

**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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COMMUNICATION FROM THE PEOPLE'S REPUBLIC OF CHINA

The following communication dated 25 January 1987, has been received from the People's Republic of China with the request that it be circulated to the members of the Group.

The Chinese delegation is pleased to see that the new year's series of meetings in the context of Uruguay Round begin with a session of the Negotiating Group on Tropical Products. As we are entering into the second phase of negotiations in the round, we seem to find ourselves in a better position in this group than in other groups. We have already before us a set of background documents for seven product groups, for which we would like to thank the Secretariat for the substantial amount of work they have done. We have also in front of us a number of proposals coming from both the major importing and exporting countries or group of countries. The Asean proposal represents the efforts of exporting developing participants to seek a reasonable and practical solution of the subject item which they have vital interest. My delegation gives its full support to the proposal. The contributions made by some African countries are also valuable while the commodity list tabled by a number of developing countries provides a good basis for an agreed coverage of the tropical products. Our appreciation goes to the European Community for its serious proposal. We view it a step forward. Yet there is still some distance away from the negotiating objectives. The U. S. submission merits attention as

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it contains positive elements. But since the group on tropical products does not share the same negotiating mandate with the agricultural group, there is no logic or reason to bind the negotiations on a large part of tropical products to the result of the negotiations on agriculture. The Austrian offer and other submissions including those from New Zealand and Nordic countries are commendable too. In all, it appears that the foundation for a serious and fruitful negotiation for this group has been laid.

This group is one of the few groups in the Round that are of particular interest to the developing countries. The early achievement of the " fullest liberalization " envisaged in the Ministerial Declaration will not only help improve the trading environment and alleviate the balance of payment difficulties of the developing countries, but also build in confidence in them for the eventual success of the Uruguay Round.

The Chinese delegation, upon studying the various proposals, would like to make known its views on how the subsequent negotiations should proceed :

1. The scope of the product coverage should be based on the traditional seven product groups, including their processed and semi-processed forms. Any major recategorization or even deduction of products from the negotiations should be avoided, particularly those products which are of special interest to the developing countries.
2. A formula approach should be used for the negotiation on tariffs. On such an approach, we find ourselves in favour of the proposals made by the Asean countries as well as the African countries, namely the alignment of tariffs to the lowest level prevailing among the developed countries and binding them at those levels.

3. Harmonize sanitary and phytosanitary regulations according to the relevant standards of other international organizations.
4. Eliminate all non-tariff measures on tropical products. For special cases, a request and offer approach can be applied.
5. As this group is a group of special interest to the developing countries, no reciprocity is to be expected from them.

To expedite the process aimed at achieving early results at the Mid-Term Ministerial Review by the end of this year, substantive negotiations should start as early as possible, to be preceded by a short time span in which participants could submit their list of products to the Secretariat which could in turn organize in a synoptic manner with the various trade barrier measures attached.