PROPOSAL BY THE CHAIRMAN

1. This note sets out a number of elements for a practical way of carrying the negotiations forward, with a view to reducing or eliminating non-tariff measures, including quantitative restrictions, without prejudice to any action to be taken in fulfillment of the rollback commitments. Participants in the negotiations reiterate their commitment to the general principles set out in Section B of Part I of the Ministerial Declaration launching the Uruguay Round, including paragraphs (iv) to (vii) thereof, which relate to developing countries.

2. The note is not complete and does not include, for instance, an element dealing with the relationship between the Negotiating Group on Non-Tariff Measures and other Negotiating Groups.

3. Participants would by 30 June 1988 set out separately, indicating in each case the objective of the negotiations (e.g. elimination, reduction or modification):

   - where multilateral approaches directed towards the establishment of rules of general application are proposed, the categories of non-tariff measures to be covered and, for each category, the problems to be dealt with and an assessment of their trade effects together with any supporting data;

   - where formula or other systematic approaches relating to quantifiable or other non-tariff measures are proposed, the categories of non-tariff measures to be covered, an assessment of their trade effects together with any supporting data, the formula to be used and the basis for the application of the formula;

   - where request and offer procedures directed towards negotiation on specific measures applied by individual participants are proposed, the measures concerned (where applicable on a tariff line basis) and an assessment of their trade effects together with any supporting data.

4. These suggestions would be without prejudice to any action to be taken in fulfillment of the rollback commitments.
5. Participants would also by 30 June 1988 make any specific suggestions regarding procedures for the conduct of the negotiations, including any suggestions for specific modalities for the principles laid down in paragraphs (iv) to (vii) of Section B of Part I of the Ministerial Declaration launching the Uruguay Round, and any suggestions relating to additional data requirements for the negotiations.

6. Participants would retain the right to make further suggestions at any stage of the negotiations.

7. The Group would examine the suggestions referred to in paragraphs 3-5 above with a view to taking in July 1988 a decision on the modalities for the negotiations, including procedures to ensure transparency and the role of the Group in this regard. When more clarity is obtained on how the negotiations would proceed, the Group would examine any proposals regarding additional data required for the negotiations.