

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

RESTRICTED

MTN.GNG/NG6/W/31/Add.1
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Group of Negotiations on Goods (GATT)

Negotiating Group on Tropical Products

TROPICAL PRODUCTS: GUIDE FOR MULTILATERAL CONSULTATIONS

Tropical Roots, Rice and Tobacco

Note by the Secretariat

Addendum

According to the understanding reached at the June meeting of the Group (cf. MTN.GNG/NG6/16, paragraph 16), the secretariat has prepared the attached tables on the basis of additional information on trade policy measures which have been notified by certain participants and circulated under the TI series. These tables incorporate the contributions of Yugoslavia (MTN.GNG/NG6/LT/52), as requested by the Yugoslav delegation.

Symbols used

B = bound rate U = unbound rate
A = applied rate

(Yugoslavia)

LB = Liberalized imports

S = Prior approval of the Federal Secretariat for Economic Relations the aim of which is to promote imports from developing countries by direct purchase of products originating in these countries.

LBO = Conditionally liberalized imports, i.e. liberalized imports but within the possible volume of payments, which depend on the balance-of-payments situation of Yugoslavia (See MTN.GNG/NG6/LT/52 for details)

L = Import licence

Q = Quota

Qv = Quota fixed in quantity

Qq = Quota fixed in quantity

MLV = Special charge payable on certain agricultural and foodstuff products

Note: Yugoslavia's import liberalization took place in the first half of 1989 generally.

GATT SECRETARIAT

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I. TROPICAL ROOTS AND TUBERS, INCLUDING MANIOC

H.S. (CCCN)	Description	Argentina	Chile	Colombia ¹	Indonesia	Morocco	Yugoslavia		
							Tariff	1988	Present
0714.10 (0706)	Manioc (cassava), fresh or dried	20%	15%		30% U	17.5% ³	3% B	LB0	LB
0714.90 (0706)	Arrowroot, salep, sweet potatoes etc, fresh or dried	20%	15%			17.5% ³	3% B	LB0	LB
1106.20 (1104)	Flour and meal of sago, roots or tubers, of No. 0714	20%	15%			32.5% ³	3% B	LB0	LB
1108.14 (1108)	Manioc starch	Free-28%	15%		20% U ²	17.5% ⁴	12%	LB0	
1903.00 (1904)	Tapioca and substitutes therefor	36%	15%			32.5% ⁴	Free B	LB0	LB

¹All imports into Colombia are subject to an additional 18 per cent surcharge. However, imports of foodstuffs by the Agricultural Marketing Institute (IDEMA) for direct human consumption are exempt from this additional surcharge.

²Imported by licenced importers, under the Decree of Trade and Cooperatives Minister No. 561/KP/XII/82 dated 24 December 1982.

³Import licence required.

⁴Liberalized importation.

Notes: See MTN.GNG/NG6/TI/1/Add.8 and TI/2/Add.3 for general information provided by Brazil.

See MTN.GNG/NG6/TI/1/Add.3 for general information provided by Colombia.

II. RICE

H.S. (CCCN)	Description	Argentina	Chile	Colombia ¹	Hong Kong ²	Indonesia ³	Jamaica ⁴	Malaysia ⁵	Morocco ⁶
1006.10	Rice in the husk (paddy or rough)	10%-15%	15%						32.5% ⁷
1006.20	Husked (brown) rice	10%-15%	15%						32.5% ⁷
1006.30	Semi-milled or wholly milled rice	10%-15%	15%						32.5% ⁷
1006.40	Broken rice	10%-15%	15%						32.5% ⁷
1102.30 (1101)	Rice flour	20%	15%						37.5% ⁸
1103.14 (1102)	Groats, meal and pellets of rice		15%						37.5% ⁸

H.S. (CCCN)	Description	Nigeria ⁹	Peru ¹⁰	Singapore ¹¹	Sri Lanka	Turkey	Yugoslavia	
							Tariff	Import régime
							1988	Present
1006.10	Rice in the husk (paddy or rough)				25% U ¹²	Free ¹³ \$40/t+25.71% ¹⁴	Free, B	L80 S Qq S, MLV
1006.20	Husked (brown) rice				25% U ¹²	50%	Free, B	Qq S
1006.30	Semi-milled or wholly milled rice				25% U ¹²	\$100/t ¹³ 45.13% ¹⁴	Free, 13%	Qq S, MLV
1006.40	Broken rice					Free	13%	Qq S, MLV
1102.30 (1101)	Rice flour						10%	L80
1103.14 (1102)	Groats, meal and pellets						10%	L80

Footnotes for Table II: Rice

¹All imports into Colombia are subject to an additional 18 per cent surcharge. However, imports of foodstuffs by the Agricultural Marketing Institute (IDEMA) for direct human consumption are exempt from this additional surcharge.

²Rice is a staple food in Hong Kong. Importation of rice for local consumption is subject to a control scheme to ensure regular and adequate supply at stable prices and to provide a reserve stock for emergency purposes. The scheme stipulates the level of quarterly import quota which is calculated on the basis of demand and consumption pattern in the previous quarter.

Under the scheme only registered importers may import rice. To be eligible for registration, the importer has to meet certain requirements, e.g. demonstrated past import ability; established connections with overseas suppliers; sufficient financial resources to hold stock etc. These requirements are maintained to ensure that the importer has the capability and resources to deal with rice trading and stock-keeping. Import licences for registered importers are granted automatically. There is no restriction on the sourcing of rice supply.

In 1987, 345,600 tonnes of rice were imported for local consumption.

³In Indonesia rice is considered as a strategic staple-food commodity as this is consumed considerably by about 97 per cent out of 164 million people who rely on it, to obtain 60 per cent of their caloric intake and 50 per cent of their protein consumption.

Any instability occurred either in its production or supply or its price will create a critical socio-economic problem as well as socio-political issue which at the end could hamper our national stability and security. We had a bitter experience in 1972, when we faced critical domestic shortages of basic foodstuff which could not be made up from external sources. Having realized the above situation, our Government has been for decades intervening in the determination of production, supply as well as price of rice with the view to achieving the objective of providing food security, obtaining mass production for rice self-sufficiency reason, maintaining rice price stability and expanding rural farmer income as well. Policy measures conducted by Government are managed by the National Logistic Board (BULOG), inter alia, in the form of:

- procuring rice during harvest season up to 10 per cent of the total rice production and sole to the budget groups such as civil servants and the military;
- carrying out market operation to defend ceiling price;
- placing in national stocks in order to maintain floor price as well as other purpose such as structural disaster and calamities;
- providing subsidies on pesticide and fertilizer to farmers.

Statistical data and other informations concerning those measures are widely available, such as in IBRD and IMF annual reports.

⁴(i) Jamaica has no specific import licence for rice; (ii) Jamaica Commodity Trading Company (JCTC) is the only agency authorized to import rice; (iii) the quantity of rice imported depends on existing demand: in 1987 Jamaica imported approximately 50,000 metric tons; (iv) Jamaica has no area regulations for importation of rice.

⁵Presently, no import duty is imposed on rice. Under the Second Schedule Customs (Prohibition of Import) Order 1988, import of rice from all countries requires an import licence from the National Paddy and Rice Authority (LPN).

⁶Rice: the annual import quantity for which tenders were opened in 1987 and which was actually imported was 10,000 metric tons. Imports of rice are determined according to national requirements.

⁷Import liberalized.

⁸Import licence required.

⁹I wish to refer to your letter dated 30 March 1988 concerning information on trade measures applied by Nigeria to tropical products and confirm that of the twelve products referred to in your letter, only fruit juice, rice, cigarettes, wood and plywood are presently included in Nigeria's import prohibition list. I have enclosed herewith the relevant copy of Nigeria's Import Prohibition List (Trade) as per Federal Official Gazetter No. 1 Decree No. 1 Customs, Excise Tariff, etc. (consolidation) Decree 1988, for your information and further necessary action. You may similarly wish to know that a copy of the Decree was made available to the GATT secretariat in the year for general information.

The list of prohibited items has in the wake of Nigeria's Structural Adjustment Programme been pruned down in an unprecedented effort to minimize constraints to free trade. Furthermore, it will be recalled that earlier in 1986, all import and export licences were abolished, exchange control administrative measures relaxed, the second tier foreign exchange market (SFEM) now Foreign Exchange Market (FEM) introduced and the Commodity Boards abolished. The national currency - the Naira - was allowed to find its level through the mechanism of market forces at fortnightly biddings in the foreign exchange market. This bold deregulation of economic operations was hailed as a means of minimizing government intervention in the market economy.

With regard to your request on details of price support programme for rice, you may wish to know that the production, distribution and sale of rice are within the purview of the private sector. The Government has, as a result, no specific price support programme for rice except to the extent that the Government normally assists farmers with agricultural inputs like fertilizer which is sold to them at reduced rates to improve output.

¹⁰

Peru does not include rice in the Import Prohibition List approved by Supreme Decree 068-87-PLM notified to GATT secretariat and distributed as document L/6208 of 21 August 1987.

¹¹Rice is a staple food in Singapore. Consequently, the import regulations for rice are maintained purely for security purposes. All rice importers are required to be licenced. The imports of rice are also subject to licensing.

There are two categories of import licences, namely, the stockpile licence and ordinary licence:

- (i) licences for stockpile grades of rice are issued only to importers who participate in the Rice Stockpile Scheme. The licence seeks to ensure that the importers stockpile the stipulated types and minimum quantities of rice in proportion to their total imports. The rice stockpile is a reserve stock for emergency use; and
- (ii) licences for non-stockpile grades of rice are issued automatically.

The quantities of rice that are imported into Singapore are decided entirely by the importers themselves. Singapore's average annual imports of rice in the last two years is about 200,000 tonnes.

¹²Under licence and partial monopoly of the Food Commissioner's Department. Licences are issued to actual users for import of small quantities of luxury varieties of rice.

¹³For sowing.

¹⁴Surcharges.

III. TOBACCO

H.S. (CCCN)	Description	Argentina	Chile	Colombia	Hong Kong ⁴	Indonesia	Malaysia	Morocco ⁷
2401.10	Tobacco, not stemmed/stripped	Free-32%	15%	2/		CCCN 2401.110 15%	\$50/kg U ⁶	2.5DH/ 100 kg net
2401.20	Tobacco, partly or wholly stemmed/stripped	Free-32%	15%				\$50/kg U ⁶	2.5DH/ 100 kg net
2401.30	Tobacco refuse	Free-32%	15%					2.5DH/ 100 kg net
2402.10	Cigars, cheroots and cigarillos	20%-36%	15%	3/			\$65/kg U	5 DH/ 100 kg net
2402.20	Cigarettes	20%-36%	15%	3/			\$85/kg U	5DH/ net 100 kg

H.S. (CCCN)	Description	Nigeria	Peru	Singapore	Sri Lanka	Turkey	Yugoslavia		
							Tariff	Import régime	Present
2401.10	Tobacco, not stemmed/stripped		8/	S\$ 36.00/kg	Rs.685/ ⁹ kg. net B	10/	15%	Qq, MLV	
2401.20	Tobacco, partly or wholly stemmed/stripped		8/	S\$ 36.00/kg	Rs.685/ ⁹ kg. net U		15%	Qq, MLV	
2401.30	Tobacco refuse			S\$ 36.00/kg	9/		15%	Qq, MLV	
2402.10	Cigars, cheroots and cigarillos			S\$ 75.00/kg	9/		25%	L80	
2402.20	Cigarettes	See footnote 9 on page 5		S\$ 75.00/kg	9/		25%	L80	

¹Chile does not apply minimum import prices to tobacco, in accordance with its general policy of free prices and openness to foreign trade.

²2401.1030 Black leaf tobacco - 14 per cent duty refund as an export incentive since 30 December 1985.

³Colombia prohibits importation of manufactured tobacco products (heading 24.02) with the exception of products of other tobacco, cut or shredded, for the industrial manufacture of cigars. Extracts and essences and other products are subject to prior licensing.

⁴Excise duty is imposed only on manufactured tobacco and related products. The excise duty is levied for revenue purposes and applies at the same rate for imported as well as for locally-manufactured products.

⁵Imported by producer-importers and licenced importers of agricultural products, under the Decree of trade and Cooperatives Minister No. 503/KP/XII/82 dated 27 December 1982.

⁶No licensing requirements or quantitative restrictions.

⁷All products listed are liberalized imports. Imports of unmanufactured tobacco in 1987 totalled 17,823.5 tonnes. In general, imports of unmanufactured tobacco are determined according to national requirements.

⁸Subject to prior licence requirement. The criteria used for expedition of licences are contained in Article 4 of the Supreme Decree 097-87-PCM, notified to GATT secretariat and distributed as document L/6245 of 3 November 1987.

⁹Under licence. Licences are issued to anyone without restrictions.

¹⁰Apart from the aid provided to reduce input costs in the production and processing stages, no subsidies and no price support programmes are applied to tobacco. TEKEL GEEL MUDURLUGU (State economic enterprise) buys tobacco on the market. For marketing year 1988, the buying price of TEKEL GENEL MUDURLUGU for one kilo of tobacco ranged from LT 750 to LT 4,400 according to quality.