MINISTERIAL MEETING
15-21 May 1963

RECOMMENDATIONS PREPARED FOR SUBMISSION
TO THE MINISTERS CONCERNING TRADE IN TROPICAL PRODUCTS

General conclusions

(a) The Ministers endorsed the general objective of free access to markets for tropical products, in view of the great importance of these products to the foreign exchange earnings and economic development of many less-developed countries. In the attainment of this objective, the Ministers agreed that account should be taken however of the special situation of some of the less-developed countries in order to enable the economies of these countries to adjust themselves gradually to the new situation;

(b) the Ministers agreed that the instability of prices and inadequacy of earnings are the principal problems affecting producers of tropical products;

(c) 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 of this kind, it should have prior consultations with the exporting countries mainly interested in the product concerned;

(d) the Ministers gave special attention to the problem of revenue duties and internal charges, with particular regard to the difficulties which have delayed the implementation of the relevant part of the Ministerial Declaration of November 1961 and to the steps which need to be taken to speed up such implementation;

(e) the Ministers decided that, where this has not already been done by prior action - barriers to trade and restraints on consumption of tropical products should be dealt with in the context of the forthcoming GATT trade negotiations.
Recommendations on individual products

COCOA

(a) 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;

(b) the Ministers agreed that this agreement should include such provisions as would make it possible gradually to reduce and eventually to eliminate tariff and non-tariff barriers within a time-limit acceptable to the parties signatories to this agreement.

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 wherever possible, tariffs, internal charges and other non-tariff barriers in respect of coffee should be reduced and then removed.

The Ministers recognized that the proposed GATT negotiations would give an opportunity to eliminate remaining barriers affecting trade in 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

(X) The Ministers noted 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 with as liberal a trading system as possible.

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 such taxes.

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.