Trade concessions and contributions on tropical products to developing countries by Australia, the European Economic Community, Finland, Norway, Sweden, New Zealand and Switzerland will be in effect from 1 January 1977.

It is expected that Austria, Canada and Japan will put their concessions or contributions into effect over the coming months as soon as necessary domestic procedures have been completed.

These tropical products concessions or contributions are the first concrete results of the Tokyo Round multilateral trade negotiations held in GATT, and are taking effect before the negotiations have been completed as a whole. Many of them concern primary products, but in a number of instances they also cover semi-processed and processed products.

Many developing countries derive a major part of their earnings from exports of tropical products such as coffee, cocoa, tea, spices and a variety of other goods in raw, processed and semi-processed forms.
The Tokyo Declaration, which launched this latest round of trade-liberalizing negotiations at a Ministerial Meeting in September 1973, singled out tropical products for special and priority treatment. Some forty-four developing countries submitted requests to eleven developed countries for tariff and non-tariff concessions covering about 290 tariff headings and a number of tariff items under each heading. Following consultations and negotiations in the Group "Tropical Products", it was agreed that countries should work towards the implementation of their concessions or contributions on tropical products on 1 January 1977 or as soon as possible thereafter so that developing countries can start benefiting from them before the Tokyo Round negotiations are completed as a whole.

With effect from 1 January 1977 or as soon as possible thereafter, Australia will be binding existing duty-free rates, or reducing most-favoured-nation (m.f.n.) duties which may be bound within GATT later, on about forty-seven tariff items including tea, various spices, certain cocoa products, certain jute products, etc. As part of its contribution to the negotiations on tropical products, Australia has notified that it has already introduced, with effect from 1 July 1976, improvements in its scheme of generalized preferences (GSP) for about sixty-six tariff items.

From 1 January 1977, duties in the common external tariff of the European Economic Community will be suspended partially or wholly on an m.f.n. basis for about twenty-two tariff items including non-decaffeinated unroasted coffee (where the tariff will be reduced from 7 to 5 per cent) and cocoa (where tariff rates will be reduced from 5.4 and 4 to 3 per cent), and certain types of pepper and other spices. These duties may be bound in the context of the final results of the multilateral trade negotiations. The EEC has also notified that it will be improving GSP treatment for about 159 tariff items falling under chapters 1-24 of the CCC nomenclature. Among these items are manufactured tobacco and certain types of unmanufactured tobacco. Some member States of the EEC which apply internal taxes on certain tropical products have undertaken not to increase the level of these taxes in the future.

With effect from 1 January 1977, Finland will reduce m.f.n. duties on unroasted coffee. It has also notified that it will provide duty-free treatment under the GSP for a number of products including shrimps and certain tropical fruits, and make certain tax adjustments with respect to non-industrial items benefiting from its GSP.

New Zealand's notification indicates that it has implemented certain improvements in its GSP as of 1 July 1976, covering about 140 tariff items as its contribution to the tropical products negotiations. It has also indicated that it is giving further consideration to a review of its offer on tropical products.
Norway has notified that it will provide duty-free treatment under the GSP for items such as roasted and instant coffee, raw and refined sugar, certain types of carpets made of jute or other vegetable fibres etc.

As from 1 January 1977, Sweden will reduce or bind within GATT existing m.f.n. rates on a number of items including roasted and unroasted coffee, cocoa paste and certain fruit juices. It has also indicated that sweetened cocoa powder, chocolate paste and other food preparations containing cocoa, sweetened pineapple juice and certain preserved vegetables will be admitted duty free under the GSP.

Switzerland has notified improvements in its GSP involving some 145 tariff items, covering both primary products and certain processed products, including bananas (limited to three years), certain coffees including extracts and essences of coffee, cocoa beans, certain cocoa products, various processed fruits, un-manufactured tobacco for certain uses, etc.

Details of the concessions or contributions to be put into force by Austria, Canada and Japan are expected in due course.

The United States has offered concessions on an m.f.n. basis which it intends to bind in GATT on a range of items of interest to developing countries. Consultations aimed at implementation of the offers are continuing between the United States and interested developing countries.

Varying assessments were made in the Group "Tropical Products" of the initial offers made by the developed countries, and there has been an exchange of views in the Group on the possibilities of improving these offers. The Group, whose Chairman is Ambassador Gabriel Martinez of Argentina, is expected to keep under review developments with regard to the concessions and contributions now notified and their implementation, as well as the question of promoting further progress in the negotiations relating to trade in tropical products, taking into account developments in the other Groups of the Trade Negotiations Committee.

END