

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

RESTRICTED

MTN.GNG/NG6/W/12/Rev.1  
26 February 1988  
Special Distribution

Group of Negotiations on Goods (GATT)

Negotiating Group on Tropical Products

TROPICAL PRODUCTS: BACKGROUND MATERIAL FOR NEGOTIATIONS

Tropical Roots, Rice and Tobacco

Note by the Secretariat

Table of Contents

	<u>Page</u>
Introduction	2
SECTION I: Tropical roots and tubers including manioc	3
A. Product information	3
B. The commercial policy situation	3
C. Trade flows and consumption	10
SECTION II: Rice	10
A. Product information	10
B. The commercial policy situation	14
C. Trade flows	18
SECTION III: Tobacco	18
A. Product information	18
B. The commercial policy situation	23
C. Trade flows and consumption	29
SECTION IV: Activities of international organizations	36
ANNEX <sup>1</sup> : Tariff and trade flow data at the tariff line level	

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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, MTN.GNG/NG6/W/12/Add.1 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, 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>

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<sup>1</sup> A number of participants in the Uruguay Round, including developed countries, have adopted new tariff schedules based on the Harmonized System. The United States and Canada have adopted 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 according to pre-HS tariff classifications, i.e. CCCN, TSUS or CTS.

## 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>1</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 tapioca (1903.00).<sup>2</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 and GSP rates indicated in this Table are new

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<sup>1</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.

<sup>2</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.

**Table 1**  
**Tropical Roots and Tubers**

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	Import levy	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 <sup>12</sup>	Import levy	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	Import levy	1%U	NOK 0.2/kg.B	Import levy	Sw F 0.05/kg.U	10%U	0%B
		GSP	-	0% <sup>11</sup>	-	-	-	-	ex0% <sup>8</sup>	-	-	5%	-
1108.14 (1108)	Manioc starch	MFN	0%B (13235)	1.65¢/kg.B	25%U	Import levy	Import levy	10%U	NOK 0.64/kg.U	Import levy	Sw F 0.1/kg.U	10%U	30%U <sup>13</sup>
		GSP	-	0%	-	-	-	-	-	-	Sw F 0.05/kg.	5%	24% <sup>13</sup>
1903.00 (1904)	Tapioca and substitutes therefor	MFN	0%B <sup>2</sup> (13235), 1.2¢/kg.B (13250) (13255)	0%B	16%A <sup>*</sup>	10%+ variable component B	Import levy	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	-	-	-	-	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 50.0137/kg.

<sup>11</sup>Flour of sago or manioc (cassava).

<sup>12</sup>Duty rate reduced to 3 per cent for sago pith.

<sup>13</sup>Duties effective July 1988.

Explanatory Notes to Tables 1, 6 and 11

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 (under the HS-based tariff - effective 1 January 1988, except the United States having delayed its adoption)

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 (under the HS-based tariff - effective 1 January 1988, except the United States having delayed its adoption)

Blank space means that as the MFN rate is already zero, GSP is irrelevant.

- = 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 MTN.GNG/NG6/W/12/Add.1.
  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.

rates based on the Harmonized System. 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 MTN.GNG/NG6/W/12/Add.1.

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

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 per cent to 25 per cent. In the United States, manioc imports are dutiable at 25 per cent. In Austria and 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.

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 1987-90 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 1986-89. 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), 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. Austria applies an import levy to all products in this group.

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 four-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.

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).

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



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	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				

Other notified non-tariff measures

18. 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>1</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).

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.

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.

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<sup>1</sup> International Trade Centre, Cassava: export potential and market requirement, Geneva 1977, pp 17-18.

Table 3

Exports and Imports of Manioc

(in product weight of chips and pellets)

	1981-1983 average	1984	1985	1986 forecast
	000 tons			
<b>EXPORTS</b>				
<b>World total</b>				
Developing countries	7 300	7 180	8 130	7 400
Latin America	20	20	20	20
Asia	7 150	7 160	8 110	7 380
China	450	70	100	300
Indonesia	280	400	600	500
Thailand	6 540	6 690	7 410	6 600
<b>IMPORTS</b>				
<b>World total</b>	7 300	6 400	9 000	7 400
Developing Countries	500	600	1 000	770
Latin America	20	20	20	20
Asia	450	540	950	750
China (Taiwan Prov)	140	300	470	170
Korea, Rep. of	90	150	240	250
Singapore	40	40	40	20
Developed Countries	6 800	5 800	8 000	6 630
Eastern Europe	190	100	400	300
Western Europe	6 430	5 310	6 730	5 900
EEC 10 (extra-trade)	6 430	5 260	6 340	5 400
Portugal	-	50	390	300
Spain	-	-	-	200
Israel	-	30	150	70
Japan	120	240	650	300
USA	50	70	70	60

Source: FAO

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	3,976	3,375	4,866	6,677	8,101	4,504	3,256	6,336
Of which from:									
Thailand	3,639	3,660	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
1108.50 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
07.06.010 Manioc	8,221	624	-	3	6	252	20	14,666	374,468
Of which from:									
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	1.0	11.4	2.0	10.3	22.4	166.7	2.4	161.0	37.3
Flour and meal of									
manioc, etc.									
China	-	-	-	-	-	-	-	105.0	-
Philippines	-	0.1	-	-	-	10.0	-	-	-
Indonesia	-	10.0	-	-	-	-	0.1	-	-
Thailand	-	-	-	-	19.0	153.0	-	35.0	-
Taiwan	1.0	1.3	2.0	10.3	3.4	3.7	2.3	21.0	37.3
11.08.310	94,206	90,622	69,355	67,249	79,071	82,062	52,568	113,932	155,081
Manioc starch									
Of which from:									
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	12.5	12.0	6.6	9.0	5.0	10.0	4.5	7.9	52.9
and sago									
Of which from:									
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.

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), Canada, Austria, Sweden, Switzerland, Australia and New Zealand provide developing countries MFN or GSP duty-free treatment. Norway provides MFN duty-free treatment except for milled rice.

25. In the United States, the average incidences of specific duties on rice are around 5 per cent to 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").

26. With respect to broken rice, rice flour and rice meal, Canada, Australia and New Zealand provide developing countries MFN or GSP duty-free treatment. Norway grants MFN duty-free treatment on rice flour and 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. Broken rice, rice flour and rice meal are dutiable or subject to import levy or other restrictive measures in the EEC, Japan, Austria, Finland and Switzerland.

(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 restricts imports of rice under State trading (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>

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

**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	0%U	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%	0%	
1006.40	Broken rice	MFN	0.69¢/ kg.B (13133)	as above	15%U 0%A	Variable levy	S 0.07/ kg.B Import levy	25%U	NOK 0.60/ kg.B <sup>2</sup>	Sw F 0.03/ kg.p	2%U	0%B
		GSP	-	0%		-	-	-	-	-	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>	10%B	0%B	Sw F 0.2/ <sub>3</sub> kg.U <sup>3</sup>	2%U	25%B 0%U
		GSP	0%	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	10%B	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.

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	ST	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



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

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 practice, it allowed the United States to lower their export prices on rice. In 1986, the United States introduced a countervailing duty of 0.824 per cent per ton on imports of rice from Thailand.

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. In early 1987 the EEC introduced a new regulation whereby up to 10,000 tons of basmati rice are admitted into the Community at a reduced import levy, i.e. 25 per cent lower than the import levy charged on other long grain rice (Source: FAO).

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 5.95 per cent.

33. In Austria, 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), while imports of unprocessed and broken rice, as well as rice flour for animal feed purposes are subject to import levies (AG/DOC/6/CHE/1). On 1 July 1986 the import levy on broken rice was raised from Sw F 300 per ton to Sw F 5,000 per ton.

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).

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

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 1985 exports of rice from selected exporters to different destinations.

36. World trade in rice fluctuated between 11 million tons 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 per cent to 17 per cent of world imports.

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

**Table 8**  
**Main rice exporting countries and their exports in 1982-86**

REGIONS AND COUNTRIES	1982	1983	1984	1985	1986
	( . . . . . thousand tons (milled equivalent) . . . . . )				
ASIA	7186	7882	8670	7651	7979
BURMA	737	875	720	452	636 *
CHINA 1/	777	1111	1370	1068	1149 *
INDIA	600 *	135 *	200 *	160 *	130 *
INDONESIA	0	0	-	392	239 *
JAPAN	318	329	107	0	0 *
KOREA DPR	280 *	285 *	250 *	300 *	200 *
PAKISTAN	794	1299	1057	962	1142 *
THAILAND	3624	3705	4616	4062	4323
OTHERS	55	153	346	250	160
AFRICA	31	25	80	20	52
EGYPT	23	19	71	13	44 *
OTHERS	9	8	12	10	11
CENTRAL AMERICA 2/	17	17	67	33	32
SOUTH AMERICA	533	514	478	605	513
ARGENTINA	60	85	95	112	100
COLOMBIA	10	46	43	34	0
GUYANA	35	42	47	56	31 *
SURINAME	131	127	81	120	99
URUGUAY	246	189	179	259	240 *
OTHERS	52	26	29	6	40
NORTH AMERICA	2487	2331	2129	1906	2389
USA	2487	2331	2129	1906	2389
EUROPE	364	358	291	502	517
EEC 3/	364	345	237	490	498 *
OTHERS	1	12	15	0	14
USSR	12	14	10	50 *	30 *
OCEANIA	582	281	370	440	443
AUSTRALIA	582	281	370	440	443 *
OTHERS	0	0	0	0	0
WORLD	11214	11420	12096	11210	11954
ALL DEV. PED	3765	3333	3008	2697	3205
ALL DEV. INC	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

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	4771	5592	6218	5273	4724
BANGLADESH	396	83	588	257	90
HONG KONG	340	343	331	354	338 *
INDIA	0	297	550	85 F	10 F
INDONESIA	350	1168	414	34	28
IRAN	432	680 *	730 *	600 *	550 *
IRAQ	370 *	440 *	520 *	475 *	500 *
JAPAN	66	10	165	30	17 *
KAMPUCHEA DM	145 F	72 F	100 F	55 F	100 F
KOREA REP	269	216	0	0	0
MALAYSIA	392	385	424	425	216
PHILIPPINES	0	0	191	538	15 F
SAUDI ARABIA	468	491	490	428	626 *
SINGAPORE	188	192	199	180	225 *
SRI LANKA	112	177	27	182	211
VIET NAM	183	42	350 *	422	500 *
OTHERS	1059	856	1135	1232	1339
AFRICA 1/	3267	3284	3177	3064	3215
CAMEROON	17	51	31	48	31
GHANA	53	65	96	60 F	54 F
COTE D'IVOIRE	357	432	321	162	373 *
LIBERIA	95 *	70	53	85 *	100 F
MADAGASCAR	355	185	111	128	158
MAURITANIA	75	85	70	80 F	80 F
MAURITIUS	78	71	87	83	65
NIGERIA	651 *	630 *	660 *	545	370 *
SENEGAL	359	400	370	336 *	378 *
SIERRA LEONE	85	58	28 F	92 F	95 F
SOUTH AFRICA	163	176	186	250 F	260 F
OTHERS	950	1075	1142	1172	1208
CENTRAL AMERICA 2/	403	382	548	622	506
MEXICO	22	0	170	156	0
OTHERS	387	382	377	470	462
SOUTH AMERICA	255	553	301	390	1531
BRAZIL	148	322	227	340	1275 *
CHILE	21	31	8	7	37
PERU	63	116	48 *	5	186 *
OTHERS	23	83	17	51	49
NORTH AMERICA	119	129	144	179	193
CANADA	100	107	114	117	115
OTHERS	19	23	30	62	61
EUROPE	1154	1130	1167	1353	1327
EEC 3/	739	760	724	942	805
OTHERS	156	118	128	151	210
E. EUROPE	259	256	321	256	271
USSR	859	323	150	321 *	484 *
OCEANIA	161	170	193	213	216
WORLD	10981	11563	11900	11415	12196
ALL DEV. PED	2430	1660	1809	1851	2003
ALL DEV. INC	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

Table 10

RICE :EXPORTS FROM SELECTED EXPORTERS, 1985 (CALENDAR YEAR)  
 RIZ :EXPORTATIONS DE CERTAIN EXPORTATEURS, 1985 (ANNEE CIVILE)  
 ARROZ :EXPORTACIONES DE DETERMINADOS EXPORTADORES, 1985 (AÑO CIVIL)

000 TONS

FROM: TO:	ARGENTINA	BURMA	EEC	PAKISTAN	THAILAND	URUGUAY	USA	TOTAL
ASIA	25.0	258.0	159.0	354.0	1804.0	124.0	848.0	3572.0
BAHRAIN	-	-	-	10.0	-	-	-	10.0
BANGLADESH	-	53.0	-	11.0	75.0	-	75.0	224.0
BRUNEI	-	-	-	-	13.0	-	-	13.0
CHINA	-	57.0	-	-	66.0	-	-	123.0
HONG KONG	-	-	-	-	169.0	-	-	169.0
INDIA	-	-	1.0	-	-	-	9.0	10.0
INDONESIA	-	-	1.0	-	49.0	-	3.0	53.0
IRAN	25.0	-	-	54.0	297.0	124.0	-	500.0
IRAQ	-	-	-	-	-	-	405.0	405.0
ISRAEL	-	-	17.0	-	13.0	-	1.0	31.0
JAPAN	-	-	-	-	12.0	-	1.0	13.0
JORDAN	-	-	46.0	-	25.0	-	1.0	72.0
KAMPUCHEA DM	-	4.0	-	-	-	-	-	4.0
KUWAIT	-	-	-	26.0	28.0	-	6.0	60.0
LEBANON	-	-	30.0	-	-	-	1.0	31.0
MALAYSIA	-	44.0	-	49.0	323.0	-	-	416.0
MALDIVES	-	-	-	-	3.0	-	-	3.0
OMAN	-	-	-	65.0	2.0	-	-	67.0
PHILIPPINES	-	-	3.0	-	137.0	-	124.0	264.0
QATAR	-	-	-	2.0	-	-	-	2.0
SAUDI ARABIA	-	-	4.0	80.0	146.0	-	194.0	424.0
SINGAPORE	-	-	-	2.0	192.0	-	1.0	195.0
SRI LANKA	-	32.0	-	30.0	21.0	-	-	83.0
SYRIA	-	-	-	-	91.0	-	-	91.0
TURKEY	-	-	56.0	-	27.0	-	-	83.0
U.A. EMIRATES	-	-	1.0	25.0	57.0	-	6.0	89.0
VIET NAM	-	58.0	-	-	-	-	-	58.0
YEMEN AR.	-	-	-	-	40.0	-	21.0	61.0
YEMEN DEM.	-	-	-	-	18.0	-	-	18.0
AFRICA	-	162.0	163.0	365.0	1185.0	15.0	532.0	2422.0
ALGERIA	-	-	-	10.0	28.0	-	-	38.0
ANGOLA	-	13.0	5.0	-	33.0	-	-	51.0
BENIN	-	-	-	-	41.0	-	-	41.0
BURKINA FASO	-	3.0	3.0	-	-	-	29.0	35.0
CAMEROON	-	-	-	119.0	90.0	-	10.0	219.0
CAPE VERDE	-	-	10.0	-	-	-	-	10.0
CHAD	-	-	-	4.0	-	-	5.0	9.0
COMBOUTI	-	-	-	-	43.0	-	-	43.0
EQ. GUINEA	-	-	3.0	-	-	-	-	3.0
ETHIOPIA	-	-	-	17.0	-	-	1.0	18.0
GABON	-	-	-	-	8.0	-	1.0	9.0
GAMBIA	-	-	-	-	23.0	-	7.0	30.0
GHANA	-	20.0	6.0	-	-	-	19.0	45.0
GUINEA	-	-	10.0	11.0	15.0	-	26.0	62.0
GUINEA BISSAU	-	6.0	6.0	-	-	-	-	12.0
IVORY COAST	-	-	1.0	15.0	5.0	-	2.0	23.0
KENYA	-	-	-	-	4.0	-	-	4.0
LIBERIA	-	-	-	-	5.0	-	65.0	70.0
MADAGASCAR	-	-	5.0	40.0	98.0	-	44.0	187.0
MALI	-	11.0	14.0	23.0	12.0	-	54.0	114.0
MAURITANIA	-	-	8.0	-	50.0	-	-	58.0
MAURITIUS	-	20.0	-	13.0	-	-	-	33.0
MOROCCO	-	-	1.0	-	1.0	-	18.0	20.0
MOZAMBIQUE	-	1.0	22.0	-	120.0	-	33.0	176.0
NIGER	-	-	3.0	-	2.0	-	-	9.0
NIGERIA	-	-	-	8.0	297.0	-	-	305.0
REUNION	-	35.0	27.0	-	24.0	-	-	86.0
RWANDA	-	-	-	-	-	-	1.0	1.0
SENEGAL	-	36.0	8.0	48.0	63.0	-	125.0	280.0
SEYCHELLES	-	-	-	-	0.0	-	7.0	11.0
SIERRA LEONE	-	-	2.0	7.0	2.0	-	-	11.0
SOMALIA	-	-	5.0	-	83.0	-	17.0	105.0
SOUTH AFRICA	-	-	-	-	-	15.0	66.0	81.0
SOUDAN	-	-	9.0	4.0	25.0	-	-	38.0
TANZANIA	-	-	15.0	-	23.0	-	1.0	39.0
Togo	-	14.0	-	42.0	56.0	-	1.0	113.0
TUNISIA	-	-	-	-	6.0	-	-	6.0
ZAIRE	-	-	-	-	24.0	-	-	24.0
ZAMBIA	-	3.0	-	-	-	-	-	3.0

Table 10 (continued)

RICE :EXPORTS FROM SELECTED EXPORTERS, 1985 (CALENDAR YEAR) (CONTINUED)  
RIZ :EXPORTATIONS DE CERTAIN EXPORTATEURS, 1985 (ANNEE CIVILE) (SUITE)  
ARROZ :EXPORTACIONES DE DETERMINADOS EXPORTADORES, 1985 (AÑO CIVIL)(CONTINUACION).

000 TONS

FROM: TO:	ARGENTINA	BURMA	EEC	PAKISTAN	THAILAND	URUGUAY	USA	TOTAL
CENTRAL AMERICA	-	-	3.0	-	122.0	-	114.0	239.0
BAHAMAS	-	-	-	-	-	-	6.0	6.0
BARBADOS	-	-	-	-	-	-	3.0	3.0
CUBA	-	-	-	-	80.0	-	-	80.0
DOMINICAN REP.	-	-	-	-	-	-	21.0	21.0
EL SALVADOR	-	-	-	-	-	-	5.0	5.0
GUADELOUPE	-	-	2.0	-	-	-	-	2.0
HAITI	-	-	-	-	-	-	7.0	7.0
HONDURAS	-	-	-	-	-	-	2.0	2.0
JAMAICA	-	-	-	-	-	-	47.0	47.0
MEXICO	-	-	-	-	41.0	-	-	41.0
NETH.ANTILLES	-	-	-	-	-	-	9.0	9.0
NICARAGUA	-	-	1.0	-	-	-	-	1.0
TRINIDAD AND TOBAGO	-	-	-	-	1.0	-	14.0	15.0
SOUTH AMERICA	-	-	-	157.0	161.0	62.0	4.0	384.0
BRAZIL	-	-	-	157.0	156.0	62.0	-	375.0
CHILE	-	-	-	-	5.0	-	-	5.0
ECUADOR	-	-	-	-	-	-	3.0	3.0
PERU	-	-	-	-	-	-	1.0	1.0
NORTH AMERICA	-	-	-	-	58.0	-	95.0	153.0
CANADA	-	-	-	-	10.0	-	95.0	105.0
USA	-	-	-	-	48.0	-	-	48.0
W.EUROPE	20.0	9.0	73.0	1.0	337.0	30.0	286.0	756.0
EEC	8.0	5.0	-	1.0	327.0	11.0	188.0	540.0
AUSTRIA	-	-	32.0	-	-	-	2.0	34.0
FINLAND	-	-	-	-	-	-	1.0	1.0
NORWAY	-	-	2.0	-	-	-	2.0	4.0
PORTUGAL	12.0	-	4.0	-	-	19.0	28.0	63.0
SPAIN	-	-	-	-	-	-	14.0	14.0
SWEDEN	-	-	9.0	-	-	-	12.0	21.0
SWITZERLAND	-	-	16.0	-	-	-	39.0	55.0
YUGOSLAVIA	-	4.0	10.0	-	10.0	-	-	24.0
E.EUROPE	-	12.0	7.0	14.0	-	-	3.0	36.0
CZECHOSLOVAK	-	6.0	-	-	-	-	-	6.0
GERMAN DR	-	-	1.0	-	-	-	-	1.0
HUNGARY	-	-	6.0	-	-	-	-	6.0
POLAND	-	-	-	14.0	-	-	3.0	17.0
ROMANIA	-	6.0	-	-	-	-	-	6.0
USSR	-	-	-	-	193.0	-	-	193.0
OCEANIA	-	-	-	-	3.0	-	10.0	13.0
AUSTRALIA	-	-	-	-	3.0	-	1.0	4.0
NEW ZEALAND	-	-	-	-	-	-	1.0	1.0
PACIFIC IS.	-	-	-	-	-	-	8.0	8.0
WORLD	112.0	452.0	468.0	962.0	4025.0	259.0	1906.0	8184.0
ALL DEV.PED	20.0	21.0	97.0	15.0	616.0	45.0	454.0	1268.0
ALL DEV.PING	25.0	420.0	308.0	876.0	3247.0	186.0	1438.0	6500.0
UNSPECIFIED	67.0	11.0	63.0	71.0	162.0	28.0	14.0	416.0

Source: FAO

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 Rwanda. 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).

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 certain types of tobaccos duty-free treatment on an MFN basis or 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

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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

United States and Australia: See separate tables in the following pages

H.S. Code No. (CCCN)	Harmonized commodity description		Canada	Japan	EEC	Aus- tria	Fin- land	Nor- way	Sweden	Swit- zer- land	New Zea- land
2401.10	Tobacco, not stemmed /stripped	MFN	0% <sup>6/</sup> 24.25¢/ kg.B <sup>7/</sup> 27.56¢/ kg.B <sup>8/</sup>	OZU	<u>1/</u>	S 4/ <sub>3</sub> / kg.B <sup>3/</sup>	OZB	OZB	OZB	OZU <sup>4/</sup> , Sw F 1/kg.U	<u>5/</u>
		GSP	0% <sup>7/</sup> 18.36¢/ kg. <sup>8/</sup>		<u>1/</u>	-					<u>5/</u>
2401.20	Tobacco, partly or wholly stemmed/ stripped	MFN	44¢/ kg. B	OZU	<u>1/</u>	S 7.5/ kg.B <sup>3/</sup>	OZB	OZB	OZB	As above	<u>5/</u>
		GSP	0% <sup>8/</sup> 29.39¢/ kg. <sup>9/</sup>		<u>1/</u>	-					
2401.30	Tobacco refuse	MFN	10.2% <sup>B</sup>	OZU	<u>1/</u>	S 4/ <sub>3</sub> / kg.B <sup>3/</sup>	OZB	OZB	OZB	As above	<u>5/</u>
		GSP	6.5%		<u>1/</u>	-					
2402.10	Cigars, cheroots and cigarillos	MFN	10%+ \$3.20/ kg.B	60% <sup>U</sup> 20% <sup>A*</sup>	52% <sup>B2/</sup>	S 233/ kg.B <sup>3/</sup>	FIM 24.56/ kg.B	NOK 15/ kg.P	SEK 1.70- 8.90/ 100 units B	Sw F 17/kg.U	20% <sup>U</sup>
		GSP	6.5% + \$2.13/kg. 0% <sup>10/</sup>	-	41%	-	-	-	OZ	-	15%
2402.20	Cigarettes	MFN	20% <sup>B</sup>	90% <sup>U</sup> 0% <sup>A*</sup>	90% <sup>B</sup>	S 266/ kg.B <sup>3/</sup>	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	20% <sup>U</sup>
		GSP	-		82%	-	-	-	OZ	-	15%

<sup>1/</sup> See separate tables in the following pages.

<sup>2/</sup> Duty rate reduced to 43 per cent until 31 December 1990.

<sup>3/</sup> Imports by the monopoly administration are admitted free of duty.

<sup>4/</sup> For the manufacture of cigars, cigarettes, etc.

<sup>5/</sup> For the manufacture in a licensed manufacturing warehouse into: cigars OZB, tobacco, cigarettes and snuff 12.5%<sup>U</sup>, GSP 10%. For other purposes \$73.48 per 100 kgs, no GSP.

<sup>6/</sup> For use as wrappers in the manufacture of cigars.

<sup>7/</sup> Turkish type

<sup>8/</sup> Other

<sup>9/</sup> For use in the manufacture of cigars

<sup>10/</sup> Hand-rolled cigars



**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
	Not containing wrapper tobacco, or not containing over 35 per cent wrapper tobacco:			
	Cigarette leaf:			
2401.10.40	Oriental or Turkish type not over 21.6 cm in length	25.4¢/Kg. B	7.8%	
2401.10.80	Other	28.1¢/Kg. B	12.6%	
	Other, including cigar leaf	35.5¢/Kg. + 43.9¢/Kg. on wrapper tobacco content B	n.a.	
2401.20	Tobacco, partly or wholly stemmed/stripped:			
2401.20.05	Not threshed or similarly processed:			
	Leaf tobacco, the product of two or more, countries or dependencies, when mixed or packed together	56.45/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	Threshed or similarly processed:			
2401.20.80	From cigar leaf	35.5¢/Kg. B	21.7%	
2401.30	Other	44.1¢/Kg. B	13.4%	
2401.30	Tobacco refuse:			
2401.30.30	Tobacco stems:			
	Not cut, not ground and not pulverised	Free B		
2401.30.60	Cut, ground or pulverized	\$1.21/Kg. U	250.6%	
2401.30.90	Other	35¢5¢/Kg. B	21.7%	
2402.10	Cigars, cheroots and cigarillos containing tobacco:			
2402.10.30	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	Cigarettes containing tobacco:			
2402.20.10	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)

2401 10	Tobacco, not stemmed/stripped:	
		23%
10	- Flue-cured Virginia type and light air-	MIN 28 Ecu
20	cured Burley type tobacco (including	MAX 30 Ecu/
30	Burley hybrids); light air-cured	100 kg/net
41	Maryland type and fire-cured tobacco <sup>1</sup> :	bound
49		
50	- Other	14%
60		MIN 28 Ecu
70		MAX 70 Ecu/
80		100 kg/net
90		bound
2401 20	Tobacco, partly or wholly stemmed/stripped:	
		23%
10	- Flue-cured Virginia type and light air-	MIN 28 Ecu
20	cured Burley type tobacco (including	MAX 30 Ecu/
30	Burley hybrids); light air-cured	100 kg/net
41	Maryland type and fire-cured tobacco <sup>1</sup> :	
49		
50	- Other	14%
60		MIN 28 Ecu
70		MAX 70 Ecu/
80		100 kg/net
90		bound

<sup>1</sup>Entry under this sub-heading is subject to conditions laid down in the relevant Community provisions.

Table 13 (cont'd)

EEC Duties on Unmanufactured Tobacco (cont'd)GSP (1983)

EC tariff heading No.	Description	GSP rate	Global community tariff quotas	
			Quota amount (tonnes)	Initial share of quota amounts allocated to Member States (tonnes)
2401 10 10 2401 20 10	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 50 2401 10 70 2401 10 80 2401 10 90 2401 20 50 2401 20 70 2401 20 80 2401 20 90	Unmanufactured tobacco, other, excluding the sun-cured oriental type	14% with min. of 28 ECU and max. of 31 ECU/100 kg.	20 000 (reserve: 1 400)	Benelux 4 000 Denmark 860 Germany 2 220 Greece 20 Spain 8 940 France 1 860 Ireland 20 Italy 40 Portugal 340 United Kingdom 300

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 2401.10.1	Tobacco, not stemmed/stripped: 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 2401.20.1	Tobacco, partly or wholly stemmed/stripped: 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.

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).

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 SEITA (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

Table 15

Tobacco

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)

Table 16

### Trade in Unmanufactured Tobacco

	TOBACCO UNMANUFACTURED			TABAC BRUT			TABACO EN BRUTO					
	IMPORTS IMPORTATIONS IMPORTACION	MT		IMPORTS IMPORTATIONS IMPORTACION	1 000S		EXPORTS EXPORTATIONS EXPORTACION	MT		EXPORTS EXPORTATIONS EXPORTACION	1 000S	
	1984	1985	1986	1984	1985	1986	1984	1985	1986	1984	1985	1986
WORLD	1432979	1412793	1338253	4764555	4764134	4802066	1396221	1389428	1301418	4141223	4054861	3897040
AFRICA	107636	106477	117481	343118	322252	373064	181338	179513	179036	432756	369826	437137
ALGERIA	12337	17857	18000*	21358	33199	36000F	450			794		
ANGOLA	1200*	1300*	1000F	2900F	3150F	2500F	2000*	2000*	2000F	5000F	5200F	5600F
BEHIN	500*	357	620*	2900F	2500	4500*						
BOTSWANA	227	144	300*	475	249	800F	56	25		34	8	
BURUNDI	611	1331	500F	472	447	300F						
CAMEROON	2379	2725	2000F	886	481	168						
CAPE VERDE	67	68	60*	9282	9126	7000F	1167		1900*	8486		14000F
CENT AFR REP	418	540	200*	213	232	220F	200*	300*	300*	400F	680F	750F
COMOROS		58		1557	2011	850*						
CONGO	1284	1295	1300F	4245	4723	5000F						
COTE D'IVOIRE	2921	3336	3000*	9905	12066	12000F	68	30	30F	59	48	50F
DJIBOUTI	202	85		158	55							
EGYPT	48640	43562	45000*	165798	108417	180000F						
ETHIOPIA	350	575	650*	2359	1505	1850F						
GABON	150	150*	200*	806	810F	1100F						
GAMBIA	800*	400*	300*	3000F	2100F	1600F						
GHANA	1100*	1000*	300*	4500F	4000F	1250F						
GUINEA	228	350*	200F	776	1000F	800F						
GUIN BISSAU	3			14								
KENYA	15	17	17F	128	132	140F	191			544		
LIBERIA	368	200*	100F	1059	800F	330F	18			68		
LIBYA	2000*	1000*	1300*	12000F	8000F	8100F						
MADAGASCAR		799		1807			562	560*		56	100F	
MALAWI	857	500*	900*	1576	850F	1700F	89777	58805	56298	163252	109639	128086
MAURITANIA	300*	1700*		360F	2300F							
MAURITIUS	36	25	37	396	177	280						
MOROCCO	8215	6025	15000*	16182	12585	40000*		50			16	
NIGER	38	215*	150*	55F	400F	300F	801			148		
NIGERIA	399	396	400*	1159	1990	2200F						
REUNION	364	206	292	1102	710	1246	123	140	173	168	157	233
RYUNDA	513	861	450*	2417	3107	2100F						
SENEGAL	3434	2584	2000*	4356	6685	5400F						
SEYCHELLES	42	67	50*	189	257	200*						
SERRA LEONE	384	396	250*	1334	1296	900F	32	121	55*	105	441	200F
SOUTH AFRICA	10487	6080	1200*	55846	17141	31000F	5400*	7500*	5900*	7296	9602	7800F
SUDAN	450	451	500F	3585	3546	4000F						
SWAZILAND	13*	30*	30F	10	30	30F						
TANZANIA							39	40F	40F	63	65F	65F
TOGO	4	42	80*	28	74	350F	7018	7000*	6800*	13000F	13000F	14500F
TUNISIA	3711	5848	5843	8586	14834	14875	20			20		
UZANDA							944	507	2053	840	430	2047
ZAIRE	850*	400*	1300*	1450F	1000F	3500F	850*	1000*	1000F	1150F	1100F	1300F
ZAMBIA	105			104			1528	2100*	3800*	2781	4200F	6000F
ZIMBABWE	678	1303	3048	791	1867	3895	87008	86345	88087	228486	224840	253494
H C AMERICA	219207	210583	214742	858034	853099	823804	326339	329657	294280	1720853	1728595	1433324
BAHAMAS	50*	110*		150F	380F							
BARBADOS	248	153	200F	1274	720	1000F						
BELIZE	81	73	70*	324	351	380F						
CANADA	2185	1311	1715	7586	4958	6782	26472	23674	29467	88050	88030	84752
COSTA RICA	103	54	50*	291	247	150F	8	17		1	7	
CUBA	488	3200*	2800*	375	2500F	2300F	9751	17764	18000*	20988	42508	45000F
DOMINICA	35*			120								
DOMINICAN RP	280	104	1500*	1674	483	7500F	17037	15775	12000*	28889	20889	18007*
EL SALVADOR	298	412	580*	458	648	1000F	154	81	102*	255	57	100F
GUENADA	21			57								
GUATEMALA												
HAITI	700F	500*	300*	4100F	3200F	2100F	6450*	6070*	4750*	18089	26520*	21800F
HONDURAS	222	29	210*	1418	201	1400F						
JAMAICA	430	402	370*	4845	4942	4400F	2508	2400*	1770*	8345	8400F	8500F
MEXICO	4	1308		1	4146		367	300	410*	805	804	1800F
NETH ANTILLE	354	29	30*	2815	53	60F	13283	8281	11432	27170	25423	28391
NICARAGUA	444	740	250*	120	242	1000F						
PANAMA	139	103	270*	793	713	1800F	1086	501	111	4222	2477	586
SAINT LUCIA	40	68	60F	295	42	450F	593	771	470*	1850	2548	1800*
ST VINCENT								17			91	
TRINIDAD TOB							73	73	70F	300	348	350F
USA	1147	1008	834	5018	4341	328	5		78	28		2
	211880	200777	205423	825224	834823	800513	248592	252953	217895	1528953	1529783	1224881
SOUTH AMERIC	10196	8185	8888	24032	17878	18075	236244	250928	212184	647947	644278	472386
ARGENTINA	519	448	400F	1003	1231	1120F	28610	31478	17400*	45589	56210	35000F
BOLIVIA	107	358										
BRAZIL	32	67		126	103		187438	198882	175301	497487	448886	400281
CHILE	342	307	555	800	1000	1800	1238	1981	1103	4179	7229	3800
COLOMBIA	3685	3286	4900*	7281	6158	6500F	10812	12756	11480	21446	22426	23202
ECUADOR	703			3027			133	424	300*	1003	2192	2100F
FR GUANA	7	11	15	25	38							
GUAYANA	200*	250*	310*	800F	780F	1000F						
PARAGUAY	603	1580		1288	3008		11885	6412	8000*	14833	6035	7000*
PERU	757	620*	300*	3145	2200F	1300F	129	100*	100*	292	230F	250F
SURINAME	300*	280*	200*	1000F	1000F	720F						
URUGUAY	2545	1208	480	4889	2132	1332	389	117	88	348	251	201
VENEZUELA	386	237	148	600*	230	151			312*			682
ASIA	208284	200818	187579	891077	908810	885182	304389	308324	275475	882173	733177	682505
BAHRAIN	285	150F	150F	897	450F	480F	12				67	

Table 16 (cont'd)

## Trade in Unmanufactured Tobacco (cont'd)

	TOBACCO UNMANUFACTURED			TABAC BRUT			TABACO EN BRUTO					
	IMPORTS IMPORTATIONS IMPORTACION	MT		IMPORTS IMPORTATIONS IMPORTACION	1 000S		EXPORTS EXPORTATIONS EXPORTACION	MT		EXPORTS EXPORTATIONS EXPORTACION	1 000S	
	1984	1985	1986	1984	1985	1986	1984	1985	1986	1984	1985	1986
BANGLADESH	140	200	300	472	870	1350F	488	1400		830	2586	
CHINA	27503	44705	32822F	111420	178200F	135719F	24545	23456	18487	36883	36228	33103
CYPRUS	2789	1257	1457	7780	5128	6481	31	118	70	103	443	322
HONG KONG	17456	18682	12293	62573	71841	48315	8810	4946	1190	20038	17176	4779
INDIA							80887	64440	61782	147576	112592	108428
INDONESIA	13475	10332	9924	23264	16786	21412	18317	20227	23002	32949	43085	62530
IRAN	311			1217			29			906		
IRAQ	10511	8000	7000	48708	38400F	35000F						
ISRAEL	5733	5233	4886	20912	26303	22892	25	25	20	62	61	60
JAPAN	75175	80584	67761	425431	307705	309854	2688	1395	6747	7180	3700	6781
KOREA DPR	2800	551	1784	12602	2979	9035		4			25	
KOREA REP							7800	3200	3300F	12200	5000	6000F
KUWAIT	3408	2337	3884	13043	8650	13581	20000	28887	25841	100374	91433	75047
LEBANON	74			128			43			41		
MACAU	267	145	150F	343	233	280F	1000	1400	2700	3830F	5200F	11000F
MALAYSIA	4054	5432	5198	32778	38578	36833	13	68		132		
NEPAL	2151	3484	3000	2518	2837	3500	1	3	1	9	8	9F
OMAN	51	49	50F	275	271	280F	65	77		88	88	
PAKISTAN	136	146	140	797	811	785	318	350	469	1091	1100	958
PHILIPPINES	8288	12258	12720	28184	59167	63457	811		4	1454		7
QATAR	20	2		85F	8		22006	19517	10859	28450	24241	20087
SAUDI ARABIA	8660	3589	3014	7858	3755	2888	231	86	230F	539	173	580F
SINGAPORE	11497	4467	4071	15330	9804	8629	337	219	178	1728	789	806
SRI LANKA							853	384	420	2635	777	1350F
SYRIA	4357	559	15235	2185	313	73	10	1382	237	62		
THAILAND	8047	8738	9286	41330	51894	47823	35858	32923	50315	69533	58221	56550
TURKEY			2			59	60720	102726	81952	216357	330143	270228
U A EMIRATES	200	300	300	300F	420F	450F	300	300		640F	600F	
YEMEN AR	3000	7200	5000	5000F	12200F	7700F						
YEMEN DEM	1336	2238	634	2943	5367	1259	200	100	100F	2287	1091	1100F
EUROPE	770150	767584	720090	2487741	2568730	2673617	344293	321818	338032	740896	672581	878427
ALBANIA							5300	6000	6000F	13000F	15600F	17000F
AUSTRIA	9852	11807	11630	30702	37357	37145	204	190	248	809	430	837
BELGIUM-LUX	35887	38683	42588	128873	141885	179708	8485	8013	7201	18784	20288	23854
BULGARIA	41823	29789	41172	102000F	80000F	113000F	61471	60413	61563	172000F	163000F	220000
CZECHOSLOVAK	16543	21458	18517	54600F	72813	69483						
FINLAND	15560	16721	17920	75425	82271	91888	1303	1501	1552	2812	4548	6354
FRANCE	7026	6232	6225	25342	33016	35110	86	135	70	15	131	0
GERMANY DR	65081	64796	58993	92733	101464	115491	10047	8287	10445	24889	21280	30681
GERMANY FR	21600	20100	19000	54000F	52000F	56000F	605	899	514	1200F	1800F	1150F
GREECE	138128	148314	140229	467719	512831	630494	13309	13185	10858	20324	23853	31598
HUNGARY	5702	5685	7826	33714	26335	36227	87825	86750	86630	162286	151015	213503
ICELAND	5248	4735	6024	11574	9729	13610	3562	1381	2875	7293	2882	6530
Ireland	10	10	11	79	73	78						
ITALY	7068	6871	6554	23236	24009	25737	209	130	504	568	403	1880
MALTA	24448	40198	39188	121306	167741	148628	96787	85035	91344	106736	91365	112508
NETHERLANDS	1150	1758	1614	3088	5231	8703	243	462	817	1532	2600	3683
NORWAY	82226	90347	86859	283857	301221	340320	14851	13723	15785	50228	53151	78632
POLAND	6284	5887	5385	26440	23619	24517	275	30	342	33	80	190
PORTUGAL	13350	9576	11888	12174	18721	25804	6070	7275	10982	14101	14439	26022
ROMANIA	10073	6748	5701	27457	17656	16245	18	1645	422	22	337	681
SPAIN	13007	3700	3500	2800F	7400F	8700F	2500	3000	3000	8930F	7830F	9000F
SWEDEN	71315	68581	64588	325054	309141	162773	168	1155	227	2918	1813	811
SWITZERLAND	11908	16885	16885	53204	54185	55520	117	150	506	536	506	506
UK	10897	20368	19443	78874	84528	94020	5854	4505	5231	28088	28503	38508
YUGOSLAVIA	14851	120500	108196	427223	384894	365405	7281	5614	5329	11824	10098	12815
	8812	14117	5783	14885	24842	15282	16221	15120	14190	63736	56551	43225
OCEANIA	15001	23627	24402	74201	104059	103809	342	26	34	2208	85	115
AUSTRALIA	10635	19537	10947	54305	85408	84848	342	26	33	2208	85	111
FJI	135	150F	150F	624	910F	1030F						
NEW ZEALAND	3628	3780	3705	16730	16257	16520			1			4
PAPUA N GUIN	370	323	300	1800F	1842	1050F						
SOLOMON IS	135	127	150F	542	432	380F						
USSR	102505	95441	67081	21453	278397	240038	1268	1182	4378	4562	4119	12875
DEV.PED M E	930177	978008	934825	3458367	3360742	3539710	548504	528453	512851	2154828	2078229	1925004
N AMERICA	214185	203288	207138	653910	539481	597273	273084	278627	247162	1611903	1586713	1308813
W EUROPE	670256	673208	619088	2243463	2328287	2387220	242880	242880	253088	228202	467080	586855
OCEANIA	14381	23337	25742	71035	101735	101468	342	28	34	2208	85	115
OTH DEV.PED	91385	74187	84647	511048	413239	463748	8313	8620	12867	14517	13572	16821
DEV.PING M E	212900	205281	202884	653048	684612	639705	734458	754219	677439	1715028	1724563	1640205
AFRICA	45759	53084	50881	109029	126148	156984	175838	172013	173136	425460	388214	429337
LAT AMERICA	15238	16493	14083	48153	41498	42604	288519	300950	256022	656897	674180	595377
NEAR EAST	83374	69528	67081	284018	249100	255872	72185	105157	85581	227213	336072	284228
FAR EAST	67889	68219	61789	221821	282854	242825	198808	173091	159420	405626	351107	330283
OTH DEV.PING	340	600	600	3188	3204	2340						
CENTR PLAND	229802	228534	200844	647121	686780	682852	113229	106758	117009	271388	250888	331840
ASIAN CPE	27503	44705	32882	111420	178200	135719	33485	28858	21887	82093	41228	39103
E EUR+USSR	202260	184818	188032	635701	618880	626933	80774	80100	83322	219258	208640	282847
DEV.PED ALL	1182578	1182827	1102887	3864088	3690602	4088843	628278	603553	602273	2374114	2288888	2217851
DEV.PING ALL	340463	346088	235038	774489	664532	635424	788843	780875	689148	1787109	1785791	1678308



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	-	-	-		36	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	1,847	1,366	2,059
Malaysia	2,427	1,147	616		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		167	147		
Spain	444	276	1,176p		671	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		-	-	-	
Madagascar	200	200	200		100	100	100	

Table 17 (cont'd)

Trade in Cigarettes (cont'd)

	Imports				Exports			
	1983	1984	1985	1986	1983	1984	1985	1986
Morocco	1,215	1,041	1,035 <sup>p</sup>		17	11	9	
Mozambique	40	40	..		200	200	-	
Niger	320	320	340		-	-	-	
Reunion	230	217	350 <sup>p</sup>		53	61	- <sup>2</sup>	
Senegal	100	78	50		800	950	1,050	
South Africa	890	956	871		40	50	45	
Sudan	286	800 <sup>p</sup>	800 <sup>p</sup>		-	-	-	
Togo	725	725	750		-	-	-	
Tunisia	776	1,745	347 <sup>p</sup>		23	55	..	
Zaire	10	10	10		100	100	100	
United States	1,786	1,667	1,897	1,834	60,698	56,517	58,967	63,945
Argentina	-	3	-		26	31	28	
Brazil	-	-	-		92	90	-	
Chile	300	157	716		-	-	-	
Colombia	10,633	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 <sup>p</sup>		-	-	-	
Haiti	1,000	19	13		-	-	-	
Martinique	243	217	..		-	-	-	
Netherlands	-	-	-		-	-	-	
Antilles	230	240	250		-	-	-	
Surinam	25	25	10		-	-	-	
Abu Dhabi	332	341	157		-	-	-	
Iran c	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 a	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 b e r	274,318	292,323	306,358		319,667	331,444	359,096	

Based on USDA data. a Fiscal year (July/June), ending in year shown. b Includes countries not shown in table. c Year ending March 21 of year shown. d 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	265	260	227	232	221	212
Irish Republic	39	40	31		29	52	54	
Italy	55	59	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	-	7
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

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.

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 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)

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

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 abstinence 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.

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