

**MULTILATERAL TRADE  
NEGOTIATIONS  
THE URUGUAY ROUND**

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Group of Negotiations on Goods (GATT)

Negotiating Group on Tropical Products

TROPICAL PRODUCTS

Proposal by Costa Rica, El Salvador, Guatemala,  
Honduras and Nicaragua

A proposal by the five countries listed above, received in a communication dated 4 November 1988 is circulated to participants at the request of the delegations of these countries.

Proposal submitted by Guatemala, El Salvador, Honduras, Nicaragua  
and Costa Rica, member countries of the General Treaty of  
Central American Economic Integration

The purpose of this proposal is to contribute to achieving the fullest liberalization of trade in tropical products, and also to attain specific results at the Montreal Ministerial Meeting that can be implemented in the short term in accordance with the Punta del Este Ministerial Declaration.

On the above basis, it is proposed that the developed countries should adopt the following commitments in the course of the Uruguay Round negotiations:

1. Product coverage

The negotiations should cover unprocessed, semi-processed or processed tropical products included in the seven product groups covered by the consultations held in the framework of GATT in 1982-84.

2. Tariffs

(a) Unprocessed products

Zero binding by developed countries of all tariffs currently applied to imports of unprocessed tropical products. The binding should be put into effect between 1 January and 31 December 1989. Internal procedures for implementing the concessions should be commenced on 1 January 1989.

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(b) Semi-processed and processed products

For semi-processed and processed tropical products, the developed countries shall proceed to bind tariffs at substantially reduced levels with effect as from 1 January 1989. The reduction may be linear (e.g. 75 per cent) or according to a harmonization formula. Negotiations will subsequently be held by a request-and-offer procedure with a view to achieving "the fullest liberalization of tropical products".

(c) Formalization of commitments

These commitments shall be formalized at the Montreal Ministerial Meeting.

3. Non-tariff measures

(a) Internal taxes

Elimination of selective internal taxes on tropical products; these concessions shall be applied as from 1 January 1989.

(b) Sanitary and phytosanitary regulations

Flexibilization and harmonization of sanitary and phytosanitary measures affecting international trade in tropical products.

(c) Other para-tariff and non-tariff measures

Elimination of all other para-tariff and non-tariff measures hindering market access for tropical products of developing countries, in particular variable levies and quantitative restrictions. This elimination will be carried out through negotiations following the request-and-offer procedure, which will begin as from 1 January 1989.

(d) Formalization of commitments

These commitments shall be formalized at the Montreal Meeting.

4. Contributions

The Central American countries are fully prepared to make contributions in the course of the Uruguay Round negotiations, in a global, not sectoral, context which takes particularly into account the principle of preferential and more favourable treatment for developing countries set forth in Part IV of the General Agreement and the Decision on differential and more favourable treatment of 28 November 1979.