

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

RESTRICTED

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Special Distribution

Group of Negotiations on Goods (GATT)

Negotiating Group on Tropical Products

Meeting of 24 September 1990

Note by the Secretariat

1. The Negotiating Group on Tropical products held its twenty-second meeting on 24 September 1990 under the Chairmanship of Mr. P. Leong Khee Seong (Malaysia). The group adopted the Agenda set out in GATT/AIR/3079. No matters were proposed under "Other business".

Review of progress achieved so far in the negotiations

2. The Chairman recalled that a total of forty-eight participants had thus far submitted proposals on tropical products either as separate proposals to this Group or as part of their general offers on tariffs (document MTN.GNG/NG6/W/45/Rev.4). Requests for improvements of offers have been notified to the secretariat by Australia, ASEAN countries, China, Colombia, Costa Rica, Cote d'Ivoire, India, Mexico, Sri Lanka and Uruguay. Since the last meeting of the Group on 20 July 1990 the secretariat had prepared nine further assessments on individual proposals and updated four previous assessments. This documentation was made available to the participants having submitted proposals.

3. The Chairman also noted that at the Joint Meeting of the four Market-Access Groups held on 21 September 1990 it was agreed that an informal Joint Meeting of Participants which have submitted proposals be held in the first week of November in order to assess the offers to be tabled by 15 October. Individual Negotiating Groups may continue to meet in order to deal with specific issues in accordance with their mandates. The Chairman suggested that while keeping in mind the debate held at the Joint Meeting on 21 September, participants focus at this meeting on progress achieved so far in negotiations on tropical products in the light of the specific negotiating objective of the Group and of the relevant provisions of the Punta del este Declaration and of the Mid-Term Review Decision on Tropical Products. He also invited delegations to make comments and suggestions in regard to the work of the Group in the remaining period till the Brussels meeting. In this respect it was recalled that as pointed out by the Chairman of the TNC at its July 1990 meeting, intensive work was expected to take place in all negotiating groups as of the week of Monday, 8 October, when negotiations would be entering their final stage. During that period the focus will be on the TNC, which would direct the negotiations with support wherever necessary from the Negotiating Groups. In this connection the dates of 24-25

October and 12-15 November 1990 had been tentatively set aside for further meetings of the Group on Tropical Products and for any plurilateral consultations that might be necessary.

4. The Chairman informed the Group of his intention to hold an informal meeting of participants having submitted proposals on 25 September in the morning. Recalling that paragraph 5 of the Mid-Term Decision on Tropical Products stated that the Negotiating Group should, before the formal completion of negotiations, conduct an evaluation of the results attained therein in terms of the objectives of the negotiations, he also proposed that the Group conduct such an evaluation at a date to be set after the Joint Meeting of Participants in market-access negotiations to be held in the first week of November.

5. The representative of the European Communities restated the importance attached to negotiations on tropical products and the need to use the short time left available in order to maximize results in negotiations. The EEC had bilateral contacts with many trading partners, both developed and developing countries and had made the point that it expected from the former concessions equivalent to those included in the Community offer and from the latter contributions in terms of market-access. Noting the increase in the number of participants, the representative underscored that the quality of contributions to-date still left much to be desired. Notwithstanding, the Community would continue negotiations in the period up to 15 October and press for improvements in offers from trading partners. The EEC had already indicated what it was ready to do and was prepared to explain to trading partners what different elements in its proposal meant for them. Moreover the Community had stated that if improved contributions were forthcoming from trading partners it was prepared to go even further in pursuance to its commitment to a successful outcome of the negotiations.

6. The representative of Mexico expressed hope that the improvements in the EEC offer would consist not only in deeper tariff reductions but also in extending the offer to all the products falling within the seven-product-groups on which negotiations were based.

7. The representative of Romania informed the Group that her country had submitted an initial offer on tariffs which was also of relevance to the negotiations on tropical products. The offer should be seen against the background of the reform process towards a market-economy which was underway in her country. This process involved a reassessment of trade policy instruments including the introduction of a new tariff with a view to using effective and transparent trade policy instruments which were compatible with the GATT obligations. A number of measures having liberalizing effects on trade had already been put into effect and notified to GATT in document L/6712 of 30 July 1990. Trading partners had also been informed of her country's difficulties of putting forward contributions in the Uruguay Round since the economic reform was not yet final. However, an effort had been made to submit at this stage of the negotiations a tariff offer of a selective nature. It included items on which the Romanian authorities thought that commitments might be undertaken even if the reform was not yet finalized. This offer would be

followed by a notification of non-tariff measures adopted autonomously and for which her country would seek credit and recognition in negotiations. Referring specifically to tropical products the representative observed that a important number of concessions on these products had been made by her country in the framework of GSTP negotiations. This was part of the approach aimed at facilitating trade in these products of special importance for many developing countries and explained the limited number of tropical product items covered by the present tariff offer. Finally, the representative requested that the offer be circulated to the participants in market-access negotiations and expressed willingness to engage in bilateral consultations and negotiations with trading partners.

8. The representative of Malaysia informed the group that his country had a number of bilateral consultations with its trading partners. Some of them were useful and positive. Others did not show much scope for improvement. Malaysia had addressed an additional list of requests on products which had been omitted in previous offers by trading partners. In response to requests from trading partners Malaysia offered improvements in Tropical Products and other Market-Access groups which should be fully taken into account as specified in the Procedures for negotiations. In this connection the representative drew attention to the additional offer covering 600 items which was submitted in negotiations on tariffs. These items were of interest to trading partners to whom Malaysia had submitted requests for improvements of offers on tropical products and should be taken account of in assessing Malaysia's contribution in these negotiations.

9. The representative of Colombia informed the Group that in the bilateral consultations held so far there appeared to be no significant progress in response to requests addressed by his country. He hoped that this situation would improve in the consultations to be held this week. The representative also announced that last week about 450 additional tariff headings had been moved to the free-import list. Currently such tariff headings accounted for approximately 70 per cent of Colombia's import while the corresponding figure in 1986 was 30 per cent. The tariff average had been brought down since 1986 up to 22 per cent. Colombia had made several reductions in the import surcharge across all products whose level was reduced from 18 per cent in 1989 to 16 per cent at the beginning of this year and to 13 per cent last week. These moves should be taken into account in negotiations on tropical products in accordance with the relevant provisions of the Procedures for Negotiations. In regard to the proposal by the Chairman for the meeting to conduct the evaluation provided for in paragraph 5 of the Mid-term Decision on Tropical Products the representative emphasized that such an evaluation should cover the autonomous trade liberalization measures adopted by developing countries.

10. The Group took note of the announcements and statements made. It agreed with the tentative dates of 24-25 October and 12-15 November set aside for further meeting of the Negotiating Group or plurilateral consultations as necessary. The Group also agreed to conduct an evaluation in pursuance to the provisions of paragraph 5 of the Mid-Term

Decision on Tropical Products at a date to be set after the Informal Joint Meeting of Participants in market-access negotiations scheduled for the very early days of November.

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

"I believe there is a shared perception among participants that given the status of work in the Group it is imperative to intensify negotiations in order to be able to meet the timetable set by the TNC for the final stage of negotiations. I therefore urge delegations to accelerate preparations for tabling specific offers as early as possible and not later than 15 October 1990. It is also indispensable that negotiations be accelerated on the basis of such offers.

Since we will be entering the final stage of the negotiations as of the week of Monday 8 October participants should be prepared for meetings of the Negotiating Group or informal consultations on short notice as necessary in order to make progress on outstanding issues and provide the necessary support to the TNC which will be directing the negotiations in the final stage.

It will be also recalled that as stated in the summing up of the Chairman at the TNC meeting of 26 July the Chairmen of the negotiating groups would be requested to submit their assessments of the situation in the respective groups at the end of the first week of October. I will submit, on my own responsibility, an assessment of the situation in this Group if such a request is addressed to me".