GENERAL AGREEMENT ON TARIFFS AND TRADE

CONTRACTING PARTIES
Twelfth Session

Committee on the Rome Treaty

COMMENTS ON POINT (C) OF THE AGENDA OF SUB-GROUP D
ASSOCIATION OF OVERSEAS TERRITORIES

Note by the Indonesian Delegation

1. The Association of Overseas Territories will create many problems to the trade of Indonesia.

2. We export to the Six about fifty different kinds of tropical products, ranging from crude rubber, copra, palm oil etc., to cattle feed. A list of most of these products is attached hereto.

3. Our trade has been traditionally directed to those parts of the Six which, until now, have applied low tariffs, namely the Benelux and, more effectively, the Netherlands.

4. About 75 per cent of our export value to the Six flows to the Netherlands, which means an equivalent of about 19 per cent of our total export value.

5. With the establishment of the Common Market with its common tariff wall, the pattern of our trade will change entirely. Quite many of our products will in future be charged with a higher duty and, in some cases, they might appear to be excessive. Below, we wish to quote some striking examples of increased import duties in the Benelux, which will result to be detrimental to our export:

   The import duty on COFFEE will rise from about 0 to 16 per cent.
   (−/− 50 per cent of our export total of this product flows to the Netherlands.)

   The import duty on TOBACCO will rise from about 5 to 30 per cent.
   (−/− 94 per cent of our export total of this product flows to the Netherlands.)

   The import duty on TEA will rise from about 10 to 39 per cent.
   (−/− 90 per cent of our export total of this product flows to the Netherlands.)

   The import duty on CACAO will rise from about 0 to 9 per cent.
   (−/− 88 per cent of our export total of this product flows to the Netherlands.)
6. Although, in some cases, the quantities of the above-mentioned export products to the Benelux may be a small proportion only of the total imports there, to the Indonesian producers involved they mean as much as a matter of life and death.

7. A shift to other parts of the Common Market is insofar practically impossible, because taste and custom are playing a dominant role in the trade with those products. The decrease in duties in the other Member States will be to the benefit of their traditional suppliers and the overseas territories.

8. While we already meet with great difficulties in the common tariffs of the Six, these difficulties will increase tremendously by the preferential treatment the Six will apply to imports from the overseas territories. These overseas territories are potentially able to grow the same products as do most of the under-developed GATT Member countries.

9. For Indonesia it means not only the disadvantage of a considerable increase in tariffs, but in regard to products like coffee, tea, tobacco and cacao for instance, she will have to suffer from the free entrance into the Common Market of these products originating from the overseas territories.

10. For many of the tropical products the common duties are not yet determined (for example: rubber, palm oil, spices), so that it is impossible at this stage of development, to have a clear picture of the future situation. Moreover, it is to be foreseen that the Six, for protecting reasons, may raise certain unbound duties in the near future.
LIST OF EXPORT PRODUCTS TO THE SIX

Chapter 5
ex 05.12 shells

Chapter 9
ex 09.01 coffee
09.02 tea
ex 09.04 pepper
09.06 cinnamon and cinnamon-tree flowers
09.07 cloves
ex 09.08 nutmeg and mace
ex 09.10 other spices

Chapter 10
10.05 maize

Chapter 11
ex 11.06 flour of sago and tapioca

Chapter 12
ex 12.01 copra
kapok seeds
groundnuts
palm kernels
tenkawang seeds
ex 12.07 cinchona bark

Chapter 13
ex 13.02 natural gums and resins
(copal, damar etc.)

Chapter 14
ex 14.01 rattans
ex 14.02 kapok

Chapter 15
ex 15.07 palm oil

Chapter 17
17.03 molasses

Reference is made to the Brussels Nomenclature.
Chapter 18
18.01 cocoa beans

Chapter 22
ex 22.09 arak

Chapter 23
ex 23.04 oil-cakes of copra waste

Chapter 24
ex 24.01 unmanufactured tobacco

Chapter 26
ex 26.01 manganese ore

Chapter 33
ex 33.01 citronella oil
cajuputi oil

Chapter 40
40.01 natural rubber etc.

Chapter 41
41.01 raw hides and skins etc.

Chapter 44
ex 44.03 teakwood (djati) etc.

Chapter 57
ex 57.02 sisal

Chapter 80
ex 80.01 unwrought tin