The following proposal on the continuation of negotiations in Natural Resource-Based Products has been received from the delegation of Australia with the request that it be circulated to members of the Group.

Introduction

1. In launching the Uruguay Round, Ministers made particular reference to the importance of Natural Resource-Based Products (NRBPs). These issues were considered of sufficient importance to establish a separate negotiating group and therefore constitute an autonomous element of the overall negotiations. This would suggest that separate ongoing monitoring and assessment of the concessions offered on NRBPs is required if an evaluation of their contribution to the overall package of results on market access in the Round is to be achieved.

2. For many countries including Australia, NRBPs constitute the single most important element of their exports. Obviously the degree of success, or otherwise, in achieving the objectives of "the fullest liberalization of trade in Natural Resource-Based Products including in their processed and semi-processed forms" will have an important bearing on the ability of Australia and perhaps others, to maximize their contributions to the Round.

3. Australia has detailed in a number of submissions to this Group its concerns, objectives and proposals for negotiations on NRBPs (W/9, W/12, W/21). While NRBPs are a discrete element of the negotiations they also form an integral part of the problems associated with market access issues whether they be tariffs, subsidies or other forms of non-tariff measures.

4. For this reason negotiating arrangements in NG1, NG2, NG5, NG6 and NG10 may have relevance to the negotiating objective of this group identified at Punta del Este. However, clear negotiating arrangements are yet to emerge in these separate groups.

Arrangements for the Group

5. Notwithstanding that future work within this Group may be influenced by the work of other groups, it is proposed that participants adopt the following arrangements, having regard to all relevant provisions of the negotiating mandate and the agreement reached at the Mid-Term Review. It
being understood that the participation of developing countries would be in accordance with the general principles governing the negotiations including Part I.B paragraphs iv-vii of the Ministerial Declaration:

I. The negotiations are aimed at achieving the fullest liberalization of NRBPs including in their processed and semi-processed forms and that overall reductions in trade barriers and distortions should be at least one-third.

II. By 15 February 1990, participants should indicate on a conditional basis their methods of trade liberalization and other relevant contributions on NRBPs. Participants should submit specific details on a tariff line basis and should include, inter alia, initial proposals on reducing or eliminating measures affecting market access and implementation proposals including tariffs, subsidies (in all their forms) and other non-tariff measures.

III. By 31 March 1990, participants intending to seek improvements to initial proposals should submit requests and subsequently engage in negotiations within the Group including on a plurilateral or bilateral basis. Consideration would be given at that time by the Group to appropriate arrangements for negotiations on specific issues or products which have been raised by participants.

IV. Participants agree that the negotiations will be conducted in a transparent manner and to this end no later than 28 February 1990 will develop, inter alia, a mechanism for multilateral review and assessment. Account will be taken of similar processes developed in other relevant negotiating groups.

V. The Group would continuously monitor relevant progress in other areas as well as the negotiations in this Group and assess progress towards achieving the goals set at Punta del Este.

VI. Participants should also agree that in order to conduct meaningful negotiations, data on trade barriers and other trade distortions should be submitted by all participants without further delay.

VII. It is understood that all concessions resulting from the negotiations would be bound. Participants will receive credit for previously unbound tariff rates, as well as appropriate recognition for liberalization measures adopted since 1 June 1986.

VIII. Concessions would, as a general rule, be implemented in equal annual

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1These dates are intended to correspond to those eventually agreed for negotiations in the Negotiating Group on Tariffs.
steps over a period of five years. Longer phasing periods may apply for sensitive products and to assist developing countries to reduce their barriers and distortions on the basis of the overall approach in paragraph (I) above, consistent with the provisions of the Punta del Este Declaration.

IX. Participants agree that the negotiations on tariffs and non-tariff measures affecting NRBPs will be on the same basis as for the broader generic market access negotiations on these issues and that the base rates for the negotiations will be the bound MFN rates and, for the unbound rates, the normally applicable MFN rates in September 1986.

X. Concessions will not be sought for the elimination of non-tariff measures which are inconsistent with the GATT.