Drafting Group on
Item I of the Agenda
Sub-Group B

(B) TRADE IN TROPICAL PRODUCTS

Redraft of Conclusions

General conclusions

(a) The Ministers, recognizing that the generally low level and instability of prices and the ensuing inadequacy of earnings are principal problems affecting producers of tropical products, and in view of the great importance of these products to the foreign exchange earnings and economic development of many less-developed countries, endorsed the objective of free access to markets for tropical products as a means of facilitating higher earnings. They further agreed that, in the attainment of this objective, account should be taken of (1) the special situation of some of the less-developed countries enjoying preferences in order to enable the economies of these countries to adjust themselves gradually and in a harmonized way to the new situation and (2) the special problems affecting certain tropical products.

(b) The Ministers agreed that governments should not erect any new tariff or non-tariff barriers against trade in tropical products. If, in practice, a government felt that it had to take any measures which would have such effects, it should afford adequate opportunity for consultations with the exporting countries mainly interested in the product concerned;
(c) The Ministers regretted the difficulties which had delayed the implementation of the relevant part of the Ministerial Declaration of November 1961 relating to the removal of revenue duties and internal charges and urged governments to take the necessary steps to speed up such implementation as soon as practicable, but in any event not later than the date on which the concessions exchanged during the GATT trade negotiations become fully effective.

(d) The Ministers decided that, where prior action had not already been taken on barriers to trade and restraints on consumption of tropical products, these should be dealt with in the context of the forthcoming GATT trade negotiations.

Recommendations on individual products

COCOA

The Ministers endorsed the commodity agreement approach to cocoa and agreed that an international agreement should be negotiated speedily with the aim, inter alia, of stabilizing prices at remunerative and equitable levels and increasing the export earnings of producing countries so as to facilitate their economic development.

The Ministers agreed that such an agreement should find satisfactory solutions to the problems arising from existing tariffs, internal charges and other non-tariff barriers in respect of raw and semi-processed cocoa. Some Ministers emphasized that such solutions should provide for the removal of tariffs, internal charges and non-tariff barriers in respect of raw and semi-processed cocoa.
COFFEE

The Ministers confirmed the intention of their governments to apply in an efficacious manner the International Coffee Agreement and recommended that the governments signatories to this Agreement collaborate in a positive manner in the Coffee Council within the foreseen time-limits with a view to the efficacious application of the Agreement so that coffee prices are established and maintained at an equitable level, and so that the trade in and consumption of this product are developed.

The Ministers recommended that, as far as practicable, tariffs, internal charges and other non-tariff barriers in respect of coffee should be progressively reduced by joint action.

The Ministers recognized that the proposed GATT negotiations would give an opportunity to examine the conditions for a progressive reduction of tariffs in respect of coffee.

BANANAS

Ministers noted that arrangements for the further study, in collaboration with the FAO, of the question of trade in bananas were being put in hand. The Ministers agreed that each consuming country should consider possibilities to increase the consumption of bananas.

The Ministers agreed that, while the study referred to above was in progress, the governments should not introduce any new tariff or non-tariff barrier to trade in this commodity and should make an effort to enlarge their markets for bananas on a universal basis.
TROPICAL OILSEEDS AND OILS

The Ministers endorsed the need for further study of the question of trade in tropical oilseeds and oils and the fact that arrangements for this work will be put in hand. Ministers noted that these studies should relate in particular to conditions of competition in respect of tropical and temperate zone fats and oils.

The Ministers agreed that governments should consider the desirability of including the problems of tropical oilseeds and oils in the framework of the GATT trade negotiations and in international discussions on internal agricultural price and production policies.

The Ministers agreed that governments should, in framing their agricultural policies, where these policies affect tropical oilseeds and oils, duly take into account the predominant importance attached by less-developed countries to maintaining and increasing their exports of these products.

TEA AND TROPICAL TIMBER

The Ministers agreed that the customs duty on tea should be removed with the least possible delay and, if practicable, before the end of 1963. The Ministers recognized the need for ensuring that the removal of the duty is not nullified by increases in internal taxes. They addressed themselves to the question of reducing and eliminating internal taxes on tea and agreed to keep the matter under review.

The Ministers agreed that the customs duty on tropical timber should be removed with the least possible delay and, if practicable, before the end of 1963.