

**MULTILATERAL TRADE
NEGOTIATIONS
THE URUGUAY ROUND**

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Group of Negotiations on Goods (GATT)

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Negotiating Group on Tropical Products

TROPICAL PRODUCTS

Communication from Central American Countries

The following communication, dated 24 October 1990, received from delegations of Guatemala, El Salvador, Nicaragua, Honduras and Costa Rica, Member States of Central American Common Market.

1. The Central American countries have noted with satisfaction that a number of countries have made major contributions towards the success of the Round in this sector. Nevertheless, they are concerned at the fact that, six weeks from the meeting of the Trade Negotiations Committee to conclude the Uruguay Round, the offers announced by some developed countries which are their main purchasers have not yet been clearly specified. What is more, their implementation is subject to a variety of severe conditions. Other countries which are also major trading partners have made offers which are in keeping neither with the contents of the Punta del Este Declaration nor with the decisions adopted at the Montreal Mid-Term Meeting. All of this introduces a large amount of uncertainty for developing countries, which are thus seeing the expectations with which they joined and have actively participated in the Round now frustrated.

2. In a different context from that of the GATT multilateral trade negotiations, since 1986 the Central American countries have been carrying out intensive structural adjustment programmes with a view to the liberalization of their foreign trade. The Central American countries are confident that these efforts will be recognized as a contribution to the improvement of the multilateral trading system, which is the ultimate objective both of the Round and also of GATT.

3. Taking into consideration the fact that the tropical products area was defined as a priority one for the negotiations and that early results were hoped for in it, the Central American countries shouldered their responsibility and made contributions in Montreal for this Negotiating Group. Now they have once again made offers for negotiations in the current stage.

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4. After carefully examining the offers made in the Tropical Products Group, the Central American countries have revised and updated the request lists submitted to their main trading partners. In general, products have been selected according to objective criteria, in line with traditional GATT practices: i.e. the Central American Common Market is among the five main market suppliers, accounts for 10 per cent of imports by the market in question or else has significant exports to other markets. Among these products, the Central American countries attach the utmost importance to liberalization of trade in coffee, bananas and other tropical fruit, plants, foliage, flowers and tobacco, as well as products manufactured and derived from them, which remain their main source of export earnings.

5. The Central American countries are prepared to consider an improvement of their contributions on the basis of the requests they receive from trading partners, with a view to the attainment of satisfactory results in this Negotiating Group.

6. The above remarks by the Central American countries are based on the position that trade barriers which are inconsistent with the General Agreement must be eliminated, without thereby giving rise to compensation on the part of the affected countries.