

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

RESTRICTED

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TROPICAL PRODUCTS: GUIDE FOR MULTILATERAL CONSULTATIONS

Jute and Hard Fibres

Note by the Secretariat

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References: Background material for negotiations
MTN.GNG/NG6/W/4/Rev.1

Tariff and trade flow data at the tariff line
level MTN.GNG/NG6/W/4/Add.1

This document may be used in conjunction with the above documents and general proposals made for negotiations on tropical products. See the above documents for the explanation of symbols used in this document.

1. Raw and Processed FibresA. An overview of the tariff situation (see Table 1 for details) and major suppliers

The eleven developed country markets provide developing countries duty-free treatment on an MFN basis or under the GSP with the exception of the following:

<u>Major Suppliers</u>		
Austria	- processed coir with supporting material	LKA
Switzerland	- processed coir	YUG,EEC (1987)
	- processed abaca fibre	(no imports)
	- processed ramie and other textile fibres	CHN,EEC (1987)

B. Countries having submitted indicative lists (and countries to which indicative lists have been addressed, if specified)

n.s. = not specified

	Sisal and other Agave fibres:	
5304.10	- raw	BRA(n.s.)
5304.90	- processed; tow and waste	BRA (n.s.)
5305.19	Coir:	
	- processed; tow and waste	LKA(AUT)
	Abaca fibre:	
5305.21	- raw	ASEAN (EEC)
	Ramie and other vegetable textile fibres:	
5305.99	- processed; tow and waste	BRA (n.s.)

Table 1

Jute and Hard Fibres - raw and processed fibres

United States, Canada, EEC, Norway and Sweden - OXB (all items)
 New Zealand - OZ U (HS 5304.90), OZ B (all other items)

R.S. Code No. (CCCN)	Harmonized commodity description		Austria	Finland	Switzerland	Australia	Japan
5303.10 (5703)	Jute and other textile bast fibres: - raw or retted	MFN	OXB	1.5XB OZA	OXB	22U	OXB
		GSP				OZ	
5303.90 (5703)	- processed; tow and waste	MFN	OXB	1.5XB OZA	OXB	22U	OXB
		GSP				OZ	
5304.10 (5704)	Sisal and other Agave fibres: - raw	MFN	OXB	1.5XB OZA	OXB	OXB	OXB
		GSP					
5304.90 (5704)	- processed; tow and waste	MFN	OXB	1.5XB OZA	OXB	OXB	OXB
		GSP					
5305.11 (5704)	Coir: - raw	MFN	OXB	1.5XB OZA	OXB	OXB	OXB
		GSP					
5305.19 (5704)	- processed; tow and waste	MFN	OXB, 82B ¹	1.5XB OZA	Sw F 0.08/kg.B	OXB	OXB
		GSP	5.2X ¹		Sw F 0.04/kg.B		
5305.21 (5702)	Abaca fibre: - raw	MFN	OXB	1.5XB OZA	OXB	22U	OXB
		GSP				OZ	
5305.29 (5702)	- processed; tow and waste	MFN	OXB	1.5XB OZA	Sw F 0.04/kg.B	22U	OXB
		GSP			Sw F 0.02/kg.	OZ	
5305.91 (5402) (5704)	Ramie and other vegetable textile fibres: - raw	MFN	OXB	1.5XB OZA	OXB	OZU	OZP
		GSP					
5305.99 (5402) (5704)	- processed; tow and waste	MFN	OXB	1.5XB OZA	Sw F 0.24/kg.B	OZU	O-4%B OZA, OZU
		GSP			Sw F 0.12/kg.		

¹With supporting material.

2. Yarn and Fibres

A. An overview of the tariff situation (see Table 2 for details)

Finland, Norway, Sweden and New Zealand provide developing countries duty-free treatment on an MFN basis or under the GSP. The United States provides developing countries duty-free treatment except for fabrics of other vegetable fibres (HS No. 5311.00) whose principal supplier is the EEC. Australia does likewise except for jute yarn whose major suppliers are India and Bangladesh.

In Canada, single jute yarn (5307.10), yarn and fabrics of other vegetable textile fibres (5308.90 and 5311.00) and jute fabrics not wholly of jute (ex5310.10 and ex5310.90) are dutiable for developing countries.

Japan grants all items GSP treatment at zero. Its positive GSP rate on jute yarn has been reduced to zero recently. However, its GSP treatment for jute yarn and fabrics is still subject to quantitative limitations. Japan applies temporary duties which are lower than Tokyo Round concession rates. These temporary MFN rates are between 2.4 per cent and 16 per cent.

The EEC grants coir yarn MFN duty-free treatment and all other items GSP duty-free treatment, but GSP treatment is subject to quantitative or country limitations. The EEC's MFN rates are between 3.8 per cent and 14 per cent. With respect to manufactures of jute and hard fibres including yarn and fabrics, Austria and Switzerland apply the formulae of GSP rates for the textiles and clothing sector. The GSP rate of Austria for this sector is 65 per cent of the MFN rate instead of 50 per cent for other industrial products. The GSP rate of Switzerland for this sector is one-half of the MFN rate instead of zero for other industrial products.

B. Major suppliers (MFN/GSP dutiable items only)

Canada - 5307.10 USA, IND; 5308.90 EEC, USA, MEX; ex5311.00 EEC, HKG, JPN, USA; ex5310.10 and 90 not available

No import data are available for jute fabrics, not wholly of jute.

Japan - Jute yarn THA, CHN, BGD; jute fabrics BGD, IND

EEC - Jute yarn BGD, THA, IND; jute fabrics BGD, IND

Yarn and fabrics of other vegetable textile fibres - insignificant imports

Austria - the major supplier is the EEC for all items

Switzerland - Jute yarn - one sub-item THA, IND; 5 sub-items EEC; yarn of sisal and manila hemp AUT, EEC; jute fabrics - 1 sub item BGD, IND, YUG; 1 sub-item IND; 8 sub-items EEC.

C. Countries having submitted indicative lists (and countries to which indicative lists have been addressed, if specified)

n.s. = not specified

	Yarn of jute or other bast fibres:	
5307.10	- single	ASEAN (JPN,USA),LKA (CHE) BUR (USA,EEC,JPN)
5307.20	- multiple (folded) or cabled	ASEAN (JPN,USA), BUR (USA, EEC,JPN)
	Woven fabrics of jute or other bast fibres:	
5310.10	- unbleached	PER (EEC), BRA (N.S.) BUR (EEC,JPN)
5310.90	- bleached	BUR (EEC,JPN)

Table 2

Yarn and Fabrics

Norway OZB on all items except 5311.00 (ramie fabrics 7-16ZB, GSP OZ; other 2.9ZB, GSP OZ)

H.S. Code No. (CCCN)	Harmonized commodity description		United States	Canada	Japan	EEC	Austria	Finland	Sweden	Switzerland	Australia	New Zealand
5307.10 (5706)	Yarn of jute or other bast fibres - single	MFN	3ZB	10.2ZB	10ZB 6.4ZA*	5.3ZB	10ZB	6ZB	OZB	Sw F 0.07/kg.B	15ZU*	5%P 0%U
		GSP	OZ	6.5%B	(OZ)*	(OZ)	6.5Z	OZ		Sw F 0.0175/kg	10Z	
5307.20 (5706)	- multiple (folded) or cabled	MFN	4ZB	15ZB	10ZB 6.4ZA*	5.3ZB	10ZB	6ZB	OZB	Sw F 0.38/kg.B	15ZU*	5%P 0%U
		GSP	OZ	OZ	(OZ)*	(OZ)	6.5Z	OZ		Sw F 0.095/kg.	10Z	
5308.10 (5707)	Coir yarn	MFN	OZB	OZB	3ZB 2.4ZA*	OZB	OZB	OZB	OZB	Sw F 0.0025/kg.B	2ZU	0%B
		GSP			OZ*					Sw F 0.001/kg	OZ	
5308.90 (5707)	Yarn of other vegetable textile fibres	MFN	4ZB	10.3ZB ¹	12ZB 9.6ZA, 4.6ZB of ramie	3.8ZB, 4.6ZB of ramie	8ZB	8ZB	5.3ZB	Sw F 0.26/kg.B	2ZU	5%P 0%U
		GSP	OZ	6.5Z ¹	OZ*	(OZ)	5.2Z	OZ	OZ	Sw F 0.13/kg.	OZ	
5310.10 (5710)	Woven fabrics of jute or other bast fibres: - unbleached	MFN	OZB	OZB ² , 17.5ZB	20ZB 12.8ZA*	9ZB	25ZB	20ZB	8ZB ⁵ , 10ZB	Sw F 0.03/kg.B	OZB	7.5%P 0%U
		GSP		11.5Z	(OZ)*	(OZ)	16.2Z	OZ	OZ	Sw F 0.0075/kg		
5310.90 (5710)	- bleached	MFN	1ZB	OZB ² , 17.5ZB	20ZB 12.8ZA*	8.6ZB, 9.3ZB	25ZB	20ZB	8ZB ⁵ , 10ZB	Sw F 0.55/kg.B	OZB	7.5%P 0%U
		GSP	OZ	11.5Z	(OZ)*	(OZ)	16.2Z	OZ	OZ	Sw F 0.1375/kg		
5311.00 (5711)	Woven fabrics of other vegetable textile fibres	MFN	3%B ⁸	13.5ZB,	3.7ZB 3ZA* 3/	5.8ZB, 4/	20ZB	14ZB	3.2ZB ⁶ , 6.2ZB	Sw F 0.93/kg.B	OZB	7.5%P 0%U 7/
		GSP	-	9Z	OZ*	(OZ)	13Z	OZ	OZ	Sw F 0.465/kg.		7/

¹ Not containing man-made fibres.

² Wholly of jute.

³ Of ramie 20ZB, 16ZA, GSP OZ.

⁴ Of ramie 14ZB.

⁵ Of a width of 150cm or less and a weight of 310g or more per m².

⁶ Wholly of coir.

⁷ Of ramie 30ZU, GSP 22.5Z.

⁸ Higher rates applicable for fabrics containing wool, find animal hair, cotton or man-made fibres.

3. Major Manufactures

A. An overview of the tariff situation

Table 3 covers major manufactures of jute and hard fibres, which are separately identified at the level of six-digit code numbers of the Harmonized System. The United States and three Nordic countries (Finland, Norway and Sweden) provide developing countries duty-free treatment with respect to all manufactures covered by Table 3.

Canada maintains significant duties on cordage of jute and hard fibres. Both the EEC and Japan include all manufactures covered by Table 3 in their GSP schemes, but their GSP duty-free treatment is subject to quantitative or country limitations, except that Japan does not apply such limitations to coir floor coverings and ropes of abaca fibre. The EEC's MFN rates are between 8 per cent and 12 per cent. Japan's temporarily reduced rates are between 3 per cent and 8.4 per cent with the exception that jute sacks and bags are subject to a higher mixed duty.

In Switzerland all the manufactures covered by Table 3 have been granted GSP treatment, but GSP rates are positive as textile items. In Austria, major manufactures of jute and hard fibres are subject to MFN duties of 22 per cent to 28 per cent. GSP rates are 14.3 per cent to 18.2 per cent according to the GSP rate formula of Austria on textile products. Australia maintains an MFN duty of 25 per cent (unbound) and a GSP rate of 20 per cent on four items covering twine, cordage and ropes: under its current GSP rate formula, the GSP rate is the MFN rate minus 5 percentage points. In New Zealand most items are dutiable at significant levels.

B. Major suppliers (MFN/GSP dutiable items only)

CAN	Jute yarn including cord and twine	USA, EEC, IND, THA
	Cordage exceeding 25 mm in circumference	
	- wholly of vegetable fibres, n.o.p.	PHL, EEC, USA
	- other than wholly of vegetable fibres, n.o.p.	USA, KOR, EEC
JPN	Jute cordage	THA, CHN
	Abaca cordage	n.a.
	Sisal cordage	TZA
	Jute bags	THA, CHN, BGD
EEC	Twine, cordage and ropes	BRA, USA, THA
	Coir floor coverings	IND, CHE, LKA
	Jute bags	BGD, THA, CHN
AUT	Twine, cordage and ropes	EEC, CHE
	Coir mats	n.a.
	Sacks and bags	EEC, YUG
CHE	Twine, cordage and ropes	
	- of coir	n.a.
	- of jute	THA
	- of sisal	EEC
	Coir floor coverings	EEC, IND, LKA
	Jute bags	BGD
AUS	Twine, cordage and ropes	NZL, EEC, CHN, PHL, TZA
NZL	Twine, cordage and ropes	JPN, USA, KOR, AUS, EEC
	Coir mats, rugs and carpeting	IND
	Jute bags	BGD

C. Countries having submitted indicative lists (and countries to which indicative lists have been addressed, if specified)

n.s. = not specified

5607.10	Twine, cordage, rope of jute and other bast fibres	ASEAN (JPN,USA), PER (EEC)
5607.21	Binder or baler twine of sisal and other Agave fibres	BRA (n.s.)
5607.29	Other twine, cordage, ropes of sisal and other Agave fibres	BRA (n.s.)
5607.30	Twine, cordage rope of abaca and other hard fibres	ASEAN (CAN,EEC,NZL,USA)
5702.20	Floor coverings of coir	LKA (AUT,NZL,CHE)
6305.10	Sacks and bags of jute and other bast fibres	ASEAN (JPN), AUS (n.s.)

Table 3
Major Manufactures

H.S. Code No. (CCCN)	Harmonized commodity description		United States	Canada	Japan	EEC	Australia	Finland	Norway	Sweden	Switzerland	Australia	New Zealand
5607.10 (5904)	Twine, cordage, rope of jute and other bast fibres	MFN	4XB	13.5XB, 20.1XB	10XB 6.4ZA*	12XB	22XB	32XB 22ZA	0XB	0XB	Sv F 0.11/ kg.B	25XU	35% or \$1.25/ kg.U
		GSP	0X	-	(0X)	(0X)	14.3X	0X			Sv F 0.0225/ kg. ¹⁰	20X	15% or \$1.25/ kg.
5607.21 (5904)	Binder or baler twine of sisal and other Agave fibres	MFN	0XB	0XB	6XB 4.8ZA*	12XB	22XB	42B	0XB	8XB	Sv F 0.70/ kg.B	25XU	35% or \$1.25/ kg.U
		GSP			(0X)	(0X)	14.3X	0X		0X	Sv F 0.35/ kg.	20X	15% or \$1.25/ kg.
5607.29 (5904)	Other twine, cordage, ropes of sisal and other Agave fibres	MFN	7.2XB	12.5XB, 20XB ²	6XB, 4.8ZA*	12XB	22XB	4XB, ⁴ 32XB 22ZA	0XB	8XB	Sv F 0.70/ kg.B	25XU	35% or \$1.25/ kg.U
		GSP	0X	-	(0X)	(0X)	14.3X	0X		0X	Sv F 0.35/ kg.	20X	17.5X or \$1.25/ kg.
5607.30 (5904)	Twine, cordage, rope of abaca and other hard fibres	MFN	0XB ¹ , 6.8XB	12.5XB, 20XB ²	3.7XB 3ZA	12XB	22XB	32XB 22ZA	0XB	8XB	Sv F 0.88/ kg.B	25XU	35% or \$1.25/ kg.U
		GSP	0X	-	(0X)	(0X)	14.3X	0X		0X	Sv F 0.44/ kg.	20X	15% or \$1.25/ kg.U
5702.20 (5802)	Floor coverings of coir	MFN	0XB, 421.5/m ² with pile	0XB	10.5XB, 8.4ZA*	8XB	25XB	6.2XB min. FIN 0.52/kg.	NOK 0.54/ kg.B	0XB ⁶ 12X	Sv F 0.40/ kg.B	30XB ⁷ 0ZA	5XU, ¹¹ 40XU
		GSP	0X		0X*	(0X)	16.2X	0X	0X	0X	Sv F 0.10/ kg.		0X, ¹¹ 22.5X
6305.10 (6203)	Sacks and bags of jute and other bast fibres	MFN	0XB	8XB	3/ .	8.6XB used 5.3XB	28XB	30XB ³	5/ .	0XB	Sv F 0.22/ kg.B	0XB ⁸ , 0ZA	0XU ⁹ , 15XU
		GSP		0X	(0X)	(0X)	18.2X	0X	0X		Sv F 0.11/ kg.		5X

¹ Of stranded construction measuring 1.88 cm or over in diameter.

² Circumference over 25.4 mm.

³ Used sacks and bags - 0XB, new ones - 20X minimum ¥ 21/kg.B, 12.8X minimum ¥ 13.44 kg.A*.

⁴ Single, not plaited.

⁵ Knitted or crocheted 17XB; other, of jute NOK 0.28/kg.B; other, other NOK 0.81/kg.B.

⁶ Wholly of coir.

⁷ Except hand-woven (0XB).

⁸ Bound except for wool packs.

⁹ Wool packs.

¹⁰ Of other bast fibres than jute Sv F 0.8/kg.B, GSP Sv F 0.4/kg.

¹¹ Mats and matting

4. Other manufacturesA. Countries having submitted indicative lists (and countries to which indicative lists have been addressed, if specified)

n.s. = not specified

5701.90	<p>Carpets and other textile floor coverings, knotted, whether or not made up</p> <p>- Of other textile materials (than of wool or fine animal hair)</p> <p>Carpets and other textile floor coverings, woven, not tufted or flocked, whether or not made up, including "Kelem", "Schumacks", "Karamanie" and similar hand-woven rugs</p>	PER (EEC,JPN)
5702.39	<p>- - Of other textile materials</p> <p>- Other, of pile construction, made up:</p>	BRA (n.s.), BUR (USA, EEC,JPN)
5702.49	<p>- - Of other textile materials</p> <p>- Other, not of pile construction, not made up:</p>	BRA (n.s.)
5705.00	Other carpets and other textile floor coverings, whether or not made up	AUS(n.s.)
5905.00	Textile wall coverings.	AUS (n.s.)
6305.90	Sacks and bags of other textile materials	AUS (n.s.), BRA (n.s.)

Note: See MTN.GNG/NG6/W/4/Add.1 for data on tariffs and imports.

5. Product-Specific Proposals and Indicative Offers

- USA - proposed reduction or elimination of trade barriers on non-agricultural tropical products on the basis of request and offer negotiations. (Jute and hard fibres and products thereof are considered to be non-agricultural tropical products) (MTN.GNG/NG6/W/17).
- EEC - proposed the following orientation with respect to industrial tropical products which include jute, hard fibres and their products whose value is made up of a preponderant percentage of tropical raw materials:
- (i) elimination of duties for industrial tropical raw materials;
 - (ii) elimination or significant reduction of duties for industrial tropical semi-processed products;
 - (iii) reduction up to 50 per cent of existing duties for finished industrial tropical products.
- AUT - The table on the next page shows the Austrian offers of GSP improvements. It has been stated that "an additional effort has been made in the sector of jute and hard fiber products. For these products at present only a GSP reduction of 35 per cent of MFN rates applies. These preferential rates are to be reduced to 50 per cent of the MFN rates" (MTN.GNG/NG6/LT/6).
- HUN - Offers of GSP improvements (see page 15)

Note: Proposals which apply to tropical products generally are not included in this section. Such proposals are summarized in document MTN.GNG/NG6/W/18/Rev.1 which covers the written and oral proposals made by participants up to 18 March 1988. Some of these proposals as well as further proposals received can also be found in the indicative lists submitted by participants circulated under the MTN.GNG/NG6/LT series.

Australia - Offer (MTN.GNG/NG6/LT/6 and Suppl.1)
GSP II = GSP rate applied to least-developed countries

Code H.S. No.	Harmonized commodity description	present situation		offer		
		HFN	GSP I	GSP II	GSP I	GSP II
<u>Yarn and Fabrics</u>						
5307.10	Yarn of jute or other bast fibres: - single	10AB	6.5%	5%	5%	2.5%
5307.20	- multiple (folded) or cabled	10AB	6.5%	5%	5%	2.5%
5308.10	Coir yarn	0AB	-	-	-	-
5308.90	Yarn of other vegetable textile fibres	8AB	5.2%	4%	-	-
5310.10	Woven fabrics of jute or other bast fibres: - unbleached	25AB	16.2%	12.5%	12.5%	6.2%
5310.90	- bleached	25AB	16.2%	12.5%	12.5%	6.2%
ex 5311.00	Woven fabrics of other vegetable textile fibres	20AB	13%	10%	-	-
<u>Major Manufactures</u>						
5607.10	Twine, cordage, rope of jute and other bast fibres	22AB	14.3%	11%	11%	5.5%
5607.21	Binder or baler twine of sisal and other Agave fibres	22AB	14.3%	11%	-	-
5607.29	Other twine, cordage, ropes of sisal and other Agave fibres	22AB	14.3%	11%	-	-
5607.30	Twine, cordage, rope of abaca and other hard fibres	22AB	14.3%	11%	11%	5.5%
5702.20	Floor coverings of coir	25AB	16.2%	12.5%	12.5%	6.2%
6305.10	Sacks and bags of jute and other bast fibres	28AB	18.2%	14%	14%	7%

HUN - has offered GSP duty-free treatment with respect to the following GSP dutiable items (MTN.GNG/NG6/LT/11):

57.06-00 Yarn of jute or of other textile bast fibres of heading No. 57.03

57.10-00 Woven fabrics of jute or of other textile bast fibres of heading No. 57.03

57.11 Woven fabrics of other vegetable textile fibres; woven fabrics of paper yarn:

-02 Woven fabrics of other vegetable textile fibres

58.01 Carpets, carpeting and rugs, knotted (made up or not):

-01 Hand-made

-02 Mechanically made

58.02 Other carpets, carpeting, rugs, mats and matting, and "Kelem", "Schumacks" and "Karamanie" rugs and the like (made up or not):

-01 "Kelem", "Schumacks", and "Karamanie" rugs

-99 Other

59.05.00 Nets and netting made of twine, cordage or rope, and made up fishing nets of yarn, twine, cordage or rope.

59.06.00 Other articles made from yarn, twine, cordage, rope or cables, other than textile fabrics and articles made from such fabrics.

The Hungarian submission indicates that the following items have already been granted GSP duty-free treatment:

5402-01 ramie fibre, 5702.00 abaca, 5703.00 jute and other textile bast fibres, 5704.00 other vegetable textile fibres, 5707.99 Yarn of other vegetable textile fibres, 5904.00 twine, cordage, ropes and cables, 6005-99 knitted or crocheted other garments and articles, 6203-01 and -02 used and new jute bags, and 6203-03 packing bags of other materials.