "specific contributions", in other words, reciprocal concessions.

At this point in the negotiations it should not be necessary for us to reiterate again paragraph 5 of the Tokyo Declaration, or paragraph 3(f) for that matter. The ASEAN countries, and developing countries in general, have clearly stated their intention to make a contribution to the overall result of the MTN. However, this contribution can only be considered when the objectives and commitments of the Tokyo Declaration in their favour have been adequately fulfilled and when they are convinced that they have secured additional benefits from the negotiations. It is disconcerting that some developed countries choose to ignore the non-reciprocity provisions of the Tokyo Declaration in the particular case of tropical products, an area of special and vital interest to developing countries, and in particular to the ASEAN countries, and where the Trade Negotiations Committee expects agreement on concrete results by the end of this calendar year. It is therefore all the more distressing to see that one developed country has gone so far as to accompany its offer lists to developing countries with its own request lists, thereby attempting to seek reciprocity even at this stage of the negotiations.

You will recall that the guidelines set for this Group in MTN/TP/1 have not envisaged any submission of requests by developed countries, or counter-offers by developing countries.

We do not wish to over dramatize this problem because most developed countries have made no explicit reference to reciprocity. The practical question, however, remains. What steps should we take and what procedures should the Group devise, in order to obtain improvements in these offer lists.

In 1962, fourteen years ago, in the context of the so-called Action Programme of the GATT, the developing contracting parties to GATT requested that developed countries grant duty-free entry to tropical products by 31 December 1963; and the urgency of this matter was generally recognized at the time. The target date has been put off but the objective remains. We simply cannot accept that thirteen years later developing countries should be asked to accept much less and to be content with it.

In order to further our work, we would like to propose the following procedure for this Group. Pursuant to the introductory paragraph of Article XXXVII of the GATT, developed countries are exempted from their commitment to reduce and eliminate barriers to products of interest to developing countries when "compelling reasons ... make it impossible". In this special and priority area of tropical products, we believe that such compelling reasons should be demonstrated, and suggest that our next meeting be devoted to an examination of these reasons, and to exploring possibilities for improvements to these offers in a multilateral context. We could then discuss the compelling reasons which made it impossible for developed countries to comply with our requests. In the meantime we might devote our energy to exploring these problems in depth through bilateral and plurilateral consultations. In the view of the ASEAN delegations, this procedure appears to provide the only hope for achieving improvements in the tropical products offers and preserving the multilateral character of the negotiations in this special and priority area.