

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

RESTRICTED

MTN.GNG/NG6/24

10 August 1990

Special Distribution

Group of Negotiations on Goods (GATT)

Negotiating Group on Tropical Products

MEETING OF 20 JULY 1990

Note by the secretariat

1. The Negotiating Group on Tropical Products held its twenty-first meeting on 20 July 1990 under the Chairmanship of Mr. P. Leong Khee Seong (Malaysia). The Group adopted the Agenda set out in GATT/AIR/3050. No matters were proposed under "Other Business".

Review of progress achieved so far in the negotiations

2. The Chairman informed the Group that a total of forty-five participants have thus far submitted proposals on tropical products either as separate proposals to this Group or as part of their general offers on tariffs. In addition to the forty-two participants listed in document MTN.GNG/NG6/W/45/Rev.3 proposals have also been received from Iceland, Poland, and Uruguay. In regard to requests for improvements of offers the secretariat has been informed of such requests submitted by Australia, ASEAN countries, China, Colombia, Costa Rica, Mexico and Uruguay. Since the last meeting of the Negotiating Group on 12 June those participants which have submitted proposals in accordance with the Procedures for the continuation of negotiations adopted by the Group in February 1990 (MTN.GNG/NG6/20) held two more informal meetings to review and assess the proposals, on 9-10 July 1990 and 19 July 1990. In accordance with the Procedures adopted the secretariat has prepared documentation on individual proposals which was made available to the participants which have submitted proposals.

3. The Chairman also said that under this item of the agenda delegations would have the opportunity to make any announcements, statements and comments in relation to progress achieved so far in negotiations, and to the organization of work in the second half of the year. In this context the Chairman informed the Group that his Report to the GNG on the status of the Group's work had been circulated and was available in the meeting room (subsequently circulated as MTN.GNG/NG6/W/47). The Report was brief and factual and was made on the Chairman's own responsibility. Delegations were of course free to make any comments they might have in regard to this text.

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4. In regard to work in the second half of the year the Chairman recalled that in order for the negotiating groups to present negotiating results at the Ministerial Meeting in Brussels it was necessary that the package of results be finalized in each negotiating group by 23 November. This left participants with less than three months of work after the summer recess. It may be assumed that during the month of September delegations would resume intensive bilateral consultations and negotiations with a view to presenting their firm offers. Such offers would have to be presented towards the end of September or in early October in order to enable their consideration in capitals and subsequently to resume negotiations with a view to their completion by 23 November. In this connection the Chairman informed the Group that several dates had been tentatively set aside for meetings of participants and of the Negotiating Group, namely, 24-25 September, 18-19 October and 12 and 15 November, with the possibility of holding informal plurilateral consultations on 13-14 November if necessary.

5. The representative of Thailand announced that her authorities were working to expand the scope of the initial offer both in terms of bindings and tariff reductions. She also informed the Group that her authorities were restructuring the tariff system and hoped that this process would be completed before the end of the Uruguay Round.

6. The representative of Norway, on behalf of the Nordic countries drew attention of the Group on a recent improvement in Finland's import régime which also had a bearing on the conditions of access for tropical products. This reflected once again the willingness of the Nordic countries to further open their already very liberal markets. Commenting upon those measures the representative of Finland referred to the adjustments made in the Finish system of quantitative import restrictions which had been notified to the GATT Non-Tariff Measures Inventory and entered into force on 1 July 1990. Under the new system, licensing requirements had been abolished for a number of products including tropical products such as bananas and pineapples. The complete list of tropical products affected by these changes would be notified to other participants in the negotiations on tropical products in accordance with the procedures contained in MTN.GNG/NG6/20. This proposal represented a further contribution towards the negotiating objective of the Group.

7. The representative of Uruguay referred to the complementary proposal submitted by her country in the Negotiating Group on Tariffs which included a number of tropical products. These products had also been submitted to the Group on Tropical Products in accordance with the procedures set out in MTN.GNG/NG6/20. The proposal envisaged bindings at 25 per cent level. Her delegation reserved the right to adjust, expand or reduce the offer depending on the concessions to be accorded by other participants in terms of genuine market-access improvements for products of export interest to Uruguay.

8. The representative of Sri Lanka informed the Group that the Presidential Tariff Commission had decided to reduce tariffs on 2128 items from 60 per cent to 50 per cent. Consequently Sri Lanka would be submitting an offer to all market-access groups including the Group on Tropical Products hopefully within the next two weeks.

9. The representative of Côte d'Ivoire introduced initial and conditional proposal submitted to the Group on Tropical Products. She stressed that the offer has been made in the context of a restructuring of the economy, which was being undertaken to face, inter alia, the economic difficulties resulting from the collapse in prices for its main exports, which for the most part were tropical products under negotiation in this Group. Her country hoped that negotiations in this area would lead to improved conditions of access in the markets of developed partners and of developing countries as well. This was of particular importance for her country given its current economic difficulties and its level of development. The offer covered four tropical products on which bindings at 20 per cent level were offered. While the offer reflected the scant means of her country the representative hoped that it would be received with good will as it constituted an expression of the willingness to participate in negotiations and contribute to their objectives.

10. The representative of Japan recalled that this Group had been the only market-access group which had already achieved concrete results. He further recalled that Japan, the second largest importing nation, had played a leading rôle in Montreal in the achievement of concrete results which had subsequently been implemented. Since Montreal his country has taken the view that negotiations on tropical products should be pursued for the time being in the Negotiating Groups on Tariffs and Agriculture. With regard to industrial tropical products he was pleased to announce that Japan was submitting a new offer covering almost 90 new items, an offer which was relevant to this Negotiating Group as well. This was a step further as compared with the position taken by his country since Montreal. Regarding agricultural tropical products, the representative emphasized the difficulties encountered in persuading domestic industries to make an additional contribution given the significant offer already made as well as the status of work in the Negotiating Group on Agriculture. However, his delegation intended to pursue domestic coordination in order to be able to respond positively to requests on agricultural tropical products to be made by developing-country participants. While the position of his country on those products would depend on how the negotiations on agriculture would evolve, Japan would nevertheless duly consider requests to be made by developing countries in bilateral or perhaps plurilateral negotiations.

11. The representative of Hong-Kong recalled that the current import régime involved duty-free treatment for all agricultural and industrial products. However, in the Negotiating Group on Tariffs Hong-Kong has offered to consider bindings at zero level on some of these products including tropical products. He requested that this offer be circulated in the Negotiating Group on Tropical Products, even though Hong-Kong intended to carry on tariff negotiations in the Negotiating Group on Tariffs only.

12. The representative of Yugoslavia recalled that in 1989 her country had undertaken autonomous non-tariff liberalization measures covering about 190 items falling within the purview of the negotiations on tropical products. The trade coverage of these measures was US\$ 300 million. She felt that such liberalization measures, which should also be seen in conjunction with the low level of applicable tariff rates, represented a contribution to the achievement of the negotiating objectives in the area of tropical products. She therefore believed that the Chairman's report to the GNG should reflect in some form autonomous contributions that have been made by participants to the Group. The representative also announced that her authorities would soon be considering the possibility of also making tariff concessions in this area.

13. The Group welcomed the announcements made by participants concerning the submission of proposals or improvements in proposals on the table. The Chairman informed the Group that the list of participants having submitted proposals would be further revised as new participants would submit their proposals in accordance with the Procedures for the continuation of negotiations adopted in February 1990.

14. The Group agreed with the tentative schedule of meetings suggested by the Chairman for the period after the summer recess.

15. One participant recalled that in accordance with the Mid-Term Review Decision on Tropical Products the Group should, before the formal completion of negotiations, conduct an evaluation of the results attained therein in terms of the objectives of the negotiations. She suggested that the Group take a decision on the date of that evaluation at a future meeting. This suggestion was supported by another participant.

16. In concluding the meeting the Chairman made the following remarks:

"The Negotiating Group has registered in recent weeks an increase in the number of proposals on the table. I believe this reflects a commitment of participants to the negotiating objective of the fullest liberalization of trade in tropical products.

"In my view, at the present stage of the negotiations it is important that this positive development be paralleled by improvements in the scope and quality of proposals. I also believe that in order for our Group to be able to present negotiating results at the Ministerial Meeting in Brussels participants should intensify bilateral consultations and negotiations with the view to presenting their firm offers towards the end of September or in early October.

"I am aware that in the negotiating process linkages have been made with negotiations in other related areas. I hope that participants will approach such issues in a constructive way so as to ensure that the specific objectives of trade liberalization in the area of tropical products are adequately met and that positive results are reached as soon as possible in the second half of the year".