

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

RESTRICTED

MTN.GNG/NG6/21

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

MEETING OF 8-9 AND 13 FEBRUARY 1990

Note by the Secretariat

1. The Negotiating Group on Tropical Products held its eighteenth meeting on 8-9 and 13 February 1990 under the Chairmanship of Mr. P. Leong Khee Seong (Malaysia). The Group adopted the Agenda set out in GATT/AIR/2914. No matters were proposed under "other business".

Definition of appropriate ways and means to give effect to the provisions contained in paragraphs 2 and 3 of the Decision on Tropical Products adopted by Ministers at the Mid-Term Review of the Uruguay Round.

2. The Chairman recalled that at its last meeting on 29-30 November and 1 December 1989 participants had a further exchange of views on ways and means to give effect to the provisions of paragraphs 2 and 3 of the Decision on Tropical Products adopted by Ministers at Montreal. The Group had agreed to revert to the question of the further conduct of negotiations at its first meeting in 1990. In this connection the Chairman noted that since the last meeting of the Group in 1989 the Negotiating Group on Tariffs had adopted procedures for the negotiations in relation to tariffs. With regard to documentation the Chairman drew attention of the Group that since its last meeting an additional contribution had been submitted by Austria in document MTN.GNG/NG6/LT/55.

3. The Chairman further said that after an agreement had been reached in the Negotiating Group on Tariffs, it was imperative for the Group on Tropical Products to consider and adopt at this meeting the necessary procedures for the further conduct of negotiations. He informed the group that in order to accelerate this process he had initiated on his own responsibility informal consultations with a number of delegations on the question of the procedures for the further conduct of negotiations. It appeared to him that it would be useful to continue these consultations with a view to reaching an understanding on possible procedures to be submitted to the Group for consideration and adoption at this meeting. He therefore suggested that the formal session of the Group be adjourned to allow for further informal consultations. The Group agreed with this suggestion.

4. At the formal session of the Group on 13 February 1990 the Chairman submitted under his own responsibility, a draft text on procedures for the further conduct of negotiations. In submitting the text, the Chairman said

that it was a result of long and difficult informal consultations with delegations. He felt that this text might provide a basis for resuming effective negotiations on tropical products in accordance with the relevant provisions of the Punta del Este Declaration and the Mid-Term Review Decision on Tropical Products.

5. Several participants expressed appreciation for the efforts being made by the Chairman and delegations in order to work out an acceptable text and expressed preparedness to adopt the text without any amendments.

6. The representative of Egypt stated that the text did not respond fully to concerns of his delegation as it provided for submission of proposals by "each" participant and seemed to limit negotiations to participants which had submitted proposals only. He wondered whether participation in negotiations on tropical products would be open to countries making contributions in general tariff negotiations. Moreover in assessing a participant's contribution to negotiations on tropical products any concessions made in other groups should be taken into account and not only "market-access" concessions as provided for in the procedures before the Group. However, in spite of these reservations his delegation would not stand in the way of consensus in the Group given the special importance of trade in tropical products to many developing countries including his own. It was the understanding of his delegation that his country would make a contribution in the Uruguay Round as a whole including market-access concessions. Such a contribution should be taken fully into account as a contribution in this Negotiating Group and would enable his country to take part in negotiations.

7. The representative of India said that while his delegation did not have difficulties in accepting the text on procedures it shared the concerns expressed by the previous participant. He stressed that proposals to be submitted by each participant as specified in paragraph 2 of the procedures should not be inconsistent with the individual trade, financial and development needs of the country concerned. In this regard the text did not seem to be clear enough. He therefore wished to reserve the position of his delegation on this particular point.

8. One participant referred to the need for taking account in negotiations of the concerns of the least-developed countries. In this connection he suggested that the secretariat keep the least-developed countries informed on the evolution of negotiations under the technical assistance programme provided in relation to the Uruguay Round.

9. Referring to the amendments suggested to the text some other participants recalled the difficulties encountered in working out the present draft on procedures. One of these participants drew attention to the language in paragraph 2 which specified that proposals to be submitted by participants should be accompanied by a demonstration that proposals were in conformity with the Decision on Tropical Products. This provision together with the provision of paragraph 5 of the procedures should in his view respond to the concerns expressed by some previous speakers.

10. Several other representatives also urged the adoption of the text on procedures without any amendment.

11. Commenting upon the statements made by delegations, the Chairman observed that the text of procedures was a result of long and difficult consultations and represented a delicate balance. Even though the text might not meet the expectations of all delegations, it was adequate to launch substantive negotiations in the area of tropical products. He was convinced that participants could no longer sacrifice time on procedures alone and that priority must be accorded in the time left available to substantive negotiations. Stating that the concerns expressed on certain issues by some delegations have been duly noted, the Chairman proposed that the text on procedures be adopted by the Group. It was so decided. The Procedures for the continuation of negotiations adopted by the Group have been subsequently circulated in document MTN.GNG/NG6/20. Following the adoption of the text several participants made statements. These are summarized in paragraphs 12 to 18 below.

12. The representative of Peru said that her delegation was in a position to join the consensus in the understanding that the procedures adopted would in no way prejudice the sovereign right of her country to participate in the negotiations in order to obtain balanced results in the Uruguay Round as a whole.

13. The representative of Bangladesh recalled the recognition of the particular situation and problems of the least-developed countries contained in Part I. B(vii) of the Punta del Este Declaration and reiterated in the Procedures for the continuation of negotiations just adopted. On this basis it was understood that these countries would not be required to make any contribution inconsistent with their development, financial and trade needs either in this Group or in other negotiating groups. Moreover the least-developed countries should be able to take part fully in all negotiations and meetings of this Group envisaged in the procedures. The representative also recalled that the least-developed countries would need further technical assistance from the secretariat for their effective participation in negotiations. The representative of Tanzania associated himself to this statement.

14. The representative of Brazil expressed the hope that the procedures adopted would lead to achieving the negotiating objectives established by Ministers in Punta del Este and in Montreal in regard to tropical products. Given the special attention recognized for negotiations in this area the results to be achieved in this Group would be very important for the success of the Uruguay Round. As agreed in the Montreal Decision on Tropical products the Group would pursue negotiations on the seven product-groups with due regard to certain specific elements as specified in that Decision. The negotiations would therefore have to be conducted in compliance with the specific mandate and objectives agreed by the Ministers. The representative further stated that for her country it was essential that negotiations lead to liberalization in all product-groups. The exclusion of some products in particular those of special interest to

developing countries would prejudice her country's position. Brazil was in a position to contribute to the success of this negotiation in a manner that would take account of its development, financial and trade needs as specified in the Punta del Este Declaration and the Decision on Tropical Products. Its proposal would be based on these two texts which continued to be fully applicable. However, it should be clear that the implementation of such a proposal would depend on the reduction of the level of protection applied by trading partners in all sectors and in particular in the seven product-groups. Brazil had already demonstrated its willingness to open its market and contribute to the liberalization efforts in the Uruguay Round by autonomously implementing in 1988 a tariff reform which had reduced the import duty average by 25 per cent. The representative believed that these measures which brought about a 90 per cent increase in imports in the twelve months following the adoption of the new tariff should receive appropriate recognition. Her country expected that these negotiations would lead to balanced results representing significant improvements in access to markets for products of export interest to developing countries which should not be required to make concessions on the basis of strict reciprocity.

15. The representative of Malaysia speaking also on behalf of other countries members of the ASEAN expressed the hope that with the adoption of the procedures meaningful negotiations would be conducted within the time-frame agreed. ASEAN delegations would continue to make appropriate contributions to negotiations on the basis of the general principles governing negotiations including those contained in Part I. B (iv) to (vii) of the Punta del Este Declaration. Recalling the recognition of the importance of trade in tropical products to many developing countries and the agreement that these negotiations shall receive special attention, the representative expressed the hope that significant and meaningful concessions on tropical products which would respond to export interest of developing countries would be forthcoming from developed countries. ASEAN countries expected that tariff concessions by developed countries would achieve deeper average tariff cuts on semi-processed and processed products than in other areas of negotiations in order to eliminate or significantly reduce tariff escalation and tariff peaks. Recalling that the concessions made and implemented so far were but interim results the representative emphasized the need to now build on these results and work further towards fulfilling the objective of fullest liberalization of trade in tropical products.

16. The representative of Colombia noted that the procedures for the continuation of negotiations have been adopted one year after the Mid-Term Decision on Tropical Products. Recalling the importance of the tropical products area in the Uruguay Round, the representative emphasized that this Group should be a priority group till the end of the Round and that negotiations should cover all the seven product groups. While his country intended to continue its active participation in these negotiations it would assess the results in the Uruguay Round and finalize its contribution in the light of the benefits to be obtained in the tropical products area.

17. The representative of Mexico expected that substantive negotiations would start in this area in accordance with the product-coverage specified in the Montreal Decision on Tropical Products and that no product of interest to developing countries would be excluded.

18. The representative of India said that in conducting negotiations on the basis of the procedures adopted all relevant issues should be taken into account. His country intended to participate in negotiations in accordance with its development, financial and trade needs.

19. The Group took note of the statements made by delegations.

20. In concluding the meeting the Chairman expressed appreciation to all members of the Group for their cooperation and work done for adopting the procedures for the continuation of negotiations on tropical products. He also urged participants to make the necessary efforts in compliance with the adopted procedures in order for this Group to be able to produce optimal negotiating results.

21. In regard to the next meeting of the Group it was agreed that it would be determined in consultation with delegations, and in accordance with the Procedures for the continuation of negotiations adopted by the Group.