

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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MTN.GNG/NG6/2

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Group of Negotiations on Goods (GATT)
Negotiating Group on Tropical Products

NEGOTIATING GROUP ON TROPICAL PRODUCTS

Meeting of 11 May 1987

Note by the Secretariat

1. The Negotiating Group on Tropical Products held its second meeting on 11 May 1987.
2. The agenda, set out in GATT/AIR/2410, dated 16 April 1987, was adopted.

Agenda item A: Compilation of background material for negotiations

3. The Group had before it a draft note by the secretariat on tropical beverages (coffee, tea and cocoa) providing a sample of the background material for specific products or product groups, which would be prepared by the secretariat for negotiations on tropical products (document MTN.GNG/NG6/W/2 and Add.1).
4. Many delegations stated that they found the documentation on tropical beverages useful for the preparation of negotiations although detailed response to the information provided would have to be deferred until there had been sufficient time to study the material. One delegation said that recent significant liberalization of trade measures by his government was not reflected in the document. Delegations looked forward to the completion of the documentation on the other six product groups within the next few months. A proposal was made by a group of participants, and supported by some others, that synoptic tables on current commercial policy, as well as the classification of tropical products according to the Harmonized System, be circulated in advance of final documentation. Another delegate suggested that the phenomenon of tariff escalation could be more explicitly presented. The representative of a group of countries requested that a survey of consumption be included in the background material; another delegate questioned the relevance to negotiations of a survey of consumption which could be influenced by a number of non-trade related factors.
5. Several delegations reiterated their views that the documentation be expanded to cover trade measures maintained by all countries with a significant involvement in trade in tropical products. To some of these delegations a broader view of the trade situation was essential for conducting proper negotiations. It was pointed out that trade among

developing countries was assuming greater importance and that countries not presently covered by the documentation were significant importers of some tropical products. Reference was also made to increased transparency - in tropical products as well as other areas - which would result from broadening of the data base. Another view expressed was that improvement of access to all markets was in accordance with the objective of fullest liberalization and that greater participation in the negotiating process was desirable.

6. Other delegations emphasized that the question of a more comprehensive data base should not hamper or delay the updating of documentation currently in progress or the start of the negotiations. Several representatives stressed that the documentation should reflect the special importance of trade in tropical products to developing countries. It was also emphasized that negotiations in this area should be based on the principle of non-reciprocity as specified in Section B of the Ministerial Declaration. A further view was that negotiations involve "give and take", but this did not imply a balance of concessions.

7. In concluding the discussion, the Chairman suggested that further informal consultations be held on the question of the broadening of the data base and that the Group would revert to this matter at its next meeting. In the meantime, the secretariat would continue to update the documentation prepared for the 1982/84 consultations. The Group agreed with these suggestions.

Agenda item B: Submission of initial proposals and other inputs by participants aimed at achieving the agreed objectives of negotiations in this area

8. Several delegations reaffirmed their preference for multilateral approaches in negotiations. The representative of a group of countries recalled that the proposal made by ASEAN countries in the Committee on Trade and Development concerning the alignment of the customs duties on tropical products in developed countries to the lowest level of duty prevailing in these countries was still on the table. This representative suggested that in the light of that proposal the following steps could be envisaged: submission by participants of lists of specific tropical products of export interest to them; compilation of the lists by the secretariat and classification of products according to the seven product groups selected for the 1982/84 consultations; examination by the Group, on the basis of work done by the secretariat including preparation of synoptic tables on the current commercial policy on each of the seven product groups, of the height, spread and concentration of tariff rates applied to these products; this examination would be carried out on a product-by-product basis and would include non-tariff measures. Some delegations supported the ASEAN proposal and expressed interest in the suggestions made. It was noted that the ASEAN proposal seemed to relate mainly to tariffs and that it was equally important to deal with non-tariff measures. The view was also expressed that in assessing the merits of

possible multilateral approaches the most important criterion should be the results which could be obtained in terms of fullest liberalization. Another view expressed was that multilateral techniques and modalities did not imply multilateral application by all participants.

9. A number of delegations restated the view that the traditional request and offer procedure seemed to be the most appropriate for this area of negotiations and could produce the most significant results. The view was also expressed that negotiations should be engaged among all participating countries. Some delegations felt that requests could be submitted in the second half of 1987 so that negotiations could proceed as early as possible in 1988 as stipulated by the Negotiating Plan.

10. Some delegations said that the request and offer procedure did not seem to be incompatible with multilateral approaches and that they might be used together. In this respect it was suggested that there should be recourse to request and offer procedures when the application of multilateral approaches would not achieve the fullest liberalization.

11. One delegation speaking on behalf of a group of countries said that a procedure which would lend itself to fruitful negotiations in this area of special attention would be one of offers and negotiations. This approach should be fully multilateral. Concomitant offers should come from all important trading partners. Under such an approach, the request and offer procedure might have a place, but only a secondary one. This delegation expressed the intention to revert to the matter after completion of internal preparations which were moving forward with some intensity.

12. The Group took note of the statements and comments made by delegations under this item of the agenda. Delegations were invited to submit written proposals for the next meeting of the Group.

Agenda item C: Observer organizations

13. The Chairman recalled that on 14 April the Group of Negotiations on Goods decided in principle to invite, for the initial phase, the executive heads of the United Nations Secretariat, UNCTAD, the IMF and the World Bank to be represented at its meetings and that each of the fourteen Negotiating Groups would consider the question of inviting to their meetings, as appropriate, international organizations which could assist them in the pursuit of their tasks. Recommendations made by the Negotiating Groups to this effect would be submitted to the Group of Negotiations on Goods.

14. The Group agreed to recommend to the Group of Negotiations on Goods that the FAO should be accorded observer status in the Negotiating Group on Tropical Products. The requests for observer status made by the United Nations Secretariat, UNCTAD, the IMF and the World Bank would be considered at a later stage. During the discussions on this agenda item, one delegation made suggestions with regard to guidelines for observers in the

Negotiating Groups (document MTN.GNG/NG6/W/3). Some delegations felt that the idea of establishing such guidelines deserved further consideration. Delegations were invited to submit, by the next meeting of the Group, suggestions for guidelines for observers.

Agenda item D: Other business, including arrangements for the next meeting of the negotiating group

15. It was agreed that the next meeting of the Group would take place in July. In this respect, the dates of 8-9 or 13-14 July have been suggested. The Group agreed that the date of the next meeting would be established after consultations, at the time of the next meeting of the Group of Negotiations on Goods.