

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

RESTRICTED

MTN.GNG/NG6/W/18/Rev.1
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Group of Negotiations on Goods (GATT)

Negotiating Group on Tropical Products

**PROPOSALS BY PARTICIPANTS RELATING TO
NEGOTIATIONS ON TROPICAL PRODUCTS**

Revision

At its sixth meeting on 25 and 29 January 1988, the Negotiating Group requested the secretariat to revise the synoptic table of the main elements contained in the written proposals submitted by participants (MTN.GNG/NG6/W/18), in the light of further written proposals and statements made orally by participants.

The revised synoptic table is contained in the Annex. A listing of the product and sub-product groups covered by the 1982/84 consultations on tropical products to which reference is made in the synoptic table is also attached.

Submission	Approach	Product coverage	Measure coverage	Procedures and other elements for application
A. Written proposals submitted by participants				
Sri Lanka, Bangladesh, Colombia, Cuba, Egypt, Nicaragua, India, Nigeria, Pakistan (MTN.GNC/NG6/W/8 and Add.)	The submission contains an initial list of tropical products of export interest to the eleven submitting countries addressed to the eleven developed countries covered by the existing background material. The submitting countries intend to seek the fullest trade liberalization for these products including in their semi-processed and processed forms in the framework of negotiations on tropical products.	The product and sub-product groups covered by the 1982/84 consultations on tropical products as reproduced in the MTN.GNC/NG6/W/8.	Tariff and all non-tariff measures.	Participants would submit lists of specific tropical products of export interest to them. The lists would be organized by the secretariat according to the seven product groups covered in the 1982/84 consultations.
ASEAN countries (MTN.GNC/NG6/W/9)	Alignment of the customs duties on tropical products in developed countries to the lowest level of duty prevailing in these countries. The same approach is proposed for non-tariff measures. (The submission also contains a preliminary list of products of export interest to ASEAN countries).	The product and sub-product groups covered by the 1982/84 consultations on tropical products.	Tariff and all non-tariff measures.	Bindings by developed countries could be applied on a preferential basis only to developing countries for a period of ten years and then they would be extended to all countries. Tariff reductions by developing countries would be gradually implemented after the end of the ten-year period but they might be agreed upon already during the Uruguay Round.
Brazil (MTN.GNC/NG6/W/10)	Binding at zero level by developed countries of all their tariffs. In return developing countries would consider m.f.n. bindings at existing or lower tariff levels.	The product and sub-product groups covered by the 1982/84 consultations on tropical products.	The proposal was initially made in the Negotiating Group on Tariffs.	Tariffs on "industrial" tropical products (groups 1, 4a, 6 and 7) and "agricultural" tropical products (2a, 2c and 5b), quantitative restrictions on tropical products (excluding fresh bananas) and consumption taxes on tropical beverages.
EEC (MTN.GNC/NG6/W/13)	The offer proposes the following orientations:	The following product groups and sub-groups covered by the 1982/84 consultations on tropical products are included in the offer: 1, 2a and 2c, 4a (manufactured tobacco), 5b, 6 and 7.	<p>I. Tariff measures</p> <ul style="list-style-type: none"> a. Tropical beverages and tropical "industrial" products <ul style="list-style-type: none"> - elimination of duties for "industrial" tropical raw materials; - elimination or significant reduction of duties for "industrial" tropical semi-processed products; - reduction up to 50 per cent of existing duties for finished "industrial" tropical products. b. Tropical "agricultural" products <ul style="list-style-type: none"> - elimination or significant reduction of duties for fresh or semi-processed "agricultural" tropical products; - significant reduction of existing duties for processed "agricultural" tropical products. <p>II. Non-tariff measures</p> <ul style="list-style-type: none"> - progressive elimination of remaining national quantitative restrictions against tropical products (with the exception of fresh bananas); - progressive elimination or reduction of consumption taxes on coffee, tea or cocoa affecting trade in these products. 	<p>The offer is subject to the following conditions: (I) a "fair degree of multilateral burden sharing"; (II) a "satisfactory level of reciprocity by the main beneficiaries"; (III) "appropriate reduction of export restriction measures by developing countries enjoying a dominant supply position for raw materials on the world markets". Furthermore the EEC will take into account expressed interests by least-developed countries concerning specific trade advantages derived by them from existing preference margins on the Community's market.</p>

Submission	Approach	Product coverage	Measure coverage	Procedures and other elements for application
Cameroun, Côte d'Ivoire, Gabon, Sénégal, Zaïre (MTN.GNG/NG6/W/14 and Add.1)	Developed countries should:	<ul style="list-style-type: none"> - harmonize tariffs applied by them on processed or semi-processed tropical products at the lowest rates existing in those countries according to a five-years time-table and binding of the tariff rates applied during the initial phase of the negotiations; - eliminate selective internal taxes on products such as coffee, cocoa, tea and bananas and undertake commitment not to introduce new taxes on other tropical products; - eliminate global quotas, discretionary licensing and seasonal quotas or endeavour to increase the volume of all types of quotas and the time-period as appropriate; - abolish prohibitions on imports of tropical products that compete with domestic production as well as "take over part of domestic production" and minimum import price obligations; - ease and harmonize sanitary and technical standards; - improve GSP schemes; - take additional special measures in favour of least-developed countries. <p>(The submission also contains an initial list of tropical products of export interest to the subtropical countries.)</p>	<p>Tariffs, non-tariff measures including selective internal taxes and phytosanitary regulations.</p> <p>" Recognition by all developed countries of LDC status and inclusion of additional products in GSP coverage in favour of least-developed countries.</p>	<ul style="list-style-type: none"> - Developed countries should take full account of the preferential arrangements benefiting African countries and they shall see to it that their preferential margins, in particular on behalf of the least-developed countries are maintained. - Specific measures in favour of the African countries would be taken by developed countries in improving their GSP schemes.
New Zealand (MTN.GNG/NG6/W/16)		<ul style="list-style-type: none"> - A formula-based reduction of all tariffs to a particular level and the binding of rates at that level. Any tariffs below that level would be bound at existing levels. Request/offers negotiations are envisaged for reducing rates below the particular level; such rates would be bound at their new reduced levels from a date to be agreed. - Reduction/elimination of all non-tariff measures in accordance with a formula and a time-table to be agreed. 	<p>All tariffs and all non-tariff measures.</p> <p>Processed and unprocessed tropical products.</p>	<ul style="list-style-type: none"> - The elements of the agreement would be implemented by all participants. - Agreement should be reached within the next twelve months and liberalization begin in 1989.

Submission	Approach	Product coverage	Measure coverage	Procedures and other elements for application
United States (MTN.GNG/NC6/W/17)	<ul style="list-style-type: none"> - Phasing-out of all support and protective measures affecting trade for an agreed list of tropical "agricultural" products on an expedited basis, i.e. a period shorter than the ten-years period envisaged in the US proposal in Agriculture (MTN.GNG/NC5/W/14). - Reduction/elimination of trade barriers on non-agricultural tropical products on the basis of request and offer negotiations. 	"Agricultural" and "non-agricultural" tropical products.	<p>Tariff, non-tariff and support measures affecting trade.</p> <p>A three-step process is envisaged with respect to tropical agricultural products:</p> <ul style="list-style-type: none"> - The proposal concerning elimination by all participants of trade-distorting policies affecting agricultural tropical products is contingent upon a global agreement in the agricultural negotiations to phase-out all support and protective measures affecting trade. Requests concerning non-agricultural tropical products would be subject to negotiations, 	<p>(I) identification by the Group of all policies and programmes affecting trade in tropical products (a data base including all such measures maintained by all participants is therefore necessary);</p> <p>(II) submission by participants by 31 March 1988 of a proposed list of tropical agricultural products for which policies and programmes affecting them would be eliminated on an expedited basis followed by negotiations and agreement on which products would receive expedited treatment;</p> <p>(III) negotiations on the specific time period for the expedited elimination of all policies and programmes affecting the agreed products. The time-frame need not be uniform for all products on the list.</p> <p>- In regard to non-agricultural tropical products it is envisaged that participants submit requests as early as possible in 1988 and then engage in negotiations.</p>

Submission	Approach	Product coverage	Measure coverage	Procedures and other elements for application
Nordic countries (MN.GNG/NG6/W/20 and Corr.1)	<ul style="list-style-type: none"> - Establishment of formula for reducing or eliminating tariffs and for tariff harmonization. Request/offer procedure as supplement to formula with the aim of further reduction/elimination of tariffs on specific products. - Bilateral special efforts by preference-giving countries to further improve their GSP schemes and to retain all GSP preferences applicable for tropical products for a period of X years, starting from 1 January 1989. - Request/offer procedure with the aim of reducing/eliminating NMIs affecting trade in tropical products. - Initiation of thorough examination of desirability and feasibility of creating preferences of additional benefit to the least-developed countries. 	<p>Negotiations on tropical products would take place on the broadest possible basis, including tropical products in their processed and semi-processed forms.</p>	<p>Tariff and non-tariff measures affecting trade in tropical products.</p>	<ul style="list-style-type: none"> - Agreement on tariff formula would be reached in the course of 1988. Subsequently participants would submit their individual product lists and implementation plans with the objective of starting implementation of tariff cuts as of 1 January 1989; maximum period of implementation: 5 years. - The same time-frame as above is envisaged for implementing results of request/offer procedure in the tariff and non-tariff areas. - With the view to ensuring broadest possible participation in the negotiations, participants are to grant concessions in a manner fully consistent with the general principles governing negotiations, implying, inter alia, that developing countries are expected to make contributions in conformity with Section B(v) and (vi) of the Ministerial Declaration on the Uruguay Round, and that special attention shall be given to the particular situation and problems of the least-developed countries.
Austria (MN.GNG/NG6/W/21)	<p>The offer proposes the following:</p> <ol style="list-style-type: none"> I. Tariff measures (a) Improvement of GSP 	<p>The offer relates, in principle, to the product and sub-product groups covered by the 1982/84 consultations.</p>	<p>Tariff measures and non-tariff measures having restrictive effects as specified in Section II of the offer.</p>	<ul style="list-style-type: none"> - The offer is made under the assumption of a "fair degree of burden sharing" in the framework of the Uruguay Round. The comprehensiveness of the offer would be dependent on comparable offers by other importing countries. - Measures described in I(a) will be worked out on Austria's own initiative. - Further improvement of GSP treatment for as many tropical products as possible falling within chapters 1 to 24 of the Austrian Customs Tariff and further improvement of GSP treatment for tropical products in chapters 25 to 97. Maintenance of a special preferential margin for least-developed countries.

Situation	Approach	Product coverage	Measure coverage	Procedures and other elements for application
	<ul style="list-style-type: none"> - The safeguard clause presently in force would continue to be applied with utmost restraint. 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. The comprehensiveness of the scheme, transparency and stability of market access as well as absence of quotas or other automatic limitations of imports would be maintained. 			<p>In the course of 1988, Measures described in II(b) will be prepared at a technical level as soon as possible. Upon request by interested developing countries Austria is ready to consult and negotiate forthwith bilaterally on all tariff matters relating to tropical products.</p>
(b) <u>M.f.n. concessions</u>			<p>Certain very sensitive items might be exempted from negotiations with a view to ensuring 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).</p>	<ul style="list-style-type: none"> - Reduction and/or harmonization of all tariffs on processed and unprocessed tropical products in the framework of a generally agreed formula. - Phased elimination of m.f.n. rates on a given tropical product when all developing countries taken together account for more than 60 per cent of Austrian imports of that product. Phased reduction of m.f.n. rates over and above the percentage agreed upon within a formula when all developing countries taken together account for more than 30 per cent of Austrian imports of a given tropical product. - Binding of remaining zero or low rates on tropical products.

II. No-tariff measures

Though Austria is not aware of non-tariff measures in her import régime for tropical products, specific cases of alleged such measures having restrictive effects notified by exporters of tropical products would be examined in a positive spirit.

Statement	Approach	Product coverage	Measure coverage	Procedures and other elements for application
Australia (MTN.GNG/NG6/W/18/Rev.1 para.6)	<p>(1) Negotiations would aim at:</p> <ul style="list-style-type: none"> - phased elimination within ten years, preferably on an accelerated basis, of all trade protective barriers on all tropical products up to and including their primary processed stage; - reductions in overall levels of protection for other tropical products, preferably as part of a formula approach covering both tariff and non-tariff measures including subsidies which have a trade effect; - tariff bindings on all tropical products. <p>(11) Disciplines on other trade distorting measures, particularly subsidies, negotiated separately on agricultural products in the Agriculture Group are to be extended where appropriate to agricultural tropical products.</p>	<p>B. Oral statements made by participants</p> <p>The product and sub-product groups covered by the 1982/84 consultations.</p>	<p>All trade protective barriers and other trade distorting measures.</p>	<ul style="list-style-type: none"> - All participating countries should take part in negotiations. - Extension, where appropriate, to agricultural tropical products of disciplines on trade distorting measures negotiated in the Agriculture Group.
China (MTN.GNG/NG6/W/18/Rev.1 para.6)	<ul style="list-style-type: none"> - Formula approach for the negotiations on tariffs aimed at aligning the tariffs in developed countries at the lowest prevailing level in those countries and binding of tariffs at that level. - Harmonization of sanitary and phytosanitary regulations according to the relevant standards of other international organizations. - Elimination of all non-tariff measures. For special cases request/offer procedures would be applied. 	<p>The product and sub-product groups covered by the 1982/84 consultations.</p>	<p>Tariff and all non-tariff measures.</p>	<ul style="list-style-type: none"> - As the Negotiating Group on Tropical Products is of special interest to developing countries no reciprocity is to be expected from them. - No link between negotiations in Negotiating Group on Tropical Products and results in the Negotiating Group on Agriculture should be established. - 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 for submission by participants of lists of products to the secretariat which could then organize them in a synoptic manner identifying the trade measures.

Statement	Approach	Product coverage	Measure coverage	Procedures and other elements for application
Oba (MTN.GNG/NG6/7, para.26)	General formula or at least a combination of techniques and modalities.	The product and sub-product groups covered by the 1982/84 consultations.	Tariff and all non-tariff measures.	Negotiations should proceed independently of other groups and on the basis of non-reciprocity.
India (MTN.GNG/NG6/7, para.20)	Formula approach aimed at protecting the interests of developing countries, exporters of tropical products. Requests/ offers procedure as a supplement to the formula in order to maximize results of negotiations for example with respect to non-tariff measures.	The product and sub-product groups covered by the 1982/84 consultations.	Tariff and all non-tariff measures.	Procedures should reflect recognition of tropical products as a separate sector in negotiations. Developing countries exporters of tropical products should address indicative lists of requests and should not be expected to make contributions in this sector.
Japan (MTN.GNG/NG6/5, para.23, last two sentences)	Requests and offers procedure would be the most appropriate for this area of negotiations since it enables one to take into account the specific situation of individual markets and avoids difficulties in reaching agreement on the application by all participants of a formula approach.	To be determined in the light of specific requests addressed.	To be determined in the light of specific requests addressed.	- Indicative lists of requests should be addressed by developing countries exporters of tropical products. - Offers should be submitted by developed countries to which indicative lists of requests have been submitted.
Korea, Republic of (MTN.GNG/NG6/7, para.23)	Negotiations should focus on improving market access for tropical products exported by developing countries to developed countries.	In principle the product coverage contained in the EEC offer.	Tariff as well as non-tariff measures.	- Non-discrimination of the concept of sectoral reciprocity in the negotiations. - Elimination of internal taxes. - Harmonization of sanitary and phytosanitary regulations.
Mexico (MTN.GNG/NG6/1, para.10, last sentence MTN.GNG/NG6/7, para.25)	General formula supplemented in accordance with the ASEAN proposal.	- The product and sub-products groups covered by the 1982/84 consultations. - Inclusion of horticultural products, fruit and flowers produced in developing countries in Boreal winter.	- Tariff and all non-tariff measures. - Preferential concessions among developing countries should be considered a contribution towards liberalization of trade in tropical products. - Promotion of consumption of tropical products in developed country markets. - Support for the ASEAN countries' proposal. - Agro-industrial promotion in countries of origin.	

Statement	Approach	Product coverage	Measure coverage	Procedures and other elements for application
Yugoslavia (MTN.GNG/NG6/7, para.22)	Formula approach supplemented by requests/offers procedure.	The product and sub-product groups covered by the 1982/84 consultations.	Tariff and all non-tariff measures.	<ul style="list-style-type: none"> - Negotiations on tropical products should proceed on a priority and non-reciprocal basis and independently of the results achieved in other areas of negotiations. - In order to ensure effectiveness and transparency in negotiations it is necessary to observe a certain sequence in procedures as proposed in the submission by the Nordic countries. The first stage should be the establishment of a formula for reducing/eliminating tariffs on tropical products in their processed and semi-processed forms.

Annex

Product Groups Covered by the 1982-1984
Consultations on Tropical Products

1. Tropical beverage items

- a. Coffee and coffee products
- b. Cocoa and cocoa products
- c. Tea and instant tea

2. Spices, flowers, plants, etc.

- a. Spices and essential oils, tropical
- b. Cut flowers, tropical
- c. Plants, vegetable materials, lacs, etc. and products thereof, tropical

3. Certain oilseeds, vegetable oils and oilcakes

4. Tobacco, rice and tropical roots

- a. Tobacco and tobacco products
- b. Rice
- c. Manioc and other tropical roots, and products thereof

5. Tropical fruits and nuts

- a. Bananas and banana products
- b. Tropical fruits and nuts and products including fruit juices

6. Tropical wood and rubber

- a. Tropical wood and wood products
- b. Natural rubber and rubber products

7. Jute and hard fibres