

MULTILATERAL TRADE
NEGOTIATIONS
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Group of Negotiations on Goods (GATT)
Negotiating Group on Tropical Products

TROPICAL PRODUCTS

Indicative List Submitted by Switzerland

The following communication dated 18 April 1988 has been received from the delegation of Switzerland with the request that it be circulated to the members of the Group.

I have the honour to transmit herewith a Swiss submission for the Negotiating Group on Tropical Products.

Submission by Switzerland

Introduction

In order to contribute fully, and in a substantive and significant manner, to the work of the Negotiating Group on Tropical Products, whose agreed objective under the Punta Del Este Ministerial Declaration is the fullest liberalization of trade in such products, Switzerland submits the following proposal.

1. Tariff measures

1.1 Reduction or elimination of duties affecting tropical products through a formula applied multilaterally and directed in particular at tariff peaks and tariff escalation. Switzerland has proposed such a formula for chapters 25 to 97 in its submission to the Negotiating Group on Tariffs.¹ Many tropical products are included in these chapters and are therefore already covered by that offer. This formula could also serve as a guideline for tropical products in chapters 1 to 24. An agreement on such a formula should be reached by the end of 1988. If participants cannot agree on the multilateral application of a formula, such as that proposed by Switzerland, for all tropical products, a request-and-offer procedure would have to be considered.

2. Non-tariff measures

The few tropical products on imports of which Switzerland applies non-tariff measures are products considered to be particularly sensitive.

¹MTN.GNG/NG1/W/16

Nevertheless, Switzerland would be prepared to negotiate on these on an ad hoc basis using a request-and-offer procedure.

3. Scope of the offer

- 3.1 In principle, none of the products in the seven groups established in document MTN.GNG/NG6/W/5 is excluded from this offer. It concerns unprocessed, semi-processed and processed tropical products; the formula, or possibly the request/offer procedure, should therefore apply to all processing stages.
- 3.2 Since tropical products are of particular interest for developing countries, according to the Ministerial Declaration, special attention should be paid to products for which developing countries have a predominant share in world trade. In so far as they may be least-developed countries (LDCs), this should be recognized as further justification for possible reduction measures.
- 3.3 In order to attain the Negotiating Group's objective, it is clearly both desirable and necessary for as many participants as possible to join in the planned liberalization measures. Switzerland therefore insists that all participants in the negotiations, both industrialized and developing countries, should contribute to the liberalization of trade in tropical products. However, what is expected from developing countries must not be incompatible with their development, financial and trade needs.
- 3.4 The contribution expected from the main beneficiary countries is, as mentioned in the Ministerial Declaration, that they should participate more fully in the framework of rights and obligations under the General Agreement.
- 3.5 Moreover, developing countries with a dominant position as suppliers of tropical products on the world market should at the same time undertake to dismantle measures that distort competitive conditions for trade in such products (export restrictions, refund systems) so as to ensure that they do not derive an artificial comparative advantage in the manufacture of processed products using the raw materials in question.
- 3.6 Implementation of the agreements stemming from the Group's negotiations should take place as rapidly as possible, at a date to be agreed, and be concluded by the end of 1990. It is understood that the results obtained by this procedure cannot be considered definite until the negotiations as a whole have reached a successful outcome.
- 3.7 In this context, if we are to complete our work properly the geographical coverage of data supplied by the secretariat must also be broadened.

4. Tariff preferences

- 4.1 If the issues taken up in the negotiations on tropical products cannot be resolved multilaterally, Switzerland is prepared as of now to examine, as action to back up or supplement the results of the negotiations on tropical products, the possibilities of improving its GSP scheme with regard to these products. In doing so, special account could be taken of certain aspects of the development dimension not satisfactorily covered in the course of the negotiations.