

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Multilateral Trade Negotiations

GROUP 3(f) - REPORT TO THE TRADE NEGOTIATIONS COMMITTEE

DRAFT

Introduction

1. Group 3(f) was established by the Trade Negotiations Committee on 7 February 1974 to deal with item 16 of the Programme of Work (MTN/2) which provided for:

"Continuation, in the light of the work undertaken by the Committee on Trade and Development and other international bodies, of the studies of all the pertinent data on trade in tropical products, due account being taken of the factors which influence this trade such as supply, demand, prices and the level of the export receipts of developing countries."

The Trade Negotiations Committee also agreed, inter alia, that each Group would, in the course of its work, be guided by the Ministerial Declaration as it relates to developing countries.

2. Group 3(f) held three meetings in February, April and July 1974. At its initial meeting, the Group agreed on the detailed work programme it intended to pursue in relation to tropical products. This is recorded in document MTN/3F/2 annexed hereto.

3. In accordance with this work programme, the Group at its April meeting undertook a preliminary examination of background material provided by the secretariat covering cocoa, coffee, tea, bananas and pepper in their raw, semi-processed and processed forms and certain vegetable oilseeds, oils and oilcake with a view to identifying

the problems facing these commodities. Details of certain procedural aspects agreed to by the Committee are contained in document MTN/3F/3 (see Annex 2). Secretariat note (MTN/3F/3/Add.1), summarizing the general observations and specific points made by members on the various items which were examined on a commodity-by-commodity basis, is attached as Annex 3. The general observations made by delegations in respect of items examined at the July meeting of Group 3(f) are contained in paragraphs - below.

Procedure

4. Among the procedural aspects taken up in the course of the discussion was that related to the treatment of certain items either produced in both tropical and temperate zones or produced in the tropics but substitutable for products produced in the temperate zone.
5. It was noted, inter alia, that trade in tropical vegetable oilseeds, oils and oilcakes was influenced by, and in turn influenced, the trade in temperate vegetable oilseeds, oils and oilcake. In view of this inter-relationship, the Group, while reiterating its competence in respect of tropical products, agreed that the material provided by the secretariat in MTN/3F/W/3 and Addendum 6, together with a summary of the comments and observations made by members, should be transmitted to Group 3(e) for consideration when the question of vegetable oilseeds, oils and oilcake was being examined in that body on a global basis. The Group requested Group 3(e) to give priority to this matter having regard to the interests of developing countries in the sector and the special and priority treatment being accorded tropical products in the Multilateral Trade Negotiations. The Group agreed that thereafter it would pursue the discussion on particular

aspects of tropical oilseeds, oils and oilcakes in the light of the documentation and views of Group 3(e).

6. Certain members referred to the competence of other groups in respect of some products listed in the documentation. It was stated by a number of delegations that because rice, sugar and sugar products (ex 17.02 and 17.03) and tobacco were also significantly produced in the temperate zone, these items could more appropriately be taken up in Group 3(e), which would be studying them in detail. There was general agreement, however, to request other groups to send to Group 3(f) for its consideration in due course the results of the discussions and the information collected on these products so that the Group could pursue the discussion on the products falling within its competence.

(to be completed)

Identification of Problems

7. The representative of a group of countries stated that the problems facing tropical products, characterized by instability of prices and quantities, were due to complex reasons. For this reason, the reduction or elimination of trade barriers would not be the only important factor to be considered in resolving these problems, but other factors such as the stabilization of prices and export earnings would be equally relevant. It was therefore important that these issues should be tackled as a whole. He also considered that, for certain items, commodity arrangements would be helpful in finding solutions.

8. Some members stated that the information provided in the documentation had led them to identify the following problem areas which needed to be taken up in

the negotiations on tropical products¹ - the continued maintenance of tariffs on certain unprocessed products; tariff escalation on semi-processed and processed products; special preferences; quantitative restrictions, internal taxes and other non-tariff measures; and price instability.

(to be completed in the light of
discussions at the July meeting)

Ministerial Declaration

In the context of tropical products, the Group had also agreed that at its July meeting it would take up the provision in the Programme of Work adopted by the Trade Negotiations Committee that each group shall in the course of its work be guided by the Ministerial Declaration as it relates to developing countries.

(to be completed)

General observations in respect of items examined at the July meeting of Group 3(f)

At the third meeting of the Group held during the period 10-15 July 1974, a number of additional observations were made with respect to the items initially examined in April.

(to be completed)

In the course of this meeting, Group 3(f) also reviewed and analyzed trade flows and commercial policy measures, affecting a number of additional products²

¹Details of the discussions and suggestions made with respect to individual commodities are contained in MTN/3F/3/Add.1 (Annex 3).

²Spices, manioc, flour and meal of manioc, salep and sago, manioc starch, tapioca and sago, coconuts, brazil nuts, cashew nuts and kernels and cashew shell liquid, tung, babassu, tobacco and oiticica (nuts, seeds and oil), psyllium seed, pyrethrum, gum arabic, rattan, kapok and crin and carnauba wax, tropical fruit and tropical fruit products.

of interest to developing countries on the basis of background material provided by the secretariat.

(to be completed)

In response to a proposal made by the Group at its February meeting, the secretariat provided information on marketing and distribution systems relating to cocoa, tea, spices, bananas and certain coconut products.

(to be completed)

Future work

At its July meeting, the Group also took stock of the work undertaken so far on the basis of the background information¹ provided by the secretariat. It was noted that the Group had in general undertaken a preliminary examination of those items listed in Annex 1 of MTN/3F/1 and falling within BTN Chapter 1-24, with the exception of rice, sugar and tobacco which were initially being taken up in Group 3(e). It had identified certain problems facing these items and noted suggestions for action on tropical products in the context of the multi-lateral trade negotiations. Subject to any agreement reached in the Trade Negotiations Committee affecting the future work of Group 3(f), and having regard to the remaining items listed in document MTN/3F/1 and the lists submitted by delegations in documents MTN/3F/W/2 and MTN/3F/W/4, it was agreed that for any further meeting of Group 3(f), the secretariat would, inter alia, provide available information with respect to trade flows and commercial policy for the following items.

(to be completed)

¹ A checklist of documents is provided in Annex 4.

- ANNEX 1 - Points Relating to Programme Work - MTN/3F/2
- ANNEX 2 - Meeting of April 1974 - MTN/3F/3
- ANNEX 3 - Points made by Members at the
Meeting of April 1974 - MTN/3F/3/Add.1

Annex 4

Group 3(f) Checklist of Documents

MTN/3F/1	Tropical Products - Consideration of Technical Work to be Undertaken in the Negotiations
" " /2	Group 3(f) - Points Relating to Programme of Work
" " /3	Group 3(f) - Meeting of April 1974
" " /3/Add.1	Group 3(f) - Points made by members at the meeting of April 1974
MTN/3F/W/1 ¹	Points Relating to Programme of Work
" " "/2	Programme of Work
" " "/3	Background Information on Certain Tropical Products
" " "/3/Add.1	- Cocoa and Cocoa Products
" " " "/Add.2	- Coffee and Coffee Products
" " " "/Add.3	- Tea (BTN 09.02 and 21.02B)
" " " "/Add.4	- Pepper, Ground and Unground
" " " "/Add.5	- Bananas
" " " "/Add.6	- Certain Vegetable Oilseeds, Oils and Oilcake
" " " "/Add.7	- Addendum - Additional Data on Prices
" " " "/Add.8	Additional Information on Tea
" " " "/Add.9	Details of exports and re-exports of certain semi-processed and processed tropical products from developed countries
" " " "/Add.10	Additional information on exports of pepper from developing countries (variety, quantity and value)
" " " "/Add.11	Index of prices for cottonseed oilcake

¹This document was finally issued as MTN/3F/2 following approval of the work programme by Group 3(f).

- MTN/3F/W/4 Inclusion of Items in Programme of Work
- " " "/5 Background Information on Certain Tropical Products
 - Spices
- " " "/6 - Manioc, flour and meal of manioc, salep and sago, manioc
 starch, tapioca and sago
- " " "/7 - Coconut, brazil nuts, cashew nuts and kernels and cashew
 liquid
- " " "/9 - Share of Selected Products in Exports of Developing
 Countries or Territories in 1970
- " " "/10 - Tung, babassu, tobacco and oiticica (nuts, seeds and oil)
- " " "/11 - Psyllium seed, pyrethrum, gum arabic, rattan, kapok
 and crin, carnauba wax
- " " "/12 - Tropical fruit and fruit products
- " " "/13 Provisional Agenda and Checklist of Documents
- " " "/8 Marketing and distribution systems