

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

RESTRICTED

MTN.GNG/NG6/13
16 November 1988

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Group of Negotiations on Goods (GATT)
Negotiating Group on Tropical Products

NEGOTIATING GROUP ON TROPICAL PRODUCTS
Meeting of 4-5 November 1988
Note by the Secretariat

1. The Negotiating Group on Tropical Products held its eleventh meeting on 4-5 November 1988 under the Chairmanship of Mr. P. Leong Khee Seong (Malaysia).
2. The Group adopted the agenda set out in GATT/AIR/2703 dated 21 October 1988. No matters were inscribed on the agenda under "other business".

Assessment of results achieved during the consultations and negotiations held in pursuance to the arrangements for the further conduct of negotiation (MTN.GNG/NG6/10).

3. The representative of Honduras speaking also on behalf of Costa Rica, El Salvador, Guatemala and Nicaragua, members of the General Treaty of Central American Economic Integration, made a statement introducing the proposal subsequently circulated in MTN.GNG/NG6/LT/46. The representative stated that the submitting countries had decided to take part in the Uruguay Round negotiations in particular in the tropical products area as a regional economic grouping. They intended to participate actively in the ongoing consultations and negotiations aimed at achieving concrete results for the Mid-Term Review in accordance with the objective of fullest liberalization of trade in tropical products. Such results should be sought on the basis of an appropriate combination of techniques and modalities which would take into account the national and regional interests of the submitting countries as well as their position in the Uruguay Round. The representative reiterated the support for the view expressed by other developing countries concerning possible contributions by them in the light of global results in negotiations and not on a sectoral basis. Such contributions by Central American countries would have to take into account inter alia the net benefits which they might derive from multilateral and bilateral negotiations in this Group.

4. Introducing the initial offer circulated in MTN.GNG/NG6/LT/45 the representative of South Africa said that the offer entailed the removal of all customs duties on the products listed many of them being agricultural tropical products and was designed to benefit less-developed contracting parties. The tariff reductions would be autonomous and would be implemented on 1 January 1989 with no phasing period. While the interests of other members of the Southern African Customs Union both in respect to infant industry protection and the possible loss of customs revenue had to

be taken into account in the offer, South Africa was prepared to consider additional market access improvements upon specific requests from developing countries and in particular from the least-developed among them.

5. Commenting upon the consultations and negotiations held in pursuance to the arrangements for the further conduct of negotiations a large number of participants expressed disappointment with the results achieved so far which in their view did not correspond to the special attention recognized for tropical products in the Punta del Este Declaration, including the timing of negotiations and the implementation of results. In this context some participants expressed concern with regard to the product coverage of negotiation as compared to the listing contained in the seven product-groups while others felt that the dynamics of the negotiations tended to leave aside interests of small suppliers. Furthermore it was recalled that the multilateral negotiations were a single undertaking which required an adequate balance between traditional and new issues; as progress on the traditional issue of tropical products was insufficient, and given its importance to the trade of developing countries, the resulting imbalance had to be redressed before the Montreal meeting. In this respect it was emphasized that the results in this area of negotiations of special importance for many developing countries would have an important bearing on their participation in the Uruguay Round as a whole.

6. Some participants stressed that regardless of the results that might be achieved at the Mid-Term Review negotiations would have to be pursued intensively after Montreal in order for the Group to attain its negotiating objective. With regard to contributions in negotiations some participants pointed out that they had undertaken autonomous trade liberalization, a process which was still continuing. They expected to be given credit in negotiations for such measures. Other representatives observed that no participant had ruled out the idea of making a contribution in the Uruguay Round negotiations; however such contributions depended on the benefits derived by participants for products of direct export interest to them.

7. Several other participants believed that, although slow, some progress had been made in negotiations. More rapid progress required broader participation in negotiations and a readiness to liberalize trade by a greater number of participants. In this context it was also noted that only a limited number of participants had provided responses to requests for additional information. Some of these representatives restated their preparedness to contribute to the achievement of results for Montreal, to be implemented on a provisional basis and subject to specific conditions as indicated in their initial offers and proposals. The view was also expressed that work would have to continue after Montreal in order to achieve the negotiating objective in this area of negotiations. One participant expressed regret that the advantages of his proposal concerning the elimination of all trade distorting measures had not yet been perceived by more participants in particular by developing countries.

8. The Group took note of the new submissions and the statements made.

9. The Chairman informed the Group that in the light of the informal consultations held a revised draft of his report to the GNG for the Uruguay Round Mid-Term Review had been made available to delegations. The whole Part B of the report containing points for consideration and/or decision by Ministers remained in brackets and it was understood that participants reserved their positions with regard to this part of the report which would be finalized in the light of the results to be achieved. The report of the Chairman would be submitted to the GNG prior to its meeting on 16-18 November 1988.

10. Following the suggestion made by several participants the Group agreed to hold another meeting before the next meeting of the GNG on 16 November from 9 a.m. to 10 a.m. in order to take note of any new results that might be achieved in consultations and negotiations among delegations and of any possible consensus on the final draft of Chairman's report to the GNG.

11. Referring to future meetings of the Group the Chairman proposed that the first meeting of the Negotiating Group in 1989 be held on 1-3 February.