

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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

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PROPOSAL BY AUSTRIA

The following communication, dated 22 January 1988, has been received from Austria with the request that it be circulated to the members of the Group.

Austrian Offer on Tropical Products

Introduction

The Austrian offer, in principle, relates to the seven product groups covered by the 1982-84 consultations on tropical products which have been agreed as a basis for the negotiating group's work.

The offer is made under the assumption of a fair degree of burden sharing in the framework of the Uruguay Round. The degree of comprehensiveness of the Austrian offer will be dependent on comparable offers by other importing countries.

I) Tariff measures

A. Improvement of GSP:

- a) Further improvement of GSP treatment for as many tropical products as possible falling within chapters 1 to 24 of the Austrian Customs Tariff.
- b) Further improvement of GSP treatment for tropical products in chapters 25 to 97.
- c) A special preferential margin for least developed countries shall be maintained.

- d) The safeguard clause presently in force will continue to be applied with utmost restraint:

The safeguard clause permits a potential minimum annual increase of 25 % of imports from all beneficiaries and 10 % from a single beneficiary if that country is the first or second supplier of the products concerned among beneficiary countries.

The suspension of a preferential rate would only be considered if serious injury is caused or threatened to domestic producers of like or directly competitive products (no automaticity of suspension).

- e) It should be noted that the Austrian GSP is comprehensive and provides for transparency and stability of market access. Practically all items in chapters 25 to 97 are included. There are no quotas or other automatic limitations of imports under that system. These general characteristics will be maintained.

B. MFN concessions:

- a) In the framework of a generally agreed formula, reducing and/or harmonizing all tariffs on processed and unprocessed tropical products.
- b) Phased elimination of MFN rates for a given tropical product, when all developing countries taken together account for more than 60 % of Austrian imports of that product.
- c) Phased reduction of MFN rates over and above a percentage to be agreed upon within a formula when all developing countries taken together account for more than 30 % of Austrian imports of a given tropical product.

- d) Binding of remaining zero or/low rates for tropical products.
- e) The possibility of exceptions has to be reserved for certain very sensitive items with a view to a fair degree of multilateral burden sharing in the process of structural change. This would particularly apply to tropical products directly competing with sensitive temperate zone agricultural products (e.g. starch products).

II) Non-tariff measures

Austria is not aware of non tariff measures in her import regime for tropical products (no quantitative restrictions, no consumption taxes). If, however, specific instances of alleged measures having restrictive effects were notified by exporters of tropical products, these requests would be examined in a positive spirit.

III) Modalities

Measures described in I.A will be worked out on Austria's own initiative in the course of 1988. Measures described in I.B will be prepared on a technical level as soon as feasible. Upon request by interested developing countries Austria is ready to consult and negotiate forthwith bilaterally on all tariff matters relating to tropical products.