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FOR IMMEDIATE RELEASE

**EUROPEAN COMMUNITY TO ACTIVATE MTN TROPICAL PRODUCTS
CONCESSIONS ON JANUARY 1**

The European Community yesterday notified the General Agreement on Tariffs and Trade (GATT) that it would put newly negotiated trading concessions for developing countries exports into effect, on January 1, 1977.

These new concessions on special sector and priority tropical products were agreed to at the October 18 - 20 meeting of the Tropical Products Group of the Multinational Trade Negotiations (MTN) now being held at GATT headquarters in Geneva.

The Community's offer consists of four types of measures.

- Customs duties on 22 products (such as coffee, cocoa, tea, and spices) will be suspended non-preferentially for all countries until these reductions can be consolidated within the context of the overall results of the MTN. Duties on green coffee, for example, will be reduced from 7 per cent to 5 per cent and on cocoa beans from 4 per cent to 3 per cent. Imports worth 1.2 billion units of account* in 1974 from beneficiary countries will be covered by these measures.
- About 150 tropical products covered by the Community's system of generalized tariff preferences from developing countries in 1977 will benefit from new preferential tariff suspensions (fish, vegetables, vegetable oils, tobacco, preserved fruit).

*One unit of account (UA) was equivalent to \$1.25 in 1974.

These improvements over past years were made in response to requests by developing countries during the tropical products negotiations which began in the spring of 1975. These measures cover UA 800 million-worth of Community imports from developing countries (1974 value).

- Certain French and Italian quantitative restrictions on certain fatty acids, fatty alcohols, and glycerine will be eliminated.
- Certain member states which apply internal taxes to coffee, tea, cocoa, or spices have agreed not to raise them in the future. This commitment amounts to a decrease in the role these taxes play in price formation as prices rise.

The entry into force of these various measures will be the first substantial result since the MTN opened in Tokyo in September 1973. The Community is not asking the developing countries for anything in exchange at this point in the negotiations.

NOTE: For further background on the MTN, call or write the European Community Information Service in Washington for "The European Community and the GATT: A Primer" by Stephen D. Cohen, Ph. D., Associate Professor in the School of International Service of the American University, Washington, D. C.