

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

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Negotiating Group on Tropical Products

**TROPICAL PRODUCTS: BACKGROUND MATERIAL FOR NEGOTIATIONS**

**Tropical Roots, Rice and Tobacco**

**Draft Note by the Secretariat**

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<sup>1</sup> To be issued as Add.1. to this document.

### Introduction

1. At the first meeting of the Negotiating Group on Tropical Products held on 26 February 1987, there was a general agreement that the work in the initial phase should start on the basis of the seven product groups selected for the purpose of the consultations on tropical products held in the Committee on Trade and Development in 1982-84, in the understanding that this would not constitute a definition of tropical products nor an exhaustive listing and that other products might be included as negotiations proceed. As a first step in compiling background material for negotiations, the Group agreed that the secretariat should be invited to update and revise the background documentation prepared for the 1982-84 consultations including, as appropriate, data on the new Harmonized System of tariffs, so as to provide the Group with a summary of current trade flows and the tariff and non-tariff measures relating to the seven individual product groups covered by the consultations.

2. This document provides background material for negotiations with respect to one of the seven product groups covered by the 1982-84 consultations - tropical roots, rice and tobacco. This document covers the eleven developed country markets as in the background documentation prepared for the consultations. As far as this product group is concerned, any additional information that the Group might wish to have included as background material will be circulated as addenda to this document.

3. The first three sections of this document cover tropical roots, rice and tobacco, respectively. Section IV documents the activities of international organizations relevant to these three product sub-groups. Each of the first three sections includes product information and, under the heading "the commercial policy situation", tables which show tariff rates (MFN and GSP) according to the new Harmonized System classifications, an overview of the tariff situation, tables which show notified non-tariff measures, and details of non-tariff measures. Each of these sections also provides data on trade flows and consumption.

4. With respect to the eleven markets referred to above, the Annex to this document provides tariff and trade flow data extracted from the 1984 Tariff Study files. These data are presented according to tariff classifications used before the adoption of the Harmonized System. With respect to pre-HS tariff items covered by the Annex, the secretariat has added corresponding new HS-based tariff item numbers and tariff rates on a provisional basis. It is expected that these data will help identify broadly, if not precisely, major suppliers and the amount of trade involved with respect to the new HS-based tariff items.<sup>1</sup> The data provided for negotiations for the adoption of the Harmonized System might also be useful in certain cases.

#### SECTION I: Tropical roots and tubers

##### A. Product information

5. This section covers manioc (cassava), fresh or dried, falling within HS Code No. 0714.10 and other tropical roots and tubers (e.g. arrowroot, salep, yam, taro/cocoyam, dasheen and yanutia), fresh or dried and sago pith falling within No. 0714.90. These HS numbers include chips and pellets<sup>2</sup> (manioc is traded mainly in these forms). This section also covers such processed products as flour and meal of sago, roots or tubers of heading No. 0714 (1106.20), manioc starch (1108.14) and

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<sup>1</sup> A number of participants in the Uruguay Round, including developed countries, will adopt new tariff schedules based on the Harmonized System effective 1 January 1988. The United States and Canada will adopt an internationally standardized tariff nomenclature for the first time. However, it may be noted that import data according to HS-based tariff items will not be available before 1989 or 1990. Thus, there is no other choice but to use the latest available import data for 1984, which are presented in the Annex according to pre-HS tariff classifications, i.e. CCCN, TSUS or CTS.

<sup>2</sup> Chips are made by slicing the tubers and then drying them, usually in the sun. Manioc pellets are produced either by compressing dried chips or by the addition of a binder (e.g. molasses, concentrated sulphite lyes, etc.), the proportion of binder added generally not being more than 3 per cent by weight. According to an ITC publication "Cassava", Geneva 1977, any increase above 3 per cent by weight in the binding agent would result in manioc being reclassified as a compound product in the EEC market and thus subject to a higher import levy. The study indicates that the 3 per cent maximum requirement has created problems in pellet manufacture.

tapioca (1903.00).<sup>1</sup> It may be noted that under the Harmonized System, these tropical root products have been separately identified from other similar products.

6. Among various tropical roots and tubers, manioc is predominant in international trade. Manioc is grown in most tropical countries, but the bulk of manioc production goes into domestic consumption, primarily as a food item and to a lesser extent as animal feed, for starch production and for conversion into alcohol, the latter mainly in Brazil. Only about 5-6 per cent of world manioc production enters into international trade. Manioc became an important trade item when animal feed producers in certain developed countries started to import manioc as a substitute for cereals whose domestic prices had increased as a result of protective agricultural policies. Such substitutes, whose trade expanded, include notably, corn gluten, i.e. residues from the manufacture of maize starch (HS Code No. 2303.10).

B. The commercial policy situation

(a) Tariffs

7. Table 1 shows the tariff rates (MFN and GSP) of eleven developed country markets. The MFN rates indicated in this table are new rates based on the Harmonized System which will take effect on 1 January 1988. The GSP rates should also be those which will take effect on 1 January 1988, but where this information is not available those in force in 1987 have provisionally been given. Tariff data in the tables are presented in a way to show the tariff escalation as clearly as possible. Tariff rates other than MFN and GSP rates are given in the Annex to this document.

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<sup>1</sup> Manioc meal is made by finely grinding the dried chips. More recently, machines have been developed for cutting the fresh roots into manioc cubes. A further manufacturing process results in the extraction of starch. Manioc starch can be processed to form seeds, pearls and flakes, i.e. the so-called "grocery" tapioca products, for human consumption.

8. With respect to fresh or dried manioc including chips and pellets, Canada, Austria, Finland, Norway, Australia and New Zealand provide developing countries duty-free treatment on an m.f.n. basis or under the GSP.<sup>1</sup> Switzerland applies a low specific duty (0.4 per cent in ad valorem incidence - see Annex 1).

9. In Japan, imports of manioc and manioc flour and meal for feeding purposes are granted MFN duty-free treatment (bound). In recent years these imports started to increase. Suppliers of these products on the Japanese market compete for a market share with the suppliers of other feeding stuffs. Other imports into Japan are dutiable at 15-25 per cent. In the United States, manioc imports are dutiable at 25 per cent. In Sweden manioc imports are subject to variable levies.

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<sup>1</sup> The expression "provide developing countries duty-free treatment" is used in this document to provide a succinct picture of the tariff situation affecting exports from developing countries. Details of such treatment, i.e., whether "duty-free" is on an MFN basis, bound or unbound, or under the GSP, are shown in tables.

Symbols used in the tables

\* = MFN tariff reductions and GSP improvements after the 1982-84 consultations on tropical products (to the extent that information is available at the secretariat)

MFN rate

B = MFN rate fully bound  
P = MFN rate partially bound  
U = MFN rate not bound  
A = MFN rate applied actually on a temporary basis or otherwise

Examples: (a) 0%B,) Two bound rates at zero and 10 per cent apply on 10%B ) the HS item  
(b) 10%B ) MFN rate is bound at 10 per cent, but a rate of 8%A ) 8 per cent is actually applied on the HS item.

GSP rate

blank space = no GSP treatment for MFN duty-free item  
- = no GSP treatment for MFN dutiable item  
(...%) = GSP rate whose application is subject to quantitative limitations (i.e. ceiling or quota)

Notes: 1. Information on country limitations for the GSP application is given in footnotes.  
2. Tariff rates other than MFN and GSP rates are available in Add.1 to this document.  
3. "No GSP treatment" includes the cases where the GSP rate, though it remains on domestic legislation or regulation, no longer maintains preferential margin as a result of the reduction of relevant MFN rate to or below the GSP rate.  
4. Unless otherwise qualified, a single GSP rate indicated against two or more MFN rates means that all indicated dutiable MFN rates have been covered by the GSP rate indicated.

Table 1

Tropical Roots and Tubers

In Austria imports are subject to a levy (see "notified non-tariff measures")

H.S. Code No. (CCCN)	Harmonized commodity description	United States	Canada	Japan	EEC	Austria	Finland	Norway	Sweden	Switzerland	Australia	New Zealand
0714.10 (0706)	Manioc (Cassava), fresh or dried	MFN 25%B (13797)	0%B	0%B <sup>3</sup> 15%U <sup>4</sup> 25%U <sup>4</sup>	Tariff quota	0%U	0%B	NOK 0.18/kg.B	Import levy	Sw F 0.0075/kg.P	2%U	0%B
		GSP -		-	-			0%	-	-	0%	
0714.90 (0706)	Arrowroot, salep, etc. fresh or dried	MFN 1/	0%B, 5%B, 10%B	15%U	6%B	0%U	0%B <sup>6</sup> 8%B <sup>7</sup> 18%B <sup>7</sup>	NOK 0.1/kg.B	0%U <sup>9</sup>	Sw F 0.0075/kg.P	2%U	0%B
		GSP 1/		-	-		0% <sup>7</sup>	0%	-	-	0%	
1106.20 (1104)	Flour and meal of sago, roots or tubers of No.0714	MFN 0%B (13235)	1.65¢ kg.B of sago, manioc	0%B, <sup>3</sup> 25%U	Import levy	10%U S 0.8/kg.U	1%U	NOK 0.2/kg.B	Import levy	Sw F 0.05/kg.U	10%U	0%B
		GSP		-	-	-	-	ex0% <sup>8</sup>	-	-	5%	
1108.14 (1108)	Manioc starch	MFN 0%B (13235)	1.65¢ kg.B	25%U	Import levy	S 1.4/kg.U	10%U	NOK 0.64/kg.U	Import levy	Sw F 0.1/kg.U	10%U	30%U
		GSP		-	-	-	-	-	-	Sw F 0.05/kg.	5%	24%
1903.00 (1904)	Tapioca and substitutes therefor	MFN 0%B <sup>2</sup> (13235), 1.2¢/kg.B (13250) (13255)	0%B	16%A* 10%+ variable component B	25%U	13%U	NOK 0.6/kg.U	Import levy	Sw F 0.025/kg.p	0%B	2%U <sup>10</sup>	
		GSP -		-	2%+ variable component <sup>5</sup>	-	-	-	-	0%	0%	

<sup>1</sup>Fresh dasheens 5%B, GSP 0%; fresh yams 10%B, GSP 0%; fresh, other 25%B, no GSP; not fresh, in the form of pellets 0%B; not fresh, other 13%B, GSP 0%.

<sup>2</sup>Of arrowroot, manioc or sago

<sup>3</sup>For feeding purposes (under customs surveillance).

<sup>4</sup>Pellets of flour and meal.

<sup>5</sup>GSP not applicable to substitutes obtained from potato or other starches.

<sup>6</sup>Arrowroot

<sup>7</sup>Jerusalem artichokes

<sup>8</sup>The GSP rate does not apply to flour and meal of sago pith, manioc, arrowroot and salep.

<sup>9</sup>Arrowroot is subject to variable levy.

<sup>10</sup>Bound at \$0.0137/kg.

10. The EEC bound at 6 per cent its MFN duty on manioc and certain other similar roots and tubers (CCCN 0706A, HS 0714.10 and 90) as a result of negotiations with Brazil. However, following a temporary suspension of this tariff binding, which was negotiated with certain GATT member countries at that time, the EEC introduced a tariff quota system for the item. Under the system, imports within set quotas are subject to a duty of 6 per cent (a maximum import levy in terms of the EEC system) and imports exceeding quotas are subject to variable import levies similar to those applied to cereals. However, practically no imports have taken place beyond tariff quotas due to agreed export restraints by Thailand or import levies on imports exceeding quotas. The suspension of tariff bindings was initially valid until 31 December 1986. However, this arrangement has been extended to 31 December 1989. It may be extended further unless denounced by the parties concerned for the end of each three-year period.

11. Three different tariff quotas/import quotas were established:

- (i) import quota for Thailand, the largest supplier to the EEC market, which was not a GATT member as of 1 June 1982 (Thailand became a GATT member on 20 November 1982);
- (ii) tariff quota for GATT members as of 1 June 1982, of which 85 per cent is reserved for Indonesia, the principal supplier at the time; and
- (iii) import quota for non-GATT members (China and Vietnam).

12. Information on tariff quotas set for 1982 and some subsequent years is given in document COM.TD/W/349/Add.1. Information on tariff quotas set for 1986 and some following years is given below. In early 1986, the EEC and Thailand renewed the cooperation agreement between them on manioc production, marketing and trade. According to the agreement, for the four-year period 1987-1990 and for each subsequent four-year period, total exports from Thailand to the EEC has been set at 21 million tonnes for each period with a maximum of 5.5 million tonnes in any one year. (EC Official Journal No. L 155/86). As regards GATT member countries other than



Thailand, the annual tariff quota has been set at 970,590 tonnes for the period 1986-1989. The annual import quota for non-GATT members was 300,000 tonnes for 1985, 1986 and 1987.

13. With respect to tropical roots and tubers other than manioc (0714.90), Austria, Norway, Sweden, Australia, and New Zealand provide developing countries MFN or GSP duty-free treatment. The United States gives such treatment except for miscellaneous fresh roots or tubers. The Swiss specific duty on the item is very low. This item is wholly or partly dutiable in Canada, Japan, EEC and Finland.

14. With respect to flour and meal and starch, the United States gives MFN duty-free treatment. Imports of starches, including manioc starch into Japan, are subject to an m.f.n. duty of 25 per cent. However, most imports take place under duty-exemption quotas granted with respect to imports for such specified uses as the manufacture of glucose and modified starch. The duty-exemption quotas are allocated to an association of agricultural co-operatives in Japan and other importers on the basis of estimated domestic production and consumption for the year. New Zealand gives MFN duty-free treatment for flour and meal. In other markets these processed products are wholly or mostly dutiable or subject to import levies.

15. With respect to tapioca, the United States, Canada, Switzerland, Australia and New Zealand provide developing countries MFN or GSP duty-free treatment. This product is dutiable or subject to import levies in Japan, EEC, Austria, Finland, Norway and Sweden.

(b) Non-tariff measures

16. Table 2 shows non-tariff measures which have been notified to GATT.  
Symbols used are as follows:

QR: Quantitative restriction, usually quota

GQ: Global quota

NAL: Non-automatic (discretionary) licensing

AL: Automatic licensing

ST: State trading

P: Prohibition

MLV: Import levy

NTX: Internal tax

SN: Sanitary regulation

PSN: Phytosanitary regulation

LR: Labelling regulation

MSR: Marketing and selling regulation

PR: Packaging regulation

Note: Most indications in NTM tables have been derived from the AG/FOR series of documentation, which lists measures according to CCCN 4-digit headings. The products in NTM tables in this document are according to HS headings/code numbers and the measures are therefore open to verification. Delegations concerned are requested to verify and correct these indications.

Table 2  
Tropical Roots and Tubers

H.S. Code No. (CCCN)	Harmonized commodity description	Canada	Japan	EEC	Austria	Finland	Norway	Switzerland	New Zealand
0714.10 (0706)	Manioc (Cassava), fresh or dried		PSN	QR	MLV			AL	PSN SN LR,MSR,PR
0714.90 (0706)	Arrowroot, salep, etc. fresh or dried		PSN		MLV			AL	
1106.20 (1104)	Flour and meal of sago, roots or tubers of No. 0714				MLV ex	NAL	NAL ST	AL	SN LR PR
1108.14 (1108)	Manioc starch	NAL	GQ		MLV	GQ	MLV ST	AL	GQ NAL
1903.00 (1904)	Tapioca and substitutes therefor				MLV				

Quantitative import restrictions

17. Canada employs a discretionary licensing system for starches. Japan maintains global quotas on starches. Finland applies quotas to starches and discretionary licensing to flour and meal (L/5415). New Zealand has exempted tropical roots from import restrictions, although starches, except for arrowroot starch which has already been exempted from licensing, will be subject to licensing until 1 July 1989.<sup>1</sup> Since the early 1980s the European Community has adopted a tariff quota system and has agreed with Thailand on its quantitative export restraints (see sub-section B above).

Other notified non-tariff measures

18. Austria applies an import levy to all products in this group (AG/FOR/AUT/1). Imports of milled products for animal feedstuffs into Norway are subject to State trading. Norway also applies an import levy, or compensatory amount, to starches, to equalize the price between the imported product and the corresponding price of the same product of internal origin. Flour and meal of sago, manioc, arrowroot and salep are subject to licensing requirements (AG/FOR/REV/NOR/1). Imports of manioc root, flour and meal and starches for animal feed are subject to automatic licensing in Switzerland (AG/DOC/2/CHE/1).

19. Raw manioc may contain hydrocyanic acid, for which permissible levels are established.<sup>2</sup> Japan has notified that it applies phytosanitary regulations to manioc and other tropical roots (AG/FOR/JPN/2). The importation of manioc flour with a sulphur content of more than 30 ppm (parts per million) is not permitted under relevant health and sanitary regulations (COM.TD/W/349/Rev.1). New Zealand applies phytosanitary and sanitary regulations as well as labelling, packaging and marketing standards to manioc and other tropical root products (AG/FOR/REV/NZL/1).

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<sup>1</sup>New Zealand Import Licensing Schedule, 1986.

<sup>2</sup>International Trade Centre, Cassava: export potential and market requirement, Geneva 1977, pp 17-18.

C. Trade flows and consumption

20. Table 3 shows exports and imports of manioc in recent years. Trade between Thailand and the EEC accounted for a major part of world manioc trade. Imports into other markets such as Japan, Republic of Korea and Israel have tended to increase in recent years. Data on manioc consumption are not available. It may be assumed that the consumption of manioc in major importing markets roughly corresponds to their imports.

21. Tables 4 and 5 show imports of manioc and manioc products in recent years into the EEC and Japan, respectively. Japanese imports of manioc and manioc starch increased considerably in 1984 and 1985.

Table 3

Exports and Imports of Manioc  
thousand tons  
(in product weight of chips and pellets)

	1980-82 average	1983	1984	1985 Forecast
<u>EXPORTS</u>				
WORLD TOTAL	7,200	5,635	7,150	7,400
Developing countries	7,200	5,635	7,150	7,400
Latin America	10	15	12	15
Asia	7,180	5,620	7,130	7,350
China	500	150	60	30
Indonesia	325	270	380	300
Thailand	6,350	5,200	6,690	7,000
<u>IMPORTS</u>				
WORLD TOTAL	7,210	5,600	6,550	8,000
Developing countries	210	600	550	850
Latin America	10	13	12	15
Asia	200	500	540	800
Korea, Rep. of	60	140	150	200
Singapore	20	50	40	40
Developed countries	7,000	5,000	6,000	7,150
North America	50	50	60	70
United States	50	50	60	70
Western Europe	6,600	4,600	5,500	5,900
EEC (extra-trade)	6,550	4,550	5,260	5,500
Portugal	-	-	50	350
E. Europe and USSR	140	150	200	400
Japan	120	80	180	550
Israel	-	-	50	150

Source: FAO Commodity Review and Outlook 1985-86

TABLE 4

## Imports of manioc and manioc products into the EEC 1) in 1977-1985

(in '000 metric tons)

	1977	1978	1979	1980	1981	1982	1983	1984	1985
0706.30 Manioc and other high starch roots	3,801	5,976	5,375	4,866	6,677	8,101	4,504	5,256	6,336
Of which from:									
Thailand	3,639	5,669	4,529	4,116	5,620	7,348	4,247	4,740	5,681
Indonesia	144	219	694	372	413	286	85	406	553
China	1	1	51	336	606	440	132	57	78
Brazil	2	2	28	12	5	3	3	6	4
India	8	37	27	12	24	3	-	-	-
Tanzania	-	40	35	8	-	3	-	6	-
Other sources	7	9	11	10	9	18	37	41	20
1104.91 and 99 Flour and meal of manioc, etc.	0.8	0.4	0.1	0.3	0.6	0.2	0.3	0.1	0.1
1108.30 Starch of manioc, etc.	23	12	11	12	12	8.5	10	14	9.8
Of which from:									
Thailand	13	10	7.3	8	10	7	7.6	13.5	9.1
China	6	-	0.8	2	1	1	0.5	-	-
Malaysia	3.5	1.7	1	0.2	0.5	-	-	0.3	-
Other sources	0.5	0.3	1.9	1.8	0.5	0.5	1.9	0.2	0.7
1904 Tapioca and sago	10	34	4.7	5	5	4.4	3.5	3.4	3.3
Of which from:									
Malaysia	4	3	3.2	3	2.5	2	1.6	1.4	1.2
Madagascar	2	2.5	0.9	1	1	1	0.5	0.4	0.1
Thailand	-	27	-	0.4	1	1	1	1.5	1.8
Other sources	4	1.5	0.6	0.6	0.5	0.4	0.4	0.1	0.2

1) 1977-1981: EEC-9 ; 1981 onwards EEC-10.  
Source: NIMEX.

TABLE 5

Imports of manioc and manioc products into Japan in 1977-1985

(in metric ton)

	1977	1978	1979	1980	1981	1982	1983	1984	1985
107.06.010 Manioc Of which from:	8,221	624	-	3	6	252	20	14,666	374,468
Thailand	8,211	624	-	-	6	72	20	14,666	372,948
Indonesia	10	-	-	-	-	-	-	-	-
Brunei	-	-	-	3	-	-	-	-	-
China	-	-	-	-	-	20	-	-	-
Philippines	-	-	-	-	-	160	-	-	-
Vietnam	-	-	-	-	-	-	-	-	1,520
11.04.300/11.06 Flour and meal of manioc, etc.	1.0	11.4	2.0	10.0	22.0	167.0	2.4	161.0	37.3
China	1.0	1.3	2.0	10.0	3.0	-	-	105.0	-
Philippines	-	0.1	-	-	-	10.0	-	-	-
Indonesia	-	10.0	-	-	-	-	0.1	-	-
Thailand	-	-	-	-	19.0	153.0	-	35.0	-
Taiwan	-	-	-	-	-	4.0	2.3	21.0	37.3
11.08.310 Manioc starch Of which from:	94,206	90,622	69,355	67,249	79,071	82,062	52,568	113,932	155,081
Thailand	94,206	90,622	52,852	54,527	69,922	80,482	52,349	113,932	155,081
Indonesia	-	-	10,326	7,763	4,924	-	-	-	-
China	-	-	2,051	4,958	4,225	1,580	219	-	-
Malaysia	-	-	3,091	-	-	-	-	-	-
Brazil	-	-	1,035	-	-	-	-	-	-
19.04 Tapioca and sago Of which from:	12.5	12.0	6.6	9.0	5.0	10.0	4.5	7.9	52.9
Brazil	-	2.7	5.5	9.0	4.5	9.0	4.5	6.8	16.0
Singapore	10.0	-	-	-	-	-	-	-	-
Malaysia	2.0	2.0	-	-	-	-	-	-	-
United States	0.5	7.3	1.1	-	0.5	1.0	-	1.1	1.0
Thailand	-	-	-	-	-	-	-	-	35.8

Source: Japan National Statistics.



SECTION II: Rice

A. Product information

22. While there are a number of different varieties of rice, basmati rice exported mainly by Pakistan, is clearly distinguishable from other varieties, being a speciality item fetching much higher prices than other varieties of rice. Both in the Tokyo Round and in the 1982-84 consultations on tropical products, Pakistan sought improved tariff treatment for basmati rice by way of separate tariff classification for the item. As a result of the Tokyo Round negotiations the United States has granted a tariff concession on basmati rice. Requests submitted in the 1982-84 consultations concerned only basmati rice.

B. The commercial policy situation

(a) Tariffs

23. Table 6 shows the tariff rates (MFN and GSP) of eleven developed country markets. See Section I:B for the explanation of tariff data in tables.

24. With respect to rice (paddy, brown and milled), Switzerland, Australia and New Zealand provide developing countries MFN or GSP duty-free treatment. Canada and Norway provide MFN duty-free treatment except for milled rice. Austria provides such treatment except for brown rice.

25. In the United States, the average incidences of specific duties on rice are around 5-6 per cent, except for basmati brown rice for which the average incidence of the Tokyo Round concession rate is only 1.6 per cent (see Annex 1). Finland maintains an MFN rate of 5 per cent on paddy and brown rice and 15 per cent on milled rice. In the EEC and Japan, customs duties are nil, but imports are subject to other restrictive measures (see "non-tariff measures").

Table 6

Rice

Sweden: 0%B (all items)

H.S. Code No. (CCCN)	Harmonized commodity description		United States (TSUS)	Canada	Japan	EEC	Austria	Fin- land	Nor- way	Swit- zer- land	Aust- tra- lia	New Zea- land
1006.10	Rice in the husk (paddy or rough)	MFN	2.8¢/ kg.U (13050)	0%B	15%U 0%A	Variable levy	0%U	5%B	0%B	Sw F 0.006/ kg.B	2%U	0%B
		GSP	-			-		-		0%	0%	
1006.20	Husked (brown) rice	MFN	3.3¢/ kg.U, basmati 1.3¢/ kg.B	0%B	15%U 0%A	Variable levy	S 0.07/ kg.B	5%B	0%B	Sw F 0.006/ kg.B	2%U	0%B
		GSP	-			-	-	-		0%	0%	
1006.30	Semi-milled or wholly milled rice	MFN	2.2¢/ kg.B, par- boiled 17.5%B (14198)	\$5.51/ tonne B	15%U 0%A	Variable levy	0%U	15%B	NOK 0.60/ kg.B <sup>2</sup>	Sw F 0.03/ kg.B	2%U	0%B
		GSP	0% (14198)			-		-	-	0%	0%	
1006.40	Broken rice	MFN	0.69¢/ kg.B (13133)	as above	15%U 0%A	Variable levy	S 0.07/ kg.B	25%U	NOK 0.60/ kg.B <sup>2</sup>	Sw F 0.03/ kg.p	2%U	0%B
		GSP	-			-	-	-	-	-	0%	
1102.30 (1101)	Rice flour	MFN	0.2¢/ kg.B (13135)	1.65¢/ kg.B	25%U	Variable levy	38% min. S 1.7/ kg.U <sup>1</sup>	?	0%B	Sw F 0.2/ <sub>3</sub> kg.U	2%U	25%B 0%U
		GSP	0%			-	-	-		-	0%	
1103.14 (1102)	Groats, meal and pellets of rice	MFN	0.2¢/ kg.B (13135) (13167)	0%B	25%U	Variable levy	As above	?	0%B	Sw F 0.045/ kg.B	2%U	0%B
		GSP	0% (13135)			-	-	-		-	0%	

<sup>1</sup>In packings of 5 kg. or less - 44%, minimum S 2/kg.U.<sup>2</sup>Inedible - NOK 0.20/kg.B.<sup>3</sup>Denatured - Sw F 0.003/kg.U.

26. With respect to broken rice, rice flour and rice meal, Australia and New Zealand provide developing countries MFN or GSP duty-free treatment. Norway grants MFN duty-free treatment on rice flour and meal, and Canada on rice meal. The United States gives GSP duty-free treatment on rice meal and flour fit for human consumption. The average incidence of MFN rate on this item is 0.3 per cent. The average incidence of US duty on broken rice is around 2 per cent. (See Annex 1)

(b) Non-tariff measures

27. Table 7 shows the occurrence of non-tariff measures which have been notified to GATT. See Section I:B for the explanation of data in tables on non-tariff measures. Details of listed non-tariff measures are given below.

Quantitative restrictions

28. Japan virtually prohibits rice imports (see below) and applies global quotas on rice flour and meal. Switzerland maintains global quotas on rice flour for animal feed. Swiss agricultural legislation provides for imports of fodder to be controlled in order to discourage surplus meat and milk production. Austria employs discretionary licensing for rice flour and meal and Finland for rice meal only. New Zealand has recently exempted rice flour and meal from licensing restrictions.<sup>1</sup>

29. With effect from 19 March 1987, Austria introduced quotas on imports of broken rice under the provisions of Article XIX (L/6144).

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<sup>1</sup>New Zealand Import Licensing Schedule, 1986 and L/5640/Add.18/Suppl.1.

Table 7

Rice

No notified NTMs in United States, Canada, Sweden and Australia

H.S. Code No. (CCCN)	Harmonized commodity description	Japan	EEC	Austria	Finland	Norway	Switzerland	New Zealand
1006.10	Rice in the husk (paddy or rough)	ST	ST MLV			LR		PSN LR MSR PR
1006.20	Husked (brown) rice	ST	MLV			LR		PSN LR MSR PR
1006.30	Semi-milled or wholly milled rice	ST	MLV			LR	AL	PSN LR MSR PR
1006.40	Broken rice		MLV	QR		LR		
1102.30 (1101)	Rice flour	GQ	MLV	NAL		ST <sup>2</sup> LR	GQ <sup>3</sup> NAL	
1103.14 (1102)	Groats, meal and pellets of rice	GQ	MLV	NAL ST	NAL	ST <sup>2</sup> LR	AL	LR PR SR MSR

<sup>1</sup>Portugal

<sup>2</sup>No restrictive effects

<sup>3</sup>For animal feed

Other notified non-tariff measures

30. In the United States, the Food Security Act of 1985 continues the system of target prices, loan rates, deficiency payments and area reduction programmes. In trade, the Act provides for the continuation of the Export Enhancement Programme, designed to counter subsidized exports from other countries. In 1986, the United States introduced a countervailing duty of 0.824 per cent per ton on imports of rice from Thailand.<sup>1</sup>

31. In the EEC, in conformity with the Common Agricultural Policy, intervention prices for rice are fixed with a view to ensuring a certain level of income to producers; hence, rice imports are subject to variable levies.

32. In Japan, the export and import of rice are under government management. State trading, introduced in 1942 under the Food Control Law has as an objective the stabilization of the national rice economy by adjusting supply and demand in order to guarantee food security for the population. Each year, the Government fixes purchase and resale prices taking into account rice production costs, consumers' household expenditure, commodity prices and certain other economic conditions and factors. With the experience of surplus rice production, the Government of Japan has taken a series of measures to sustain consumption and cut output by various measures including the limitation of acreage for rice production and restraints on increases in producer and consumer prices; in July 1987, the producer price was cut by 5.9 per cent.

33. In Austria, imports of rice are subject to import levies, while rice meal is subject to State-trading (AG/FOR/AUT/1). In Norway rice flour and meal are subject to State-trading (AG/FOR/REV/NOR/1). In Switzerland, imports of rice for human consumption are subject to automatic licensing (AG/DOC/2/CHE/1).

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<sup>1</sup>FAO, "Guideline for National and International Action on Rice", CCP: RI 87/3, January 1987.

34. Norway has notified that it applies labelling regulations to rice and rice products (AG/FOR/REV/NOR/1). New Zealand applies phytosanitary regulations as well as labelling, packaging and marketing standards to rice and rice products (AG/FOR/REV/NZL/1). In Australia, rice imports require a permit (MTN.GNG/NG5/W/4).

C. Trade flows

35. Table 8 shows main rice exporting countries and their exports in the period 1982-86. Table 9 shows main rice importing countries and their retained imports in the period 1982-86. No separate trade data are available for basmati rice. Table 10 shows 1986 exports of rice from Pakistan to different destinations.

36. World trade in rice fluctuated between 11 and 12 million tons in the period 1982-86. Major exporting countries included Thailand, United States, China, Pakistan, Burma, EEC, Indonesia, Uruguay and Australia. Rice is imported by many countries, being one of the most important food items. In the period 1983-86, rice imports by developed countries represented only 15-17 per cent of world imports.

Table 8

Main rice exporting countries and their exports in 1982-86

REGIONS AND COUNTRIES	1982 ( . . . . . thousand tons (milled equivalent) . . . . . )	1983	1984	1985	1986
ASIA	7186	7882	8601	7564	8038
BURMA	737	875	720	452 *	630 *
CHINA 1/	777	1111	1370	1068	1200 *
INDIA	600 *	135 *	200 *	160 *	130 *
INDONESIA	0	0	11	366	275 *
JAPAN	318	319	101	0	0 *
KOREA DPR	280 *	285 *	250 *	300 *	200 *
PAKISTAN	794	1299	1057	962	1120 *
THAILAND	3624	3705	4545	4005	4323
OTHERS	55	153	346	250	160
AFRICA	31	27	82	23	31
EGYPT	23	19	71	13	20 *
OTHERS	9	8	12	10	11
CENTRAL AMERICA 2/	17	17	74	51	37
SOUTH AMERICA	533	514	488	604	557
ARGENTINA	60	85	95	112	100
COLOMBIA	10	46	43	34	0
GUYANA	35	42	47	56	31 *
SURINAME	131	127	95	138	116
URUGUAY	246	189	179	259	270 *
OTHERS	52	26	29	6	40
NORTH AMERICA	2487	2331	2129	1906	2431
USA	2487	2331	2129	1906	2431
EUROPE	364	388	398	520	544
EEC 3/	364	376	383	520	530 *
OTHERS	1	12	15	0	14
USSR	12	14	10	50 *	30 *
OCEANIA	582	281	370	221	200
AUSTRALIA	582	281	370	221	200 *
OTHERS	0	0	0	0	0
WORLD	11214	11454	12152	10938	11868
ALL DEV. PED	3765	3333	3008	2697	3205
ALL DEV. ING	7449	8121	9144	8241	8663

1/ Including Taiwan Province

2/ Including Caribbean

3/ Excluding intra-trade among 12 EEC member countries

\* Unofficial estimate

Source: FAO document CCP: R1 87/C.R.S.1

Table 9

Main rice importing countries and their retained  
imports in 1982-86

REGION AND COUNTRIES	1982 ( . . . . . thousand tons (milled equivalent) . . . . . )	1983	1984	1985	1986
ASIA	4763	5491	6239	5092	4734
BANGLADESH	396	83	588	257	100
HONG KONG	340	343	331	354	338 *
INDIA	0	297	550	10 *	5 *
INDONESIA	332	1160	387	0	0
IRAN	432	680 *	730 *	600 *	550 *
IRAQ	370 *	440 *	520 *	475 *	500 *
JAPAN	66	10	147	15	17 *
KAMPUCHEA DM	155 *	120 *	170 *	130 *	200 *
KOREA REP	269	216	0	0	0
MALAYSIA	392	385	424	425	216
PHILIPPINES	0	0	191	475	20 *
SAUDI ARABIA	468	491	490	428	500 *
SINGAPORE	188	192	199	180	220 *
SRI LANKA	112	177	27	165	230
VIET NAM	185	42	350 *	345	500 *
OTHERS	1059	856	1135	1232	1339
AFRICA 1/	3236	3252	3235	2870	3028
CAMEROON	17	51	31	50 *	31
GHANA	53	65	96	80 *	57 *
COTE D'IVOIRE	357	432	321	150	375 *
LIBERIA	95 *	86	101	95 *	85
MADAGASCAR	355	185	111	120	220 *
MAURITANIA	75	85	70	70 *	70 *
MAURITIUS	78	71	104	68	71
NIGERIA	651 *	630 *	660 *	545 *	370 *
SENEGAL	359	339	382	300 *	311 *
SIERRA LEONE	85	58	30 *	30 *	40 *
SOUTH AFRICA	163	176	186	190 *	190 *
OTHERS	950	1075	1142	1172	1208
CENTRAL AMERICA 2/	408	382	545	618	462
MEXICO	22	0	168	148	0
OTHERS	387	382	377	470	462
SOUTH AMERICA	255	553	301	403	1611
BRAZIL	148	322	227	340	1250 *
CHILE	21	31	8	7	37
PERU	63	116	48 *	5	275 *
OTHERS	23	83	17	51	49
NORTH AMERICA	119	129	135	164	175
CANADA	100	107	105	102	115
OTHERS	19	23	30	62	61
EUROPE	1154	962	1130	1204	1240
EEC 3/	739	598	684	832	770
OTHERS	156	118	128	151	210
E. EUROPE	259	246	317	222	259
USSR	859	323	150	200 *	300 *
OCEANIA	161	170	193	211	211
WORLD	10956	11262	11927	10760	11760
ALL DEV. PED	2430	1660	1809	1851	2003
ALL DEV. ING	8526	9602	10119	8909	9757

1/ Reflects largely officially reported data on retained imports and largely excludes imports for cross-border shipments

2/ Including Caribbean

3/ Excluding intra-trade among 12 EEC member countries

\* Unofficial estimate

Source: FAO document CCP: R1 87/C.R.S.1



Table 10

Exports of rice from Pakistan in 1986

DESTINATION	QUANTITY METRIC TON	VALUE THOUSAND U.S.DOLS
WORLD	W 1141917	302385
DEVELOPED EC	W 13176	3910
DVELOPING EC	W 1128741	298475
AFRICA	W 428694	60223
DVELOPING EC	W 428694	60223
CEUCA	W 93518	13384
CAMEROON	W 93218	13326
CONGO	W 300	58
OTHER AFRICA	W 335176	46840
BENIN	W 46439	7204
EQ.GUINEA	W 14917	2078
DJIBOUTI	W 1074	802
C TE D'IVOIR	W 101546	13824
KENYA	W 15645	2128
MADAGASCAR	W 10000	1289
MAURITIUS	W 1206	910
GUINEABISSAU	W 11000	1625
SENEGAL	W 30000	2808
TOGO	W 77605	10488
OTH AFR NES	W 25744	3683
N AMERICA	W 368	279
DEVELOPED EC	W 368	279
CANADA	W 50	37
USA	W 318	242
OTH AMERICA	W 128114	20976
DVELOPING EC	W 128114	20976
LAIA	W 128114	20976
BRAZIL	W 106602	18007
PERU	W 21512	2969
ASIA	W 572085	217413
DEVELOPED EC	W 152	138
JAPAN	W 152	138
DVELOPING EC	W 571933	217275
MIDDLE EAST	W 452111	197213
BAHRAIN	W 11392	8019
IRAN (ISM R)	W 200521	35782
KUWAIT	W 24440	17384
OMAN	W 30527	18905
QATAR	W 11511	8167
SAUDI ARABIA	W 114107	75358
DEM.YEMEN	W 1729	404
UNTD ARAB EM	W 53211	32353
TURKEY	W 4673	840
OTHER ASIA	W 119822	20062
BANGLADESH	W 2505	467
BRUNEI	W 111	18
SRI LANKA	W 114486	17618
KOREA REP.	W 1	1
MALAYSIA	W 1000	712
SINGAPORE	W 1719	1246
EUROPE	W 12207	3155
DEVELOPED EC	W 12207	3155
EEC	W 12131	3100
DENMARK	W 11	8
FRANCE	W 10469	1861
GERMANY. FR	W 47	38
GREECE	W 18	13
NETHERLANDS	W 30	22
UK	W 1556	1157
EFTA	W 76	56
NORWAY	W 38	28
SWEDEN	W 37	27
SWITZERLAND	W 1	1
OCEANIA	W 449	338
DEVELOPED EC	W 449	338
AUSTRALIA	W 449	338

SECTION III: Tobacco

A. Product information

37. Nicotiana tabacum - the tobacco of commerce was originally a tropical plant, but is now grown widely in both the temperate and tropical areas. Harvested tobacco leaf is cured and fermented before entering international trade. Curing consists essentially in drying the leaf slowly in order to allow changes in physical and chemical composition and in fixing its colour. There are four methods of curing - flue, air, sun and fire. Curing is followed by fermentation or aging in order to develop the desired aroma and improve the flavour. Depending on the leaf type, fermentation may take one to two years.

38. Reflecting an increasing demand for light and blended cigarettes, flue-cured and burley types have increased their share in world tobacco production, with sun-cured and dark air-cured accounting for a smaller share of output in recent years. According to the International Trade Centre UNCTAD/GATT, this situation has had its greatest impact in the developing countries where dark leaf has been traditionally produced. Some countries have been successful in changing to, or increasing production of, flue-cured leaf, particularly in Asia and South America, but it appears that some others have experienced ecological, technical or financial difficulties in making the change. Much of the increased output of flue-cured tobacco in developing countries is used as a filler to supplement United States and Canadian leaf which has a full flavour and a pronounced flue-cured aroma reflecting market requirements. Trade data indicates that Brazil and Malawi are among developing countries producing high quality flue-cured leaf for export.

39. Flue-cured tobacco is mainly exported by the United States, India, Brazil, Zimbabwe, Canada, Malawi, Thailand, Republic of Korea, Argentina, Philippines, Zambia, South Africa and Italy. Burley tobacco is mainly exported by United States, Italy, Mexico, Republic of Korea, Greece, Brazil, Malawi, Zimbabwe and Thailand. Oriental tobacco which is used mainly for blending in the manufacture of American and European type

cigarettes is produced largely in eastern Europe and Mediterranean countries as well as in the Asian region, some of whom are significant exporters of this item. Dark air-cured tobacco, used primarily in the manufacture of cigars, dark cigarettes, chewing tobacco and snuff, is grown in many tobacco-producing countries, while dark sun-cured tobacco is produced mainly in Asia. Countries producing dark air-cured and sun-cured tobacco include India, China, Indonesia, Burma, France, Brazil, Dominican Republic, Pakistan, Poland, Cuba, Bangladesh, Malawi, Burundi and Kwanda. Dark air-cured cigar leaf is produced primarily in the Philippines, the United States, Colombia, Brazil, Poland, Cameroon, Honduras and Indonesia. Dark fire-cured tobacco is exported mainly from the United States, Poland, Malawi, Italy, Tanzania and Uganda. (COM.TD/W/351)

B. The commercial policy situation

(a) Tariffs

40. Table 11 shows the tariff rates (MFN and GSP) of eleven developed country markets. See Section I:B for the explanation of tariff data in the table. Details of the tariffs of the United States, EEC and Australia are given in tables 12, 13 and 14 respectively. An overview of the tariff situation is given below.

Unmanufactured tobacco

41. Norway<sup>1</sup>, Sweden<sup>1</sup> and Switzerland have granted leaf tobacco duty-free treatment since before the Tokyo Round. As a result of the Tokyo Round, Finland and Japan<sup>2</sup> eliminated their duties. In Austria imports of unmanufactured tobacco by the Tobacco Monopoly are duty-free; other imports are dutiable at rates of \$4.00/kg or \$7.50/kg (bound).

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<sup>1</sup> The duty-free treatment of these countries has been bound.

<sup>2</sup> Before the Tokyo Round, Japan maintained a duty of 355 per cent. However, imports by the Japan Tobacco and Salt Public Corporation were exempt from the duty.

Table 11

Tobacco

H.S. Code No. (CCCN)	Harmonized commodity description	United States	Canada	Japan	EEC	Austria	Finland	Norway	Sweden	Switzerland	Australia	New Zealand
2401.10	Tobacco, not stemmed/stripped	MFN <u>1</u> /	0%B 28.1¢/kg.B	0%U	<u>1</u> /	S 4/kg.B	0%B	0%B	0%B	0%U <sup>5</sup> / Sw F 1/kg.U	<u>1</u> /	0%B, 12.5%U, 73.48¢/kg.U
		GSP <u>1</u> /			<u>1</u> /	-					<u>1</u> /	ex10% (MFN 12.5%)
2401.20	Tobacco, partly or wholly stemmed/stripped	MFN <u>1</u> /	44.1¢/kg.B	0%U	<u>1</u> /	S 7.5/kg.B	0%B	0%B	0%B	As above	<u>1</u> /	As above
		GSP <u>1</u> /			<u>1</u> /	-					<u>1</u> /	
2401.30	Tobacco refuse	MFN 35.5¢/kg.B, 2/	10.2%B	0%U	<u>1</u> /	S 4/kg.B	0%B	0%B	0%B	As above	<u>1</u> /	As above
		GSP -			<u>1</u> /	-					<u>1</u> /	
2402.10	Cigars, cheroots and cigarillos	MFN \$4.21/kg.+ 10.5%B; \$1.26/kg.+ 3%B	10%+ \$3.20/kg.B	60%U 20%A*	52%B	S 233/kg.B	FIM 24.56/kg.B	NOK 15/kg.P	SEK 1.70- 8.90/100 units B	Sw F 17/kg.U	<u>1</u> /	<u>1</u> /
		GSP 0% (17070) <sup>3</sup> /		-	41%	-	-	-	0%	-	<u>1</u> /	-
2402.20	Cigarettes	MFN \$0.926/ <sup>6</sup> kg.+2%B, \$2.34/kg.+5%B (17063) (17067)	20%B	90%U 0%A*	90%B 0%A*	S 266/kg.B	FIM 24.56/kg.B	NOK 17/kg.B	SEK 0.60- 1.10/100 units B	Sw F 8.75- 17.5/kg.U	<u>1</u> /	<u>1</u> /
		GSP ex0% <sup>4</sup>			82%	-	-	-	0%	-	<u>1</u> /	-

<sup>1</sup>Details of specific, mixed or compound duties will be provided separately.

<sup>2</sup>Stems, not cut, ground or pulverized (17050) - 0%B, stems, cut, ground or pulverized (17055) - \$1.21/kg.U, no GSP.

<sup>3</sup>Cigars, each valued 15¢ or more.

<sup>4</sup>GSP 0% for clove cigarettes and other cigarettes, not paper-wrapped.

<sup>5</sup>For the manufacture of cigars, cigarettes, etc.

<sup>6</sup>Clove cigarettes.

Table 12

## United States Duties

HS	Description	MFN (1988)	Ad Valorem Incidence <sup>1</sup>	GSP (1988)
2401.10 2401.10.20	Tobacco, not stemmed/stripped: Containing over 35 per cent wrapper tobacco	79.4¢/Kg.B	7.2%	Free
2401.10.40 2401.10.80	Not containing wrapper tobacco, or not containing over 35 per cent wrapper tobacco: Cigarette leaf: Oriental or Turkish type not over 21.6 cm in length Other Other, including cigar leaf	25.4¢/Kg.B 28.1¢/Kg.B 35.5¢/Kg.+ 43.9¢/Kg on wrapper tobacco content B	7.8% 12.6%	
2401.20 2401.20.05	Tobacco, partly or wholly stemmed/stripped: Not threshed or similarly processed: Leaf tobacco, the product of two or more, countries or dependencies, when mixed or packed together	\$6.45/Kg.U	n.a.	
2401.20.20	Other: Containing over 35 per cent wrapper tobacco	\$1.37/Kg.+ \$2.04/Kg. on filler tobacco content B	n.a.	Free
2401.20.40	Not containing wrapper tobacco, or not containing over 35 per cent wrapper tobacco	44.1¢/Kg. + 92.9¢/Kg. on wrapper tobacco content B	n.a.	
2401.20.60 2401.20.80	Threshed or similarly processed: From cigar leaf Other	35.5¢/Kg.B 44.1¢/Kg.B	21.7% 13.4%	
2401.30 2401.30.30	Tobacco refuse: Tobacco stems: Not cut, not ground and not pulverised	Free B		
2401.30.60 2401.30.90	Cut, ground or pulverized Other	\$1.21/Kg. U 35¢5¢/Kg.B	250.6% 21.7%	
2402.10 2402.10.30	Cigars, cheroots and cigarillos containing tobacco: Each valued less than 15c	\$4.21/Kg. + 10.5% B	23.9%	
2402.10.60	Each valued 15c or over but less than 23c	\$1.26/Kg. + 3% B	9.0%	
2402.10.80	Each valued 23c or over	\$1.26/Kg + 3% B	6.3%	Free
2402.20 2402.20.10	Cigarettes containing tobacco: Containing clove	92.6¢/Kg. + 2% B	8.3%	Free
2402.20.80	Other: Paper-wrapped	\$2.34/Kg. + 5% B	26.0%	
2402.20.90	Other	\$2.34/Kg. + 5% B	24.4%	Free

<sup>1</sup> Average incidences for 1981-83 made available for negotiations for the purpose of the adoption of the Harmonized System.

Table 13

EEC Duties on Unmanufactured Tobacco

MFN (1988)

HS	Description	MFN Duties
2401.10A) 2401.20A)	Virginia flue-cured type; light air-cured Burley type (including Burley hybrids); light air-cured Maryland type and fired cured tobacco	23% with a minimum of 28 ECU and a maximum of 30 ECU per 100 kg. Bound
2401.10B) 2401.20B)	Virginia type, not flue-cured; Other tobacco	14% with a minimum of 28 ECU and a maximum of 70 ECU per 100 kg. Bound

EEC Duties on Unmanufactured Tobacco (cont'd)GSP (1987)

EC tariff heading No. (NIMEXE code)	Description	GSP rate	Global community tariff quotas	
			Quota amount (tonnes)	Initial share of quota amounts allocated to Member States (tonnes)
2401.10 exA 2401.20 exA (2401-02,09)	Unmanufactured Virginia "flue-cured" type tobaccos	6% with min. of 16 ECU and max. of 27 ECU/100 kg.	66,950 (reserve: 1,200)	Benelux 7,098 Denmark 1,501 Germany 10,110 Greece 500 Spain 4,750 France 1,090 Ireland 1,944 Italy 3,555 Portugal 1,000 United Kingdom 34,202
2401.10 exB 2401.20 exB (2401-61,63,71,73,74,76,77,78)	Unmanufactured tobacco, other, excluding the sun-cured oriental type	14% with min. of 28 ECU and max. of 31 ECU/100 kg.	18,500 (reserve: 1,292)	Benelux 3,700 Denmark 795 Germany 2,055 Greece 18 Spain 8,270 France 1,720 Ireland 18 Italy 37 Portugal 315 United Kingdom 280

The tariff quotas apply to GSP beneficiary countries and territories with the exception of China. Imports into Spain and Portugal are subject to the customs duty established in accordance with Articles 178 and 365 of the 1985 Act of Accession.

The EEC's imports from ACP countries of Lomé Convention and Turkey are granted duty-free treatment. The EEC's imports from least-developed countries are granted duty-free treatment only so long as the quota for imports under the GSP has not been completely used up.

Table 14

Tariffs of Australia

GSP rate = MFN rate minus 5 per cent for all items in this table.

HS	Description	MFN duty
2401.10	Tobacco, not stemmed/stripped:	
2401.10.1	For use, other than in the manufacture of snuff, by a person who is a manufacturer for the purposes of the Excise Act 1910:	
2401.10.11	For use in the manufacture of cigars, cheroots or cigarillos	Free B
2401.10.12	For use in the manufacture of cigarettes or of fine cut tobacco suitable for the manufacture of cigarettes	\$1.42/kg.B <sup>1</sup>
2401.10.13	For use in the manufacture of tobacco, NSA	\$1.07/kg.B <sup>2</sup>
2401.10.90	Other	\$1.99/kg.B
2401.20	Tobacco, partly or wholly stemmed/stripped:	
2401.20.1	For use, other than in the manufacture of snuff, by a person who is a manufacturer for the purposes of the Excise Act 1901:	
2401.20.11	For use in the manufacture of cigars, cheroots or cigarillos	Free B
2401.20.12	For use in the manufacture of cigarettes or of fine cut tobacco suitable for the manufacture of cigarettes	\$1.42/kg.B <sup>1</sup>
2401.20.13	For use in the manufacture of tobacco, NSA	\$1.07/kg.B <sup>2</sup>
2401.20.90	Other	\$1.99/kg.B
2401.30.00	Tobacco refuse	\$1.99/kg.B <sup>1,2</sup>
2402.10.00	Cigars, cheroots and cigarillos, containing tobacco	\$6.46/kg.B <sup>3</sup>
2402.20.00	Cigarettes containing tobacco	\$6.83/kg.B <sup>3</sup>

<sup>1</sup>As prescribed by by-law, being: (a) for use by a person who is a manufacturer for the purposes of the Excise Act 1901, and also the holder of a certificate issued by the Comptroller for the purposes of this item; and (b) for use in the manufacture of cigarettes or of fine cut tobacco suitable for the manufacture of cigarettes, being cigarettes or fine cut tobacco that will contain Australian grown tobacco leaf.....\$0.47/kg.B

<sup>2</sup>As prescribed by by-law, being: (a) for use by a person who is a manufacturer for the purposes of the Excise Act 1901, and also the holder of a certificate issued by the Comptroller for the purposes of this item; and (b) for use in the manufacture of tobacco (other than snuff, cigarettes or fine cut tobacco suitable for the manufacture of cigarettes) being tobacco that will contain Australian grown tobacco leaf.....\$0.33/kg.B

<sup>3</sup>In addition, imports are subject to an excise duty of \$39.35/kg., which is levied equally on domestic and imported products. Excise rates are adjusted twice annually to reflect movements of consumer price index.



42. Leaf tobacco imports are generally dutiable in the United States, Canada, EEC, Australia and New Zealand except that Australia and New Zealand have granted leaf tobacco for cigars, cigarillos and cheroots duty-free treatment on an m.f.n. basis and that Canada has granted turkish type tobacco and unstemmed leaf tobacco for use as cigar wrappers duty-free treatment under the GSP. Leaf tobacco is often subject to specific duty rates which carry greater weight on lower priced goods than on higher priced goods. The EEC's MFN and GSP duties are mixed rates composed of specific and ad valorem components. Incidences of these rates vary according to the unit price of imports.

#### Manufactured tobacco

43. Manufactured tobacco is generally dutiable for fiscal and protective purposes. A conspicuous exception is Japan, which has eliminated its duty on cigarettes on a temporary basis with effect from 1 April 1987. Sweden grants developing countries GSP duty-free treatment. The United States grants such treatment with respect to cigars each valued 23 cents or over, clove cigarettes and non-paper-wrapped cigarettes.

#### (b) Non-tariff measures

44. Table 15 shows the occurrence of non-tariff measures which have been notified to GATT. See Section I:B for the explanation of data in tables on non-tariff measures. Details of listed non-tariff measures are given below.

#### Quantitative Restrictions

45. Few quantitative restrictions exist on imports of tobacco. New Zealand will continue to maintain licensing restrictions on manufactured tobacco (HS 2402.10 and 2402.20) until 1 July 1989, but imports of unmanufactured tobacco as well as snuff are exempt from licensing. (New Zealand Import Licensing Schedule, 1986).

Table 15Tobacco

No notified NTMs in USA, Canada, Finland, Norway, Sweden, Switzerland and Australia.

H.S. Code No. (CCCN)	Harmonized Commodity description	Japan	EEC	Austria	New Zealand
2401.10	Tobacco, not stemmed/ stripped	ST	ST <sup>1</sup>	ST	
2401.20	Tobacco, partly or wholly stemmed/ stripped	ST	ST <sup>1</sup>	ST	
2401.30	Tobacco refuse	ST	ST <sup>1</sup>	ST	
2402.10	Cigars, cheroots and cigarillos		ST <sup>1</sup>	ST	NAL <sup>2</sup>
2402.20	Cigarettes		ST <sup>1</sup>	ST	NAL <sup>2</sup>

<sup>1</sup> France

<sup>2</sup> Manufactured tobacco will move to exemption from import licence on 1 July 1989. (AG/FOR/REV/NZL/1)

Other notified non-tariff measures

46. Internal taxes on tobacco products are an important source of government revenue in most markets. The European Commission has proposed the harmonization of excise duties on manufactured tobacco in the common market (EC Official Journal C 251/87). Amongst EEC members, imports by France of leaf tobacco, tobacco refuse, manufactured tobacco and tobacco extracts and essences are under State monopoly, administered by SIETA (Source d'exportation industrielle des tabacs et allumettes).

47. All imports of tobacco are subject to State-trading in Austria. The tobacco monopoly covers the production, the processing, the importation and the use of monopoly goods. Quotas sometimes granted within the framework of trade arrangements do not constitute a strict obligation to purchase those quantities (L/6107/Add.7). The importation of leaf tobacco and manufactured tobacco into Japan has been liberalized since 1 April 1985, abolishing the state monopoly system by the Japan Tobacco and Salt Public Corporation. However, as a consequence of the continuing monopoly of the production of manufactured tobacco by the Japan Tobacco Inc. (JTI), which is the private enterprise re-organized from the Japan Tobacco and Salt Public Corporation, the importation of leaf tobacco is in effect dependent upon the purchases by JTI. (L/5937/Add.2)

C. Trade flows and consumption

48. Tables 16, 17 and 18 show trade (imports and exports) in (i) unmanufactured tobacco, (ii) cigarettes, and (iii) cigars, cigarillos and cheroots, respectively.

49. World exports of unmanufactured tobacco amounted to US\$4.0 billion (1.4 million tons) in 1985, of which developing countries accounted for 43 per cent in terms of value and 55 per cent in terms of quantity. World imports amounted to US\$4.7 billion (1.4 million tons) in 1985, of which developed countries accounted for 82 per cent in terms of both value and quantity. Many countries export and import tobacco at the same time because different varieties and qualities of tobacco have to be blended for the manufacture of tobacco products.

Table 16

## Trade in Unmanufactured Tobacco

	TOBACCO UNMANUFACTRD			TABAC BRUT			TABACO EN BRUTO					
	IMPORTS IMPORTATIONS IMPORTACION	MT		IMPORTS IMPORTATIONS IMPORTACION	1000\$		EXPORTS EXPORTATIONS EXPORTACION	MT		EXPORTS EXPORTATIONS EXPORTACION	1000\$	
	1983	1984	1985	1983	1984	1985	1983	1984	1985	1983	1984	1985
WORLD	1380607	1431811	1409732	4649836	4704872	4732902	1341850	1396075	1353629	4196708	4144041	4030007
AFRICA	116391	107817	102533	352530	311573	318904	148622	180380	170202	388899	433653	370276
ALGERIA	17390	12337	17857	57302	21368	33199	26	450		6	704	
ANGOLA	1100 *	1200 *	1200 F	2900 F	2900 F	2900 F	2000 *	2000 F	2000 F	5400 F	5000 F	5000 F
BENIN	900 *	500 *		300	5400 F	2343						
BOTSWANA	177	227	230 F	834	475	475 F	32	56	60 F	21	34	35 F
BURKINA FASO	985	950	500 F	947	472	300 F						
BURUNDI	304	611	270	723	896	481						
CAMEROON	2129	2379	2725	6598	8282	9128	1224	1167		7995	8485	
CAPE VERDE	41	57	38 F	113	213	107 F						
CENT AFR REP	80 *	418	150 *	400 F	1557	570 F	600 *	200 *	200 *	660 F	400 F	450 F
COMOROS			58			633						
CONGO	350 *	1284	800 *	1200 F	4245	2700 F	300 *	200 *	70 F	150 F	50	80 F
COTE D'IVOIRE	3930	2621	3000 *	11834	9905	10000 F	38	68				
EGYPT	48028	48940	43552	182569	165798	168417						
ETHIOPIA	650	700 F	700 F	2043	2200 F	2200 F						
GABON	139	150	150 F	788	808	810 F						
GAMBIA	743	750 F	800 F	3710	3800 F	3800 F						
GHANA	1000 F	1100 *	1000 *	4100 F	4500 F	4000 F						
GUINEA	210	228	350 *	630	778	1000 F						
GUIN BISSAU	2	3		30	14							
KENYA	70	15	17	149	128	132		181		1	544	
LIBERIA	260	366	250 F	1225	1059	750 F	29	18		35	68	
LIBYA	2900 *	2000 *	2000 F	18500 F	12000 F	12000 F						
MADAGASCAR	509			902			900 *	800 *	550 *	1800 F	1200 F	1050 F
MALAWI	703	957	480 *	1572	1578	485 *	43898	69777	59581	116779	163252	107576
MAURITANIA	311	300 *	300 F	457	360 F	387 F						
MAURITIUS	52	38	40 F	548	396	370 F						
MOROCCO	6593	8215	6000	16128	16162	13000						
NIGER	200 *	210 *	215 *	380 F	390 F	400 F						
NIGERIA	278	369	600 *	5737	1159	1890 F						
REUNION	332	364	350 F	838	1102	1100 F						
RWANDA	785	513	450 F	3638	2417	2100 F	160	123	130 F	167	188	175 F
SENEGAL	2526	3434	2584	1750	4356	6885						
SEYCHELLES	78	42	50 F	328	189	200 F						
SIERRA LEONE	120	384	384 F	656	1334	1300 F	76	32		312	105	
SOUTH AFRICA	12620	10386	7800 *	33547	24367	15400 *	7300 *	5400 *	7500 *	11428	7266	9800 *
SUDAN	461	500 F	500 F	2607	2500 F	2500 F	121			138		
SWAZILAND	15 F	15 F	15 F	11	10	10 F	31	50 F	50 F	75	100 F	100 F
TANZANIA							5578	7018	6010 *	11121	13000 F	10200 F
TOGO	26	90 *	100 *	172	540 F	600 F	49			47		
TUNISIA	6863	3711	5648	18598	8586	14634	233	944	507	249	840	430
UGANDA							700	950 *	1000 F	900	1150 F	1100 F
ZAIRE	600 *	650 *	650 F	1500 F	1450 F	1450 F	1700 *	1526	1700 F	4300 F	2788	4300 F
ZAMBIA		105			104		83627	89810	90844	227163	228370	230000 F
ZIMBABWE	951	350 *	420 *	1266	480 F	550 F						
N C AMERICA	170915	219373	211751	511111	656187	571724	313231	327217	332294	1669408	1724803	1726580
BAHAMAS	58	90 F	110 *	164	350 F	360 F						
BARBADOS	200 *	150 *	200 F	760 F	560 F	720 F						
BELIZE	64	61	65 F	310	324	345 F						
CANADA	3651	2185	1311	20381	7586	4658	24177	26472	23674	85355	88050	68930
COSTA RICA	179	103	140 *	502	291	260 F	1	8		4	1	
CUBA	2744	466	3200 *	2308	375	2500 F	13587	9751	17764	38389	20988	42508
DOMINICA	32	35 *		104	120							
DOMINICAN RP	361	280	1600 *	2560	1674	8500 F	13717	17037	14417	22155	28689	18277
EL SALVADOR	154	298	347 F	174	456	405 F	471	154		460	255	
GRENADA		21			57							
GUATEMALA	283 *	300 F	300 F	1000 F	1000 F	1000 F	5617	6450 *	10330 *	13710	16099	26520 *
HAITI	500 *	700 F	700 F	3000 F	4100 F	4100 F						
HONDURAS	122	500 *	500 *	568	3000 F	3000 F	3124	3447	2400 *	10802	12000	8400 F
JAMAICA	1000 *	430	385 *	6242	4845	4400 F	281	340 *	400 *	1046	1300 F	1550 F
MEXICO		4			1		11148	13263	9255	20315	27170	25815
NETH ANTILLE	273			2089								
NICARAGUA	566	444	420 *	109	120	85 F	773	1068	501	3499	4222	2477
PANAMA	164	139	268 *	1309	793	1500 *	650	593	600 *	2111	1850	2300 *
SAINT LUCIA	78	40	78 F	483	295	468 F						
ST VINCENT								37			300	
TRINIDAD TOB	1091	1147	1150 F	5136	5016	4600 F		5			26	
USA	159395	211980	200977	463912	625224	534823	239685	248592	252953	1471562	1523853	1529783
SOUTH AMERIC	11204	10023	11390	28626	22905	25108	228701	238244	213714	552742	548734	520997
ARGENTINA	524	519	496 *	1579	1093	1000 F	28621	26610	25000 *	49010	45559	45000 F
BOLIVIA	557	107		2229	358							
BRAZIL	649	32	35 *	970	126	130 F	176528	187438	189811	465926	460467	438312
CHILE	1014	342	307	4000	800	1000	977	1238	1881	3300	4200	7200
COLOMBIA	3981	3685	4200 *	8134	7281	8000 F	9344	10612	11200 *	22883	21446	23000 F
ECUADOR	526	630 *	550 *	1997	1900 F	2000 F	216	133	160 *	1270	993	1100 F
FR GUIANA	9	7		30	25							
GUYANA	183	200 *	200 F	630	600 F	630 F						
PARAGUAY	1302	603	1580	1556	1298	3008	12823	12885	5412	10171	14853	6035
PERU	515	757	720 F	2304	3145	3000 F	92	129	150 F	182	292	350 F
SURINAME	300 *	300 *	302 F	1100 F	1000 F	1000 F						
URUGUAY	1334	2545	2600 F	3505	4699	4700 F		399			1124	
VENEZUELA	300	396	400 F	582	630 *	640 F						
ASIA	105003	205813	187677	808998	874200	896398	317235	304332	307025	766263	689155	738518
BAHRAIN	175	265	140 F	432	897	310 F		12			67	
BANGLADESH	111	140	200 *	266	472	870	1199	488	1400 *	1961	830	2586

	IMPORTS IMPORTATIONS IMPORTACION			MT	IMPORTS IMPORTATIONS IMPORTACION			1000\$	EXPORTS EXPORTATIONS EXPORTACION			MT	EXPORTS EXPORTATIONS EXPORTACION			1000\$
	1983	1984	1985		1983	1984	1985		1983	1984	1985		1983	1984	1985	
BHUTAN	220 F	225 F	229 F		170 F	174 F	177 F		26125	24585	23456		40390	38499	37008	
CHINA	20609 *	27505	44705		88163 F	111420	178920 F		44	31	118		145	103	443	
CYPRUS	2170	2289	1257		7851	7789	5128		6922	6610	4946		20799	20008	17176	
HONG KONG	12984	17456	18682		40057	62573	71841		83488	80687	64440		167310	147576	112590	
INDIA	13525	13475	10000 *		16549	23264	16350 *		22551	10317	20227		38283	32649	43400	
INDONESIA									39				926			
IRAN	7800 *	8200 *	5000 F		24000 F	33000 F	19000 F									
IRAQ	4385	5733	5359		21550	28012	26393		21	30 F	200 *		62	62	400 F	
ISRAEL	80062	75175	60564		437836	426491	369705		2785	2888	1395		5845	7189	3709	
JAPAN	2025	2680	507		12032	12602	2698		8600 *	7900 *	3200 *		14000 *	12200 *	5000 *	
JORDAN	3901	3498	2337		16601	13043	9650		32080	29960	28887		105605	100374	91433	
KOREA DPR	7				13				13				14			
KOREA REP	100 *				350 F				2800 *	1000 *	1400 *		11000 F	3800 F	5200 F	
KUWAIT									1	13			28	9	9 F	
LAOS	278	267	270 *		233	343	360 F		6	1			51	58 F	68 F	
LEBANON	1582	4054	5412 *		10451	32778	44000 F		52	65 *	77 *		568	1091	1100	
MACAU	1437	2151	1580 *		2491	2518	2700 F		227	316	350		1454			
MALAYSIA	56	51	49		264	275			611				28450	24241		
NEPAL	255	138	148		1026	797	811		22517	22006	10517		33436			
OMAN	13156	8268	12258		53367	26164	59167									
PAKISTAN	25	20 *	2		110	85 F	8		350	231	230 F		732	539	550 F	
PHILIPPINES	5287	6890	5500 F		6218	7658	6200 F		155	337	219		828	1726	789	
QATAR	10720	11497	4467		17711	18330	9994		447	853	600 *		1223	2635	1800 F	
SAUDI ARABIA					1				1242	313	73		5147	1382	237	
SINGAPORE	1276	4357	559		9505	15235	2185		35560	35858	32623		77864	69533	58221	
SRI LANKA	4834	6947	8736		26202	41339	51894		68528	69720	102726		237757	216357	330143	
SYRIA					260 F	300 F	420 F		250 *	300 *	440 F		500 F	640 F	915 F	
THAILAND	150 *	200 *	300 *		12500 F	5000 F	11000 F		233	200 F	200 F		1789	1600 F	1500 F	
TURKEY	7000 *	3000 *	7200 *		2791	2943	5367									
U A EMIRATES	1073	1336	2238													
YEMEN AR																
YEMEN DEM																
EUROPE	770170	769850	767171		2547082	2469354	2537576		332387	344294	320206		811565	740898	669452	
ALBANIA									8000 *	5300 *	6000 F		21000 F	13300 F	15600 F	
AUSTRIA	11339	8952	11807		34530	30702	37357		202	204	180		403	866	430	
BELGIUM-LUX	38972	35887	39683		133999	123675	141885		5257	6495	6013		16904	19764	20286	
BULGARIA	25931	41853	29789		75000 F	109000 F	80000 F		63197	61471	60413		186000 F	172000 F	163000 F	
CZECHOSLOVAK	18413	16543	21458		37000 F	33300 F	46000 F									
DENMARK	8142	15560	16721		33859	75425	82271		1293	1393	1501		2430	2812	4548	
FINLAND	6492	7026	8232		35532	35342	33916		41	88	135		3	15	131	
FRANCE	61154	65081	64796		78873	92733	101464		6562	10047	8287		19559	24989	21290	
GERMAN DR	19500	21600	20500 *		53100 F	54000 F	53000 F		475	605			1000 F	1200 F		
GERMANY FR	166552	138128	146314		568854	467719	512631		15308	13399	13165		24165	20324	23953	
GREECE	5602	5702	5585		31218	33714	28335		78248	87825	86750		195404	182386	151015	
HUNGARY	7395	5248	4755		17936	11574	9729		3688	3562	1381		10675	7293	2882	
ICELAND																
IRELAND	6953	7068	6871		23166	23236	24099		150	209	130		255	568	403	
ITALY	34522	24448	40198		164258	121308	167741		80069	96787	85005		97148	105738	91386	
MALTA	1433	1150	1758		3732	3986	5231		213	243	264		1639	1532	2600	
NETHERLANDS	91923	82326	90347		315426	283657	301221		19097	14851	13723		89067	59328	53151	
NORWAY	5493	6264	5667		25463	26440	23613		252	275	30		68	33	80	
POLAND	13914	13350	9576		17026	12174	17831		4872	6070	7275		10085	14101	14323	
PORTUGAL	8901	10073	6717		27836	27456	17852		106	19	185		213	24	337	
ROMANIA	1000 *	1000 *	3000 *		6500 F	2200 F	6000 F		3500 *	2500 *	2500 *		9900 F	6800 F	6500 F	
SPAIN	70855	71315	66500 *		300043	328660	299000 *		3075	1668	1130		3736	2919	1900 F	
SWEDEN	10944	11906	13895		48618	52024	54165		172	117	150		1150	438	535	
SWITZERLAND	21474	10897	20366		95081	78874	84526		4968	5664	4935		24845	28908	28503	
UK	123318	149551	120509		403599	427223	384854		5493	7281	5914		10492	11824	10068	
YUGOSLAVIA	8138	8812	14117		18333	14665	24642		28146	18221	15120		106043	63736	56551	
OCEANIA	15561	16131	23991		74196	79301	105356		830	342	26		4552	2206	85	
AMER SAMOA					1											
AUSTRALIA	10510	10835	19537		49635	54305	85498		828	342	26		4537	2206	85	
FIJI	179	135	200 F		1045	824	1200 F									
NEW ZEALAND	3257	3526	3790		16349	16730	16257		2				15			
PAPUA N GUIN	1500 F	1500 F	323		6800 F	6900 F										
SOLOMON IS	115 F	135	140 F		366 F	542	559 F									
USSR	101363	102505	95219		327392	291453	277646		944	1266	1162		3281	4592	4119	
DEV.PED M E	958197	990076	977431		3383730	3430721	3377750		523453	548510	528385		2151808	2154830	2078853	
N AMERICA	163046	214165	202288		484293	632810	539481		263862	275064	276627		1556917	1611903	1598713	
W EUROPE	682317	670256	678093		2340520	2247106	2325016		248655	264786	242637		572005	526204	467147	
OCEANIA	13767	14361	23327		65984	71035	101755		830	342	26		4552	2206	85	
OTH DEV.PED	97067	91294	73723		492933	479770	411498		10106	8318	9095		17335	14517	13909	
DEV.PING M E	214585	211834	203299		644088	649130	684926		699096	734306	719857		1748670	1719226	1701721	
AFRICA	51382	45991	48681		135307	106908	120677		141201	174980	171702		377333	426387	360476	
LAT AMERICA	18073	15231	20853		55444	46282	57351		278070	290397	269381		665233	661634	648844	
NEAR EAST	79433	80728	68804		259850	265880	235484		74847	72123	105537		258716	225579	340088	
FAR EAST	62803	68114	64297		185475	221795	267813		204978	196806	173237		447308	405626	352313	
OTH DV.PING	1794	1770	664		8212	8266	3601									
CENTR PLANND	209825	229602	229002		622117	625121	670126		118401	113259	105387		296231	269985	248432	
ASIAN CPE	20609	27503	44705		88163	111420	178920		34725	32485	26656		54390	50699	42008	
E EUR + USSR	189216	202099	184297		533954	513701	490206		84676	80774	78731		241841	219286	206474	
DEV.PED ALL	1145413	1192175	1161728		3917684	3944422	3867956		608120	629284	607116		2393649	2374116	2286277	
DEV.PING ALL	235184	239337	248004		732251	760550	864846		733821	766791	746513		1803060	1769925	1743729	

Table 17

## Trade in Cigarettes

(million pieces)

	Imports				Exports			
	1983	1984	1985	1986	1983	1984	1985	1986
Australia <u>a</u>	722	628	515		230	350	328	
New Zealand <u>a</u>	31	21	25p		113	107		
Canada	752	531	641	499	752	639	609	863
Barbados	5	5	3		10	10	5	
Belize	100	100	95		20	20	20	
Bermuda	111	46	190		-	-	-	
Jamaica	-	-	-		38	58	13	
Trinidad & Tobago	95	84	60		14	114	12	
Fiji	9	11	9		9	3	5	
Ghana	1,400	1,200	900		-	-	-	
Kenya	25	24	..		670	331	150p	
Malawi	25p	25p	25p		200	200		
Mauritius	2	20p	20p		5p	5p	-	
Nigeria	0.1	0.2	..		-	-	-	
Seychelles	23	13	..		-	-	-	
Sierra Leone	50	25	251p		-	-	-	
Tanzania <u>p</u>	-	-	-		200	250	250	
Zambia	15	15	..		-	-	-	
Zimbabwe	..	..	..		300	-	-	
Bangladesh <u>a</u>	119	74	300p		-	-	-	
Brunei	558	305	310		-	-	-	
Hong Kong	8,530	9,200	13,913	13,134	5,228	8,118	13,228	12,866
India <u>d</u>	66	..	..		5,188	1,842	1,366	2,059
Malaysia	2,427	1,147	615		25	40	36	
Singapore	3,981	4,732	5,753		2,310	2,413	3,746	
Sri Lanka	15	15	10		40	40		
Cyprus	1,161	720	12	15	1,787	1,336	1,424	733
Malta	36	42	36		425	480	331	
United Kingdom	2,952	8,095	12,642	13,836	43,301	39,568	39,142	29,858
Belgium-Lux.	3,679	3,575	3,154	2,595	14,111	13,080	15,048	15,342
Denmark	243	176	263	151	1,587	1,917	2,409	2,856
France	33,445	39,649	44,362	38,542	4,429	5,217	5,325	3,802
West Germany	5,254	4,926	5,431	6,129	43,646	44,284	47,642	53,419
Greece	1,020	868	1,267		461	585	616	
Irish Republic	318	313	281		1,076	1,188	1,896	
Italy	25,236	26,030	37,785		500	420	462	
Netherlands	15,479	14,629	14,859	13,715	36,209	42,203	46,013	47,732
Portugal	35	7	2p		187	147		
Spain	444	276	1,176p		871	661	533p	
Austria	687	680	248	261	133	136	116	125
Finland	12	8	30	56	934	982	1,044	991
Iceland	406	541	571		-	-	-	
Norway	1,370	1,540	1,581	1,878	14	16	10	11
Sweden	1,791	1,843	1,716	1,970	163	162	111	144
Switzerland	243	262	266	196	12,404	12,446	9,748	11,099
Turkey	..	2,740	4,500p		-	-	-	
Yugoslavia	-	-	-		2,463	2,584	2,233	
Albania	-	-	-		4,000	4,000	4,000	
Bulgaria	-	-	-		60,800	72,000	75,200	
Czechoslovakia	3,500	3,500			100	100		
East Germany	6,920	7,250	6,500		330	184		
Hungary	900	953	1,000		1,300	91	150	
Poland	2,803	660	2,430p		-	-	-	
Soviet Union	72,502	74,933	68,253		1,030	811	..	
Algeria	200	68	400p		-	-	-	
Angola	300	300	300		150	150	150	
Benin	1,550	1,550	1,600		50	50	-	
Burkina Faso	451	170p	175p		45	45	45	
Canary Islands	640	592	1,357p		115	285	-	
Chad	40	40	40		-	-	-	
Congo	-	-	-		50	50	50	
Côte d'Ivoire	260	288	200p		221	162	400p	
Egypt	2,050	1,800	2,000p		60	100	100	
Ethiopia	200	200	200		-	-	-	
Liberia	410	410	410		-	-	-	
Libya	2,000	2,000	2,000		-	-	-	
Malagasy Republic	200	200	200		100	100	100	

Trade in Cigarettes (cont'd)

	Imports				Exports			
	1983	1984	1985	1986	1983	1984	1985	1986
Morocco	1,215	1,041	1,035 <sub>p</sub>		17	11	9	
Mozambique	40	40	..		200	200	-	
Niger	320	320	340		-	-	-	
Reunion	230	217	350 <sub>p</sub>		53	61	- <sub>p</sub>	
Senegal	100	78	50		800	950	1,050	
South Africa	890	956	871		40	50	45	
Sudan	286	800 <sub>p</sub>	800 <sub>p</sub>		-	-	-	
Togo	725	725	750		-	-	-	
Tunisia	776	1,745	347 <sub>p</sub>		23	86	..	
Zaire	10	10	10		100	100	100	
United States	1,786	1,667	1,897	1,834	60,698	55,517	58,967	63,945
Argentina	-	3	-		26	31	28	
Brazil	-	-	-		92	90	-	
Chile	300	157	116		-	-	-	
Colombia	10,632	10,488	10,540		94	100	-	
Ecuador	50	50	..		300	300	-	
El Salvador	50	50	5		10	10	5	
French Guiana	121	112	..		-	-	-	
Honduras	15	15	..		45	45	-	
Paraguay	50	60	50		-	-	-	
Peru	10	10	..		-	-	-	
Uruguay	25	25	25		2	2	-	
Venezuela	25	-	-		1	850	-	
Cuba	-	-	-		1,000	1,000	1,000	
Guadeloupe	256	244	260 <sub>p</sub>		-	-	-	
Haiti	1,000	19	13		-	-	-	
Martinique	243	217	..		-	-	-	
Netherlands								
Antilles	230	240	250		-	-	-	
Surinam	25	25	10		-	-	-	
Abu Dhabi	332	341	157		-	-	-	
Iran <sub>c</sub>	3,000	4,200	2,820		-	-	-	
Iraq	250	1,250	1,250		20	20	20	
Israel	28	12	10		-	-	-	
Jordan	181	159	205		1,226	1,413	519	
Kuwait	6,200	5,000	4,500		2,600	2,400	1,500	
Lebanon	5,000	7,200	6,200		-	2,400	-	
Saudi Arabia	19,224	19,246	15,558		500	34	-	
Syria	-	791	-		1,308	1,400	-	
United Arab								
Emirates	9,000	8,500	9,000		3,000	3,000	-	
Afghanistan	450	450	475		-	-	-	
Indonesia	324	88	27		504	707	-	
Japan	6,124	6,940	7,648	11,791	305	334	467	675
South Korea	35	1	20	44	1,163	542	402	235
Laos	30	30	40		-	-	-	
Pakistan <sub>a</sub>	3	6	3		1,623	1,449	1,662	
Philippines	343	165	385		85	378	805	
Taiwan	590	548	577		22	15	11	
Thailand	221	307	271		163	45	-	
South Yemen	2,000	2,000	1,350		-	-	-	
World total <sub>b e r</sub>	274,318	292,323	306,358		319,667	331,444	359,096	

Based on USDA data. <sub>a</sub> Fiscal year (July/June), ending in year shown. <sub>b</sub> Includes countries not shown in table. <sub>c</sub> Year ending March 21 of year shown. <sub>d</sub> Fiscal year (April-March), ending in year shown. \* Figures relate respectively to 1985 and 1986.

Source: Tobacco Quarterly May 1987  
The Commonwealth Secretariat

Table 18

Trade in Cigars/Cigarillos/Cheroots  
(million pieces)

	Imports				Exports			
	1983	1984	1985	1986	1983	1984	1985	1986
Australia <sup>a</sup>	38	35	33		3	1	1	
Canada	18	23	23	19	-	-	-	-
Jamaica	-	-	-		22	19	18	
Singapore	5	7	14		1.2	0.6	1.6	
United Kingdom	348	405	361	324	48	41	45	45
Belgium-Lux.	984	1,020	852	776	1,573	1,677	1,847	1,637
Denmark	28	39	29	30	101	123	138	159
France	891	932	962	834	25	14	15	21
West Germany	254	284	255	260	227	232	221	212
Irish Republic	39	40	31		29	52	54	
Italy	55	55	76		7	5	15	
Netherlands	1,445	1,421	1,496	1,461	2,169	2,039	2,015	2,096
Spain	123	102	62 <sup>p</sup>		4	10	14 <sup>p</sup>	
Austria	1	1	5	6	4	4	18	15
Finland	15	17	12	15	10	6	-	1
Iceland	9	16	16		-	-	-	-
Norway	14	15	18	14	-	-	-	-
Sweden	23	23	27	22	34	34	38	31
Switzerland	29	28	28	28	24	23	28	27
Canary Islands	31	37	..		36	57		
South Africa	26	22	19		..	..		
United States	160	129	131	124	129	104	81	80
Brazil	-	-			236	358		
Dubai	16	10	15		-	-		
Jordan	4	55	2		-	-		
Saudi Arabia	39	14	9		-	-		
Japan	13	17	28	8	-	-	-	-
Philippines	-	-	-		32	37	33	

<sup>a</sup> Fiscal year (July/June), ending in year shown. \* Figures relate respectively to 1985 and 1986.

Source: Tobacco Quarterly May 1987  
The Commonwealth Secretariat



50. The EEC<sup>1</sup> is by far the largest exporter and importer of all tobacco products. With respect to cigarettes, United States and Bulgaria are also dominant suppliers. Other net exporters of cigarettes include Albania, Yugoslavia, Pakistan, Syria, Cyprus, India, Senegal, Cuba and Finland. Hong Kong, Singapore, United Arab Emirates and Kuwait are large exporters and importers at the same time. Important markets for cigarettes include USSR, Saudi Arabia, Colombia, Japan, East Germany, Lebanon and Turkey.

51. The EEC<sup>1</sup> is by far the largest exporter of cigars, cigarillos and cheroots, followed by Brazil. The United States is both an exporter and importer of these products.

52. World consumption of tobacco products continues to grow slowly, owing largely to expansion in developing country markets. In developed countries anti-smoking campaign and legislation as well as advertisement controls have resulted in zero or negative growth in sales (see Section IV on the activities of WHO). Given the shrinking market, competition for the sale of tobacco products is ever fiercer in developed countries.

#### SECTION IV: Activities of international organizations

53. Several international organizations undertake work which is relevant and complementary to negotiations in the GATT on tropical products.

54. With respect to inter-governmental facilities to compensate for shortfalls in commodity export earnings, the IMF Compensatory Financing Facility and the STABEX programme for ACP countries are noteworthy as

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<sup>1</sup> Including intra-EEC trade

measures of financial transfers to stabilize export earnings, while the variety of development projects and financial arrangements to promote and diversify exports are numerous. In fact, none of the products in this group are covered by STABEX operations. However, ACP exporters benefit from a 50 per cent reduction in the EEC import levy on rice and an elimination of the levy on tropical roots.

United Nations Conference on Trade and Development (UNCTAD)

55. Under United Nations auspices, UNCTAD is a major forum for international commodity action. Its principal achievements have been the Integrated Programme on Commodities (IPC), established as a result of Resolution 93(IV) at UNCTAD IV and the Agreement on the Common Fund for Commodities. In 1979 the UNCTAD agreed to expand international co-operation in the processing, marketing and distribution of primary products by developing countries. In this context, a recent study on food processing and marketing in Thailand which covers both rice and cassava (manioc) has been produced by the UNCTAD secretariat. (UNCTAD/TT/72, "Food Processing and Marketing in Thailand", 10 January 1986, Geneva)

Food and Agriculture Organization (FAO)

56. The Commodities and Trade Division (ESC) of the Food and Agriculture Organization (FAO) of the United Nations pioneered commodity research and techniques for international co-operation in commodities, including tropical products. This Division, whose activities are geared towards improving the functioning of international trade in agricultural commodities, monitors the world market situation and advises developing countries on the implementation of their national commodity policies. In addition, while working closely with UNCTAD and independent commodity councils, the Division services the Committee on Commodity Problems (CCP) which over the years has created a network of intergovernmental groups of interested producing and consuming countries.

57. The Intergovernmental Group on Rice regularly reviews developments regarding the world rice situation and national and regional rice policies. The Group has adopted "Guidelines for National and International Action on Rice" and reviews actions taken by governments in this respect. During its thirtieth Session in March 1987, the Group welcomed the positive developments that had taken place in 1986 including measures taken by some developed countries to cut back rice production.<sup>1</sup> Recognizing the large oversupply of rice on the world market, Japan, the United States, Australia and a number of developing countries, reduced plantings. By contrast, the EEC increased its rice land.<sup>2</sup> Reflecting the decline in world prices, combined with an increase in threshold prices, import levies and export refunds of the EEC have risen substantially. In 1985/86 the import levy was equal to 450 per cent of the "world price", with levies on milled rice significantly higher than on husked rice.<sup>3</sup> Following the implementation of the Food Security Act, the United States reduced its rice export prices to a level well below its support prices.

58. The Group regretted the limited use of the GSP in rice and reaffirmed, inter alia, the recommendations that:

- governments should make special efforts to minimize the use of export aids to avoid distortion in normal commercial trade;
- measures should be adopted to the maximum extent possible to reduce restrictions on imports of rice; and
- developed countries should make all efforts to implement, improve and enlarge GSP schemes for rice.<sup>4</sup>

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<sup>1</sup>FAO, Committee on Commodity Problems, Intergovernmental Group on Rice; CCP: RI 87/11, April 1987, page 14.

<sup>2</sup>"Guidelines for National and International Action on Rice"; CCP: RI 87/3, January 1987, page 3.

<sup>3</sup>"Rice Policy of the EEC: Recent Developments"; CCP RI 87/6, January 1987; page 3.

<sup>4</sup>FAO, op. cit; CCP: RI 87/11, page 4.

59. Concessional transactions relating to rice are normally notified to the FAO Consultative Sub-Committee on Surplus Disposal, while the Group aims to ensure that food aid does not interfere with or distort traditional consumption or trade patterns.

60. At its Twenty-Sixth Session the Group requested the International Trade Centre UNCTAD/GATT to undertake a survey on the market for rice in selected Middle East countries; the subsequent study was published in 1984.

World Health Organization (WHO)

61. During its 39th Session, the World Health Assembly urged member States to implement smoking control strategies, including measures to promote abstention from the use of tobacco and viable economic alternatives to tobacco production, trade and taxation. Furthermore, the assembly appealed to other organizations of the United Nations system to support WHO in all ways possible within their fields of competence.<sup>1</sup>

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<sup>1</sup> WHA 39.14, 15 May 1986