

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

RESTRICTED

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Group of Negotiations on Goods (GATT)

Negotiating Group on Tropical Products

**SYNOPTIC TABLE OF PROPOSALS BY PARTICIPANTS
RELATING TO ELEMENTS OF NEGOTIATIONS ON TROPICAL PRODUCTS**

1. At its ninth meeting on 1 July 1988, the Negotiating Group requested the secretariat to prepare a synoptic table of proposals made by participants organized by elements of negotiations.
2. The attached synoptic table covers the proposals submitted by participants up to and including the meeting of the Negotiating Group on 1 July. The table falls into three main sections: A. Tariffs (including tariff escalation); B. Non-tariff measures; and, C. Procedures and other elements of application. Proposals are reflected in an abbreviated form. The table does not contain an exhaustive listing of the elements contained in proposals. This document should be seen in conjunction with the proposals circulated in the MTN.GNG/NG6/W/... and MTN.GNG/NG6/LT/.... series, the revised synoptic table of proposals contained in document MTN.GNG/NG6/W/18/Rev.1 as well as with the notes on meetings prepared by the secretariat reflecting the views expressed by participants on various issues in negotiations. A listing of the seven product groups to which reference is made in the synoptic table is also attached.

Elements of Negotiations	Approach	Submitting Countries	Additional Indications as to Product Coverage
A. <u>TARIFFS</u> (including tariff escalation)	<p><u>Proposals applying to tropical products generally</u></p> <p>Several proposals envisage action on tariffs affecting tropical products generally, regardless of their degree of processing:</p> <ul style="list-style-type: none"> - alignment of the customs duties on tropical products in developed countries to the lowest level of duty prevailing in these countries; - binding at zero level of tariffs by developed countries; - developed countries would bind at zero level all their tariffs. In return, developing countries would consider bindings at existing or lower levels; - reduction and/or harmonization of tariffs in the framework of a generally agreed formula; - tariff harmonization formula supplemented by requests/offers procedure for further reduction/elimination of tariffs on specific products or for products that have not been covered by formula reductions; - a formula-based reduction of all tariffs to a particular level (ceiling) and the binding of rates at that level]. Any tariffs below that level would be bound at existing rates. Requests/offers negotiations for reducing rates below the particular level; such rates would be bound at the new reduced rates from a date to be agreed; - extension of the tariff cutting-formula proposed in tariff negotiations for Chapters 25 to 97 (NG1/W/16) to the tropical products falling in Chapters 1 to 24 as well. In the absence of an agreement on multilateral application of such a formula for all tropical products, a request/offer procedure would have to be considered; <p><u>Product specific proposals</u></p> <ul style="list-style-type: none"> - phasing-out of all support and protective measures affecting trade for an agreed list of agricultural tropical products on an expedited basis, i.e. a period shorter than the ten-year period envisaged in the United States proposal on Agriculture and reduction/elimination of trade barriers on non-agricultural products on the basis of requests/offers negotiations; 	<p>ASEAN (NG6/W/9) China (NG6/W/22)</p> <p>Mexico (NG6/LT/16/Rev.1) Nigeria (NG6/LT/22) Nicaragua (NG6/LT/23)</p> <p>Brazil (NG6/LT/10)</p> <p>Austria (NG6/W/21) Czechoslovakia (NG6/LT/19)</p> <p>Nordic countries (NG6/LT/9)</p> <p>New Zealand (NG6/W/16)</p> <p>Switzerland (NG6/LT/4 and addenda)</p>	<p>Proposals cover all the seven product groups.</p> <p>List of Mexico includes additional products not falling within any of the seven product-groups.</p> <p>All the seven product groups.</p> <p>In principle, all the seven product groups. Indications as to possible exceptions in NG6/W/21.</p> <p>In principle, all the seven product groups.</p> <p>All the seven product groups.</p> <p>Non-agricultural tropical products: jute and hard fibres and products thereof; natural rubber and rubber products; certain in wood products, including wooden furniture.</p> <p>Agricultural tropical products: all other product groups and forestry products (excluding certain wood products).</p> <p>United States (NG6/W/17 and 24)</p>

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(i) unprocessed products	<ul style="list-style-type: none"> - phased elimination within ten years, preferably on an accelerated basis, of all trade protective barriers; - elimination of duties for industrial tropical raw materials and elimination or significant reduction of duties for fresh agricultural products; - immediate elimination by developed countries of any existing tariffs on all unprocessed tropical products and binding of tariffs at zero level; - elimination of duties for items of the widest possible range; - binding by developed countries of free entry afforded to unprocessed products; (ii) processed and semi-processed products 	<p>Australia (NG6/LT/2)</p> <p>EEC (NG6/LT/3 and NG6/W/13)</p> <p>Sri Lanka, Bangladesh, Colombia, Cuba, Egypt and Nicaragua (NG6/LT/5 and Corr.1)</p> <p>Japan (NG6/LT/24)</p> <p>Zaire (NG6/LT/27)</p> <p>EEC (NG6/LT/3)</p> <p>Japan (NG6/LT/24)</p>	<p>All tropical products up to and including their primary processed stage.</p> <p>EEC offer on tropical products covers the following groups and product groups: 1, 2a and 2c, 4a (manufactured tobacco). 5b, 6 and 7. Agricultural tropical products: 2a, 2c and 5b (except pineapples and certain other fruits). Industrial tropical products: Groups 1, 4a, 6 and 7, provided that their value is made up of a preponderant percentage of tropical raw materials (NG6/W/13).</p> <p>Possible exceptions: tropical products produced in temperate areas and/or which are direct substitutes for products of temperate areas.</p> <p>The seven product groups.</p> <p>See coverage of EEC offer above.</p> <p>See coverage of Japan's proposal above.</p> <p>The seven product groups</p>
	<ul style="list-style-type: none"> - elimination or reduction of duties by the maximum possible percentage. Reduction of tariff escalation would be taken into account in actions on unprocessed, processed and semi-processed products; - reduction and phased elimination by developed countries of all tariffs applied to semi-processed and processed products over a given time-frame to be negotiated; 	<p>Sri Lanka, Bangladesh, Colombia, Cuba, Egypt and Nicaragua (NG6/LT/5 and Corr.1)</p>	<p>The seven product groups</p>

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<p>(iii) other issues (e.g. peak duties, "nuisance" low duties)</p> <p>(iv) GSP</p>	<ul style="list-style-type: none"> - harmonization of tariffs applied by developed countries on processed and semi-processed tropical products at the lowest rates existing in these countries according to a five-year time-table and binding of the tariff rates; - reduction of peak duties to a specified ceiling level and elimination of "nuisance" low duties of a specified level and below. (Other proposals cover implicitly these issues); - two indicative lists contain specific offers of GSP improvements; - possibility of further improvements of treatment for tropical products under the GSP scheme; - improvements in GSP treatment might be offered in cases where such measures would be more effective to meet the needs of the developing countries. Special consideration will be given to measures for least-developed countries within the framework of the GSP; - if the issues taken-up in negotiations on tropical products cannot be resolved unilaterally, GSP improvements with regard to these products might be considered as action to back up or supplement the results of the negotiations on tropical products. In doing so, special account could be taken of certain aspects of the development dimension not satisfactorily covered in the course of negotiations; - improvements of GSP schemes and additional special measures in favour of least-developed countries, such as recognition by all developed countries of LDC status and inclusion of additional products in GSP coverage in favour of least-developed countries. Specific measures in favour of African countries would be taken by developed countries in improving their GSP schemes. With respect to GSP improvements, the indicative list from Zaire suggests in particular: reduction to all positive GSP rates to zero; non-imposition of quantitative limits such as ceilings and quotas; improvement of rules of origin, taking account of cumulative origin among African countries for processed and semi-processed products. Another indicative list proposes improving and broadening of the scope of GSP schemes generally. 	<p>Cameroon, Côte d'Ivoire, Gabon, Senegal, Zaire (NG6/W/14 and Add.1, NG6/LT/27)</p> <p>Japan (NG6/LT/24)</p> <p>Austria (NG6/LT/6 and Suppl.1)</p> <p>Hungary (NG6/LT/11)</p> <p>Czechoslovakia (NG6/LT/19)</p> <p>Japan (NG6/LT/24)</p> <p>Switzerland (NG6/LT/4 and Addenda)</p> <p>Cameroon, Côte d'Ivoire, Gabon, Senegal, Zaire (NG6/W/14 and Add.1)</p> <p>Zaire (NG6/LT/27)</p> <p>Morocco (NG6/LT/28)</p>	<p>The seven product groups.</p> <p>Several other submissions that contain proposals with respect to the least-developed countries not necessarily in the context of GSP improvements are reflected separately in Section C(ii) of the table.</p>

Elements of Negotiations	Approach	Submitting Countries	Additional Indications as to Product Coverage
B. <u>NON-TARIFF MEASURES</u> (i) market access measures (e.g. quantitative restrictions, selective internal taxes, health and phytosanitary measures)	<p><u>Proposals applying to tropical products generally</u></p> <p>1. Several proposals envisage action by developed countries in regard to non-tariff measures, such as quantitative restrictions, internal taxes, health and phytosanitary measures:</p> <ul style="list-style-type: none"> - the harmonizing approach proposed for tariffs in NG6/W/9 is envisaged for non-tariff measures as well; - immediate elimination of para-tariff and non-tariff measures; - elimination of quantitative restrictions and selective internal taxes within an agreed time-frame. Consultations should be held with a view to eliminating the trade-distortive effects of health and sanitary restrictions and state-trading; - elimination of all non-tariff measures affecting access to and trade in developed country markets; - immediate elimination of all non-tariff measures such as quantitative restrictions, global quotas, internal taxes and sanitary regulations; - elimination of selective internal taxes on products such as coffee, cocoa, tea and bananas and commitment by developed countries not to introduce new taxes on other products; elimination of global quotas or endeavour to increase the volume of all types of quotas and the time-period as appropriate; removal of prohibitions on imports of tropical products that compete with domestic production as well as of "take over part of domestic production" and of minimum price obligations; easing and harmonizing of sanitary and technical standards; - elimination of global quotas, discretionary licensing and seasonal quotas as well as of import preference prices; easing and harmonizing of sanitary standards and other non-tariff measures. <p>2. Other proposals which concern tropical products generally envisage negotiating non-tariff measures on the basis of requests/offers procedure. Another proposal foresees the use of a formula approach of a multilateral application:</p> <ul style="list-style-type: none"> - negotiations on the basis of requests/offers procedure on non-tariff measures to the extent that they have significant trade effects and subject to participation in negotiations of other participants; - negotiations on an <u>ad hoc</u> basis using a requests/offers procedure; 	<p>ASEAN (NG6/W/9)</p> <p>Brazil (NG6/LT/10)</p> <p>India (NG6/LT/17)</p> <p>Mexico (NG6/LT/16/Rev.1)</p> <p>Nigeria (NG6/LT/22)</p> <p>Cameroon, Côte d'Ivoire, Gabon, Senegal, Zaire (NG6/W/14 and Add.1)</p> <p>Morocco (NG6/LT/28)</p> <p>Nordic countries (NG6/LT/9)</p> <p>Switzerland (NG6/LT/4)</p>	<p>The seven product groups.</p> <p>The seven product groups.</p> <p>The seven product groups.</p> <p>The seven product groups and additional products.</p> <p>The seven product groups.</p> <p>In principle, the seven product groups.</p> <p>In principle, the seven product groups.</p>

Elements of Negotiations	Approach	Submitting Countries	Additional Indications as to Product Coverage
<ul style="list-style-type: none"> - specific cases of alleged non-tariff measures having restrictive effects not ified by exporters of tropical products would be examined in a positive spirit; - negotiations on the basis of requests/offers procedure with the view to reducing/eliminating measures such as quantitative restrictions and any relevant measures affecting trade in tropical products; - reduction/elimination of all non-tariff measures in accordance with a formula and a time-table to be agreed. <p><u>Product-specific proposals</u></p> <p>Listed below are product-specific proposals concerning non-tariff measures such as quantitative restrictions, selective internal taxes, health and phytosanitary measures, followed by product-specific proposals which address a wider range of non-tariff measures:</p> <ul style="list-style-type: none"> - developed countries should: abolish selective internal taxes as applied on coffee, tea, cocoa and bananas and of variable levies applied on tropical products; eliminate immediately prohibitions, quantitative restrictions, licensing and other non-tariff measures on tropical products; eliminate those sanitary and phytosanitary measures which represent in their effects essentially non-tariff barriers and simplify the other measures; - progressive elimination of remaining national quantitative restrictions against tropical products and progressive elimination/reduction of consumption taxes on coffee, tea or cocoa affecting trade in these products; - offer to exempt tropical products from the global quota on consumer goods; (i) market access and other trade-distorting measures (i.e. support measures) 	<p>Austria (NG6/W/21)</p> <p>Japan (NG6/LT/24)</p> <p>New Zealand (NG6/W/16)</p>	<p>The seven product groups with possible exceptions.</p> <p>The seven product groups with possible exceptions.</p> <p>The seven product groups.</p>	
	<p>Sri Lanka, Bangladesh, Colombia, Cuba, Egypt and Nicaragua (NG6/LT/5 and Corr. 1)</p> <p>EEC (NG6/W/13; NG6/LT/3)</p>	<p>Offer concerning elimination of quantitative restrictions does not include fresh bananas.</p> <p>Offer concerning consumption taxes does not cover bananas.</p>	<p>09.04.01, 09.10.00, 94.01.00 94.03.00</p>
	<p>Hungary (NG6/LT/11)</p> <p>Australia (NG6/LT/2)</p>	<p>Hungary (NG6/LT/11)</p> <p>Australia (NG6/LT/2)</p>	<p>Non-agricultural tropical products: jute and hard fibres and products thereof; natural rubber and rubber products; certain wood products, including wooden furniture.</p> <p>Agricultural tropical products: all other product groups and forestry products (excluding certain wood products).</p>

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<u>C. PROCEDURES AND OTHER ELEMENTS OF APPLICATION</u>	<p>A number of proposals contain references to procedures and other elements of application. These include elements such as:</p> <ul style="list-style-type: none"> (i) participation in negotiations, burden-sharing, reciprocity, contributions by developing countries including measures by countries having "a dominant supply-position" for raw materials on the world market; (ii) measures in favour of least-developed countries; (iii) relationship between negotiations on tropical products and on Agriculture; and (iv) implementation of results of negotiations. <p>(i) Participation, burden-sharing, reciprocity, contributions by developing countries</p>	<ul style="list-style-type: none"> - All participating countries should take part in negotiations of agreements proposed in NG6/LT/2 and NG6/W/16. - A fair degree of multilateral burden-sharing including an assessment related to the balance of benefits, involving all industrialized markets, State-trading countries and the more advanced developing countries; a satisfactory level of reciprocity by the main beneficiary countries including developing countries whose level of development, financial and trade needs allow them to participate more fully in the overall balance of rights and obligations under the GATT; where developing countries enjoy a dominant supply position for raw materials on the world markets, an appropriate reduction of measures restricting the export of such products, matching the extent to which tariff escalation is reduced in importing countries. Reciprocity need not be confined to tropical products. Account should also be taken of specific contributions in other areas of the negotiations. 	<p>Australia New Zealand</p> <p>EEC (NG6/LT/3)</p>

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	<p>time undertake to dismantle measures that distort competitive conditions (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. The proposal concerning the tariff-cutting formula provides for special attention to be paid to products for which developing countries have a predominant share of world trade.</p> <ul style="list-style-type: none"> - 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. - Fair degree of burden-sharing involving industrialized countries. <p>Bindings by developed countries would be applied on a preferential basis only to developing countries for a period of ten years and then they would be automatically extended to all countries. Developing countries would consider binding <u>eracomes</u> their tariffs on a substantial number of products. They would also consider gradual implementation, after the end of the ten-year period, of specific tariff reductions as bound concessions to developed countries, which might be agreed upon already during the Uruguay Round. The feasibility of such modalities would depend on the successful early conclusion of an agreement on reinforced GATT disciplines on safeguards, that should ensure effective benefits from the liberalization process. Contributions from developing countries should be considered not in terms of sectoral reciprocity but within the global balance of the Uruguay Round taking into account the principle of differential and more favourable treatment.</p> <p>- Contributions by developing countries (excluding least-developed countries) would not be related to the sector of tropical products; they will be in the context of the negotiations as a whole.</p> <p>The notion of possible contributions by developing countries in the negotiations as a whole and not on a sectoral basis is also included in suggestions made and views expressed by other participants. It was also proposed that preferential concessions among developing countries should be considered as a contribution towards liberalization of trade in tropical products.</p> <p>Several participants proposed special measures in favour of the least-developed countries in the context of their proposals related to GSP improvements. These proposals are reflected in Section A(iv) above of this synoptic table. Further proposals concerning measures in favour of least-developed countries are as follows:</p> <p>(ii) Measures in favour of <u>least-developed countries</u></p>	<p>Japan (NG6/LT/24)</p> <p>Czechoslovakia (NG6/LT/19)</p> <p>Brazil (NG6/LT/10)</p>	<p>Sri Lanka, Bangladesh, Colombia, Cuba, Egypt and Nicaragua (NG6/LT/5 and Corr.1)</p> <p>NG6/7, NG6/9 and Corr.1. NG6/W/18/Rev.1</p>

Elements of Negotiations	Approach	Submitting Countries	Additional Indications as to Product Coverage
	<ul style="list-style-type: none"> - expressed interests of least-developed countries concerning the specific trade advantages which they derive from existing preference margins would be taken into account. As regards these advantages, particular attention will be given to those products for which these countries, many of which have contractual relations with the Community, are the major suppliers to the Community market; - all participants in a position to do so, be they developed or developing countries, consider granting zero tariffs on imports of tropical products from least-developed countries on a preferential basis; - where least-developed countries have a predominant share of world trade, this should be recognized as further justification for possible tariff reduction measures; - 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; - 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; - negotiations on tropical products not covered by the Community's offer (certain oilseeds, vegetable oils and oil-cakes, raw tobacco, manioc and other tropical roots and products thereof, which are direct substitutes for products of temperate areas) "could only be held successfully in the larger framework of the overall agricultural negotiations". Other omissions from the EEC offer concern a "small number of products which are sensitive in the context of its relations with developing countries"; - the Negotiating Group on Agriculture should deal with all questions relating to agricultural trade. However, this basic position will not prevent the Nordic countries from actively pursuing negotiations in the Negotiating Group on Tropical Products. - some other proposals specified under previous sections of this table, also make reference to possible exclusions from offers of sensitive tropical products which compete with temperate zone products; - proposals submitted by exporting developing countries emphasize that negotiations on tropical products should proceed on a priority basis and independently of the results achieved in other areas of negotiations. 	<p>EEC (NG6/LT/3)</p> <p>Nordic countries (NG6/LT/9)</p> <p>Switzerland (NG6/LT/4)</p> <p>Cameroon, Côte d'Ivoire, Gabon, Senegal, Zaire (NG6/W/14 and Add.1)</p> <p>United States (NG6/W/17 and 24)</p> <p>EEC (NG6/LT/3)</p> <p>Nordic countries (NG6/LT/9)</p> <p>Austria (NG6/W/21)</p> <p>Japan (NG6/LT/24)</p>	<p>EEC (NG6/LT/3)</p> <p>Nordic countries (NG6/W/18/Rev.1, NG6/9 and Corr.1, NG6/11)</p>

Elements of Negotiations	Approach	Submitting Countries	Additions / Indications as to Product Coverage
(iv) Implementation of results	<p>Some proposals foresee immediate implementation of liberalization measures or implementation at the earliest possible date after the end of 1988 in accordance with Section B(ii) of the Ministerial Declaration. Other proposals include the notion of time-frame which is specified or not and/or more specific indications as to the commencement of liberalization:</p> <ul style="list-style-type: none"> - harmonization of tariffs applied by developed countries on processed and semi-processed tropical products of the lowest rates existing in those countries according to a <u>five-year</u> time-table; - preferential application of bindings by developed countries to developing countries for a period of <u>ten years</u>. Gradual implementation of tariff concessions by developing countries after the end of the ten-year period; - expedited elimination, i.e. a period shorter than <u>ten years</u> of all policies and programmes affecting an agreed list of agricultural tropical products. The time-frame need not be uniform for all products on the list; - phased elimination within <u>ten years</u>, preferably on an accelerated basis of all trade protective barriers; <p>- implementation of results in tariff and non-tariffs would start at 1 January 1989 with a maximum period of implementation of <u>five years</u>;</p> <p>- reduction/elimination of all non-tariff measures in accordance with a formula and a time-table to be agreed. Liberalization in tariff and non-tariff areas would begin in 1989;</p> <p>- reduction and phased elimination by developed countries of all tariffs on semi-processed and processed products over a given time-frame to be negotiated;</p> <p>- elimination by developed countries of all m.f.n. tariffs, quantitative restrictions and selective internal taxes within agreed time-frames;</p> <p>- participants should aim at implementing reductions of tariffs as much as possible in 1989 pending staging and later binding in particular cases.</p>	Cameroon, Côte d'Ivoire, Gabon, Senegal, Zaire (NG6/W/14 and Add.1) Brazil (NG6/LT/16) United States (NG6/W/17) Australia (NG6/LT/2) Nordic countries (NG6/LT/9) New Zealand (NG6/W/16) Sri Lanka, Bangladesh, Colombia, Cuba, Egypt, Nicaragua (NG6/LT/5 and Corr.1) India (NG6/LT/17) Japan (NG6/LT/24)	

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