COMMUNICATION FROM NIGERIA

The following communication has been received from the delegation of Nigeria.

I am directed to bring before the GATT Preparatory Committee the following issues for discussion at the proposed Ministerial meeting scheduled for November:

(a) The removal or reduction of protectionist measures on tropical agricultural exports of developing countries;

(b) Need for further improvement in the Generalised System of Preferences.

2. In justification of the above topics I am directed to state the following:

(a) The removal or reduction of protectionist measures on tropical agricultural exports of developing countries:

Much discussion has gone into the question of the desirability of giving serious and sustained attention in future negotiations in GATT to reducing the level of agricultural protectionism. It seems generally agreed that, compared with industrial tariffs generally, relatively little progress has been made towards liberalising agricultural tariffs and related non-tariff measures. Much of the debate has, not surprisingly, been concerned with trade and trade policy in the area of temperate agricultural products, where trade interests are very visibly defined, and trade conflicts acute. Some progress has been made in the Tokyo Round and more recently in negotiations on liberalising tariff treatment of tropical products. What we are yet to see, however, is the same degree of dedication and concern, or at least something approaching it, with further liberalisation of trade in tropical products of more direct interest to developing countries. Possibilities for further liberalisation have been very carefully identified and examined, particularly in the consultations on tropical products. What is needed now is a more solid commitment by industrial countries to taking speedy and substantial action.
In this context, we would like to refer to one point, which we consider would need to be taken into account in considering the Agenda for the Ministerial Meeting. In GATT discussions, it has been usual to distinguish between “tropical products” which, it is said, are primarily produced and exported by developing countries, and other temperate zone agricultural products which are exported and traded by mainly developed countries. The recent plurilateral consultations among exporting and importing countries were directed towards how further liberalization of trade could be achieved in this area and it is our expectation that the Ministers from developed countries would be able to pronounce on the measures which their countries could take for liberalization of trade in these products. We have heard about difficulties in removing tariffs and other barriers to trade on these tropical products, because of the “substitutability” of the “temperate zone” agricultural products. High tariffs, for instance, on ground nut oil are often justified by some countries on the ground that they are necessary to protect domestic production of competing agricultural products, like soyabean oil. It may be that liberalisation in agricultural trade in general would enable more progress in removing protectionist measures on tropical products, where in the past developed countries have maintained that it has not been possible to remove barriers, because of the need to give protection to the domestic production of competing agriculture products.

(b) Need for further improvement in the Generalised System of Preferences:

Para 3(c) of the decision adopted by the CONTRACTING PARTIES in 1979 on the so-called Enabling Clause provides that any “differential and more favourable treatment” that may be extended by the developed to developing countries, shall be—“designed and, if necessary, modified positively to the development of financial and trade needs of developing countries”. Experience of the operation of certain schemes of generalised preference has shown that, instead of improving a preferential system to provide better access to imports from developing countries, modifications in the system have resulted in a withdrawal of products and sometimes of countries from GSP eligibility. There is, in the view of this delegation, the need to look more closely at all preferential systems in relation to general provisions for differentiation in the General Agreement, in the Enabling Clause, and in particular in Part IV of the General Agreement. Some bases for coordination of preferential arrangements and provisions will need to be found. We realise that as long as the GSP remains a unilateral, non-contractual arrangement, difficulties will remain in ensuring continuing compatibility between the GSP and contractual provisions for differentiation in favour of developing countries. The issue should be looked at none the less. Inter-relationships between the two systems of preferences and differentiation can no longer be completely ignored.