

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

Spec(82)24/Rev.1
11 June 1982

PROGRAMME OF CONSULTATIONS ON TRADE LIBERALIZATION

PLANTS, VEGETABLE MATERIALS, LACS, ETC.

Informal record prepared by the secretariat

Revision¹

1. The consultation on plants, vegetable materials and lacs, was held on 4 March 1982 under the Chairmanship of Ambassador F. Jaramillo (Colombia).
2. As a basis for the consultation, the secretariat had prepared document COM.TD/W/344 containing information on trade flows and the commercial policy situation with respect to products covered by CCCN headings 1207, 1302, 1401-1403 and ex 1516.

General comments on trade in plants, vegetable materials and lacs

3. It was stated that this product group was important for the exports of developing countries, some 80 per cent of total imports into developed countries (over \$500 million in 1979) originating in developing countries. It was noted that as in the case of essential oils, practically all tariffs applicable to developing countries in this product group had been eliminated either on an m.f.n. basis or under the GSP and that no non-tariff measures had been identified as applying to this product group. Representatives of some exporting countries stated, however, that there remained a few tariffs applicable to developing country exports of certain of these items.
4. The representative of an exporting country stated that his delegation had trade interests in certain products of vegetable materials not covered by document COM.TD/W/344 including products made from abaca, bamboo and rattan and that his delegation would later submit lists indicating proposals for possible action on these products to the importing countries concerned.²

¹The revision takes into account comments made by delegations after the consultations.

²These lists submitted on 8 March included the following products: mats and matting of plaiting materials (CCCN ex 4602), basket-work, wicker-work and other articles of plaiting materials including luggage, handbags and flatgoods of bamboo, rattan or of palm leaf (4603), chairs and other furniture of wicker, bamboo or cane (ex 9401 and ex 9403) and abaca cordage (ex 5904).

Identification of trade problems and clarifications

5. The representative of an exporting country stated that his country was a major exporter of lacs falling within CCCN heading 1302. Lacs were produced in certain areas of his country inhabited by tribal people. The collection of stick lac and its processing was a labour-intensive operation. While other developed countries had granted lacs duty-free treatment on an m.f.n. basis or under the GSP, Japan maintained an m.f.n. duty of 20 per cent or Y 50/kg. whichever is the higher on shellac and other refined lacs. As Japan had granted stick lac and seed lac - materials for shellac - duty-free treatment either on an m.f.n. basis or under the GSP, the tariff escalation for shellac imports from developing country suppliers was quite significant.

6. The representative of Japan stated that companies engaged in the processing and use of lacs in Japan were small and that the number of these companies had been reduced by one half since 1974. As lacs were destined for many varieties of uses and each of these uses was limited in quantity, the rationalization of lac-related production had been difficult. Imports of shellac into Japan had recently shown some increase. He said that tariffs did not appear to be inhibiting imports of shellac from lac producing countries.

Possibilities for further progress in trade liberalization

7. Japan was requested by certain producing countries to consider the elimination of its duty on shellac from developing countries. The representative of Japan stated that he would transmit the request to his government for consideration.