

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

MTN/TP/W/14
6 February 1976

Special Distribution

Multilateral Trade Negotiations

Group "Tropical Products"

RECENT DEVELOPMENTS RELEVANT TO THE WORK OF THE GROUP

Note by the Secretariat

1. Paragraph 2(iv) of the Guidelines for the Organization of Negotiations on Tropical Products indicates that the secretariat will provide, inter alia, up-to-date information on trade developments including recent agreements affecting tropical products as well as available details on prices. In the following paragraphs, an attempt has been made to summarize certain recent developments in this connexion since the last meeting of the Group in October 1975. With regard to prices, document MTN/3F/W/3/Add.7 contains a price index for certain tropical products, all primary products and manufactured goods covering the period 1953-1973. This material was up-dated to 1974 in document MTN/TP/W/10. In the attachment, the data for 1974 have been revised and preliminary information for the first two quarters of 1975 made available.

UNCTAD

2. At the December 1975 meeting, the Committee continued its discussion on the various aspects of the integrated programme for commodities and adopted Resolution 16 (VIII) in which, after agreeing that the studies have reached a stage where it is possible to take concrete decisions, it recommends that the Board, at its seventh special session, make detailed recommendations for decisions by the Fourth Conference on, inter alia, objectives, commodity coverage, international measures, follow-up procedures and a time-table for the implementation of agreed measures.

International Cocoa Organization

3. The negotiation of a new three-year International Cocoa Agreement was concluded on 20 October 1975 under the auspices of UNCTAD. The new agreement which is scheduled to enter into force on 1 October 1976, differs from the 1973 agreement mainly in respect of the price range and of the modalities of buffer stock intervention. The minimum and maximum prices were set at 39 and 55 US cents per lb., a spread of 16 US cents per lb., compared with 29.50 and 38.50 US cents per lb., a spread of 9 cents, in the previous agreement. Provision is made for buffer stock

interventions to play a greater rôle in the defence of the price range than in the 1973 agreement, though quota adjustments will remain the main regulatory mechanism in the middle of the price range. Contributions for financing the buffer stock remain fixed at one US cent per pound. The new agreement may be extended for a further period of two years. Before the end of the first quota year, minimum and maximum prices will be reviewed by the Council and will be reviewed again in the third year if the Agreement is extended.

International Coffee Organization

4. A new International Coffee Agreement was approved by the International Coffee Council on 3 December 1975. The Agreement, which was concluded for a period of six years from 1 October 1976, provides for a market regulation mechanism and fixes higher price targets than those covered by the 1968 Agreement. A system of automatic adjustment of export quotas is instituted whereby quotas will be introduced in the light of specified developments relating to movements in indicator prices. Provision is also made for the suspension of quotas when coffee prices rise above certain levels. The new agreement allocates basic export quotas among exporting countries on the basis of past export performance. Annual quotas consist of two parts: a fixed part representing not less than 70 per cent of each country's share in the global annual quota established by the Council and a variable part representing, in total, 30 per cent of that quota. The variable part will be allocated among member countries in proportion to their verified closing stocks. During the first two years of the agreement exporters will finance, through a compulsory export levy of 5 to 25 US cents per bag, a coffee Promotion Fund, to which voluntary contributions may also be paid by importing members. In addition, the agreement provides that the Council may establish procedures to co-ordinate production policies and arrange for the financing, through a contribution of exporters, of studies to assist them in adopting appropriate production measures.

FAO

5. The FAO Committee on Commodity Problems held its fiftieth session in October 1975. Among other things, the meeting discussed the Director-General's proposals for a Comprehensive Strategy for Agricultural Commodities; reviewed the world commodity situation and outlook; and commented on the reports of the CCP subsidiary bodies on their activities.

"North-South" Conference

6. The first meeting of the Conference on International Economic Co-operation was held in Paris in December 1975. The Conference created four Commissions which are scheduled to meet for the first time on 11 February 1976: (a) Energy; (b) Raw Materials; (c) Development; (d) Financial Affairs. The organization of work of the Commissions was discussed at a preparatory meeting, held in Paris in January 1976, between the two co-presidents of the Conference and the two co-presidents of each Commission.

DEVELOPMENT OF PRICES OF SELECTED TROPICAL PRODUCTS AND OF ALL PRIMARY PRODUCTS AND MANUFACTURED GOODS/
EVOLUTION DES PRIX DE CERTAINS PRODUITS TROPICAUX ET DE L'ENSEMBLE DES PRODUITS DE BASE ET D'ARTICLES MANUFACTURÉS
(1963-100)

Products/Produits	1973					1974					1975					1973-1975		
	I	II	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	Mr.	Max.
Bananas/Bananes	108	125	102	116	113	104	108	132	133	126	164	182	182	73	202			
Coffee/Café	188	199	177	187	193	197	207	215	187	188	197	197	197	96	215			
Tea/Thé	83	105	78	88	87	79	86	109	114	113	118	118	118	72	119			
Pepper/Poivre	173	246	154	158	198	182	211	250	258	265	261	264	264	74	265			
Groundnuts/Arachides	207	..	180	189	225	235	..	..	..	..	..	..	..	81	235			
Groundnut oil/huile d'arachide	159	262	135	144	170	185	258	266	259	265	247	192	192	85	265			
Palm nuts and kernels/noix et amandes de palmistes	..	194	97	116	144	..	238	208	172	187	114	..	..	71	258			
Palm kernel oil/huile de palmiste	..	386	106	156	203	..	436	442	370	294	193	151	151	79	442			
Palm oil/huile de palme	..	250	113	140	187	..	243	230	259	269	193	..	..	67	269			
Copra/Coprah	183	356	108	154	204	265	424	398	331	271	174	133	133	71	424			
Cocunut oil/huile de coprah	183	369	107	155	207	264	397	428	383	269	184	154	154	81	428			
Cocunut cake/tourteaux de coprah	174	181	153	156	185	206	183	169	184	109	157	163	163	84	206			
Groundnut cake/tourteaux d'arachide	289	211	236	285	378	236	254	193	196	211	187	166	166	78	378			
Cocoa beans/fèves de cacao	220	329	143	212	280	246	259	369	350	337	267	242	242	54	369			
Cocoa butter/beurre de cacao	230	325	147	237	300	238	269	383	304	342	289	209	209	53	325			
Total Primary Products/Ensemble des produits de base ¹	191	294	157	177	202	285	290	296	292	297	283	281	281					
Total primary products excluding fuels/Produits de base, combustibles exclus	192	239	158	181	212	217	237	242	235	240	238	215	215					
Manufactured Goods/Articles manufacturés ²	154	186	141	151	163	163	165	183	193	203	218	220	220					

¹ Including non-ferrous base metals/y compris les métaux non ferreux.

² Excluding non-ferrous base metals/Non compris les métaux non ferreux.

3 - Provisional/cadre provisoire.