1. In pursuance of the negotiating objective set out in the Punta del Este Declaration on the fullest liberalization of trade in tropical products including in their processed and semi-processed forms and on the basis of the Mid-Term Review Decision on Tropical Products; and recalling the special attention to negotiations in this area as set out in the Punta del Este Declaration, participants agree with the procedures set out below, which in accordance with the above-mentioned Decision, should give due regard, inter alia to the following elements:

   (i) Elimination of duties on unprocessed products;

   (ii) Elimination or substantial reduction of duties on semi-processed and processed products. These actions would include the objective of eliminating or reducing tariff escalation;

   (iii) Elimination or reduction of all non-tariff measures affecting trade in these products.

2. Each participant will provide the secretariat by 15 March 1990 with a proposal for the reduction, elimination and binding of its respective tariffs on a line-by-line basis, in accordance with the Annex. A summary of each participant’s proposal should also be provided, together with a demonstration that the proposal is in conformity with the Mid-Term Decision concerning tropical products. Simultaneously participants will submit any proposals for the elimination or reduction of non-tariff measures affecting trade in tropical products. After having received such proposals, the secretariat will distribute them simultaneously to all participants who have submitted proposals. Participants have agreed that in these negotiations, current nomenclatures should be employed and that the base rates for the negotiations will be the bound m.f.n. rates and, for the unbound rates, the normally applicable rates in September 1986.

3. Participants agree that the negotiations will be conducted in a transparent manner, and to this end no later than 25 April 1990 participants which have submitted proposals will hold a first meeting to review and assess these proposals. The periodic review and assessment process will allow participants to determine whether individual proposals comply with the Mid-Term Review Agreement. It will be based, inter alia,
on documentation to be provided by the secretariat using customary, recognized statistical methods. Market-access concessions made in other negotiating groups will be taken fully into account in assessing a participant's contribution to negotiations on tropical products.

4. Participants will endeavour to submit by 30 April 1990 to the other participants involved and simultaneously to the secretariat, preliminary request lists for improvements to adjust the proposals submitted.

5. All participants will engage in negotiations and make appropriate contributions towards achieving the objective of negotiations in tropical products in accordance with the relevant provisions of the Punta del Este Declaration including those contained in its Part I.B.
<table>
<thead>
<tr>
<th>Tariff item number</th>
<th>Description of products</th>
<th>Base rate or non-tariff measure</th>
<th>Proposal</th>
<th>Remarks</th>
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</thead>
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ANNEX

PROPOSAL SUBMITTED BY [PARTICIPANTS]