

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

RESTRICTED

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Special Distribution

Group of Negotiations on Goods (GATT)

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Negotiating Group on Tropical Products

TROPICAL PRODUCTS

Indicative List of Japan

The following communication dated 28 June 1988 has been received from the delegation of Japan with the request that it be circulated to all participants.

Guidelines on the negotiations

Participating countries will negotiate according to the following guidelines in order to achieve the objectives of the negotiating group.

I. Tariffs

A. The duty will be eliminated or reduced to the utmost extent possible according to the following guidelines:

- (a) unprocessed products: to eliminate duties for items of the widest possible range;
- (b) processed and semi-processed products: to eliminate or reduce duties by the maximum possible percentage;
- (c) tariff escalation: reduction of the tariff escalation between products at different stages of processing would be taken into account in taking the actions referred to in sub-paragraphs (a) and (b);
- (d) peak duties: to reduce peak duties to a specified ceiling level;
- (e) "nuisance" low duties: to eliminate nuisance low duties of a specified level and below.

B. The following points should be taken into account in eliminating or reducing the duty:

- GSP improvements: the negotiations should aim at maximizing tariff elimination or reduction on an MFN basis. However, improvements in GSP treatment would be offered in such cases

where measures within the framework of GSP might be more effective to meet the needs of the developing countries. In cases where GSP actions are taken, commitments might be sought as appropriate to maintain GSP rates;

- measures for least-developed countries: to give special considerations to least-developed countries within the framework of the GSP.

II. Non-tariff measures

- Non-tariff measures might be negotiated on a request and offer basis.
- Negotiations would aim at the reduction or elimination of non-tariff measures such as quantitative restrictions and any relevant measures affecting trade in tropical products.

III. Contributions by developing countries

Developing countries might submit during the negotiations on tropical products indications of offers concerning possible individual contributions in accordance with their individual development, financial and trade needs. These would be formally consolidated into the final package of the round.

IV. Implementation

Early results: to aim at implementing reductions of tariffs as much as possible in 1989 pending staging and later binding in particular cases.

V. Base rate, base date

(a) Base rate:

- the most recent bound rate in case of bound items;
- the statutory rate in case of unbound items (in case of Japan, the general rate provided for in the Japanese Customs Tariff Law)

(b) Base date of unbound items: January 1988.

VI. Coverage and exceptions

- (a) Coverage: in view of the difficulties in defining strictly the tropical products, negotiations will be conducted on such items as specific requests or interests are expressed.
- (b) Exceptions: concrete exceptions should be examined taking into account the difficult nature of product coverage definition and different situations surrounding participating countries.

For example, some tropical products which are generally produced in temperate areas and/or which are direct substitutes for products of temperate areas (e.g. rice, starch, groundnuts, vegetable oils, ginger, tea, and food preparations containing these materials and tobacco) could be excluded. Negotiations on these products would be pursued in other appropriate fora such as the Negotiating Group on Agriculture.