

MARKET ACCESS FOR NON-AGRICULTURAL PRODUCTS

Trade liberalisation in the raw materials sector

Communication from the United Arab Emirates

Addendum

The following communication, dated 26 May 2006, is being circulated at the request of the delegation of the United Arab Emirates.

1. Economic benefits

1.1 As stated in previous communications from UAE since May 2003, and discussed in several bilateral and plurilateral meetings, the proposed liberalisation of raw materials responds to the Doha Mandate, especially {16.

1.2 The sectoral proposal for the liberalisation of raw materials has the advantages of simplicity, clarity and flexibility and offers equal potential of benefits for developing and industrialised countries.

1.3 It is our hope that participating into the discussions on the raw materials sectoral proposal will not only mobilise most interested parties, but will also serve for all as an exercise showcasing the merits of the sectoral approach itself.

1.4 For this purpose we would like here to stress the economic gains that could derive, in our view, from the sectoral liberalisation of raw materials, not only as an incentive for Members to engage proactively into the negotiation of this proposal, but also because we believe that the same vision could be used to illustrate the positive effects of sectoral liberalisation in other sectors:

1.5 Raw materials are the fuel of the world economy. Their liberalisation would contribute in many key sectors to achieving a fair level playing field and to widening the range of competitively priced products. This would encourage competition, innovation, capital flows, investment, price stability and predictability (or at least reduction in speculative price volatility), all this promoting healthier and more transparent markets, and jobs growth.

1.6 Liberalised raw materials would also better respond to offer/demand cycles and regional economic dynamics. Logistics could be also better managed in an open market. Consumption would be stimulated. Liberalised raw materials would also support the competitiveness of semi-fabricating industries (raw materials can represent up to 50% of the cost of semi-finished products). They would promote the growth of downstream and processing businesses in developing countries, thus decreasing their vulnerability to the price volatility and cycles of raw materials.

1.7 Raw materials, especially minerals and ores, represent also more than 50% of the revenues of many developing countries. The consensus among economists and industrialists is that trade liberalisation promotes worldwide economic growth, poverty alleviation, job creation, rising living standards, wider consumer choice and efficiency of the industries.

1.8 Liberalised raw materials and primary products can powerfully contribute to economic growth through:

- Increased exploration; development; networking and pooling of geological data and of exploitation technologies; allowing for a better management of mineral wealth.
- Increased imports of capital goods, Foreign Direct Investment (FDI).
- Development of export oriented industries, especially in the downstream sector (minerals and metals processing industries for example).
- Stimulation of the growth of the private sector.
- Jobs creation, especially for nationals.
- Development of inter-regional trade.

1.9 Taking into consideration the direction from Ministers at Hong Kong to “review proposals with a view to identifying those which could garner sufficient participation to be realized”, the following proposal is made for the consideration of all Members.

1.10 UAE suggests again the use of the questionnaire that has been circulated among all the Members or any way Members may wish to use to communicate their views.

2. Modalities:

(a) Product coverage

2.1 It is proposed that both participation and product coverage be as wide as possible. Some Members have already indicated their choice of tariff lines for inclusion in the proposal.

2.2 This proposal comprises raw materials from earth and from plant extraction (such as primary aluminium) which are used and processed by manufacturing industries.

2.3 The indicative list below is presented as a basis for discussion for the Members who have not yet expressed their interests, sensitivities and other specifications:

Possible Tariff Lines for Inclusion

Tariff item number (HS2002)	Description of product
2501.00	SALT (INCLUDING TABLE SALT AND DENATURED SALT) AND PURE SODIUM CHLORIDE, WHETHER OR NOT IN AQUEOUS SOLUTION OR CONTAINING ADDED ANTI-CAKING OR FREE-FLOWING AGENTS; SEA WATER
2505	NATURAL SANDS OF ALL KINDS, WHETHER OR NOT COLOURED, OTHER THAN METAL-BEARING SANDS OF CHAPTER 26:
2505.10	-Silica sands and quartz sands
2509.00	CHALK
2514.00	SLATE, WHETHER OR NOT ROUGHLY TRIMMED OR MERELY CUT, BY SAWING OR OTHERWISE, INTO BLOCKS OR SLABS OF A RECTANGULAR (INCLUDING SQUARE) SHAPE
2515	MARBLE, TRAVERTINE, ECAUSSINE AND OTHER CALCAREOUS MONUMENTAL OR BUILDING STONE OF AN APPARENT SPECIFIC GRAVITY OF 2.5 OR MORE, AND ALABASTER, WHETHER OR NOT ROUGHLY TRIMMED OR MERELY CUT, BY SAWING OR OTHERWISE, INTO BLOCKS OR SLABS OF A RECTANGULAR (INC
2515.1	-Marble and travertine:
2515.11	--Crude or roughly trimmed
2515.12	--Merely cut, by sawing or otherwise, into blocks or slabs of a rectangular (including square) shape
2515.20	-Ecaussine and other calcareous monumental or building stone; alabaster
2516	GRANITE, PORPHYRY, BASALT, SANDSTONE AND OTHER MONUMENTAL OR BUILDING STONE, WHETHER OR NOT ROUGHLY TRIMMED OR MERELY CUT, BY SAWING OR OTHERWISE, INTO BLOCKS OR SLABS OF A RECTANGULAR (INCLUDING SQUARE) SHAPE:
2516.1	- Granite:
2516.11	--Crude or roughly trimmed
2516.12	--Merely cut, by sawing or otherwise, into blocks or slabs of a rectangular (including square) shape
2516.2	-Sandstone:
2516.21	--Crude or roughly trimmed
2516.22	--Merely cut, by sawing or otherwise, into blocks or slabs of a rectangular (including square) shape
2516.90	-Other monumental or building stone

Tariff item number (HS2002)	Description of product
2519	NATURAL MAGNESIUM CARBONATE (MAGNESITE); FUSED MAGNESIA; DEAD-BURNED (SINTERED) MAGNESIA, WHETHER OR NOT CONTAINING SMALL QUANTITIES OF OTHER OXIDES ADDED BEFORE SINTERING; OTHER MAGNESIUM OXIDE, WHETHER OR NOT PURE:
2519.90	-Other
2520	GYPSUM; ANHYDRITE; PLASTERS (CONSISTING OF CALCINED GYPSUM OR CALCIUM SULPHATE) WHETHER OR NOT COLOURED, WITH OR WITHOUT SMALL QUANTITIES OF ACCELERATORS OR RETARDERS:
2520.10	-Gypsum; anhydrite
2523	PORTLAND CEMENT, ALUMINOUS CEMENT, SLAG CEMENT, SUPERSULPHATE CEMENT AND SIMILAR HYDRAULIC CEMENTS, WHETHER OR NOT COLOURED OR IN THE FORM OF CLINKERS:
2523.10	-Cement clinkers
2523.2	-Portland cement:
2523.21	--White cement, whether or not artificially coloured
2523.29	--Other
2523.30	-Aluminous cement
2523.90	-Other hydraulic cements
2525	MICA, INCLUDING SPLITTINGS; MICA WASTE:
2525.10	- Crude mica and mica rifted into sheets or splittings
2525.20	- Mica powder
2525.30	- Mica waste
2526	NATURAL STEATITE, WHETHER OR NOT ROUGHLY TRIMMED OR MERELY CUT, BY SAWING OR OTHERWISE, INTO BLOCKS OR SLABS OF A RECTANGULAR (INCLUDING SQUARE) SHAPE; TALC:
2526.10	-Not crushed, not powdered
2526.20	-Crushed or powdered
2530	MINERAL SUBSTANCES NOT ELSEWHERE SPECIFIED OR INCLUDED:
2530.90	-Other
2601	IRON ORES AND CONCENTRATES, INCLUDING ROASTED IRON PYRITES:
2601.1	-Iron ores and concentrates, other than roasted iron pyrites:
2601.11	--Non-agglomerated
2602.00	MANGANESE ORES AND CONCENTRATES, INCLUDING FERRUGINOUS MANGANESE ORES AND CONCENTRATES WITH A MANGANESE CONTENT OF 20% OR MORE, CALCULATED ON THE DRY WEIGHT
2603.00	COPPER ORES AND CONCENTRATES

Tariff item number (HS2002)	Description of product
2604.00	NICKEL ORES AND CONCENTRATES
2605.00	COBALT ORES AND CONCENTRATES
2606.00	ALUMINIUM ORES AND CONCENTRATES
2607.00	LEAD ORES AND CONCENTRATES
2608.00	ZINC ORES AND CONCENTRATES
2609.00	TIN ORES AND CONCENTRATES
2610.00	CHROMIUM ORES AND CONCENTRATES
2611.00	TUNGSTEN ORES AND CONCENTRATES
2612	URANIUM OR THORIUM ORES AND CONCENTRATES:
2612.10	-Uranium ores and concentrates
2612.20	-Thorium ores and concentrates
2613	MOLYBDENUM ORES AND CONCENTRATES:
2613.10	-Roasted
2613.90	-Other
2614.00	TITANIUM ORES AND CONCENTRATES
2615	NIOBIUM, TANTALUM, VANADIUM OR ZIRCONIUM ORES AND CONCENTRATES:
2615.10	-Zirconium ores and concentrates
2615.90	-Other
2616	Precious : metal ores and concentrates
2617	OTHER ORES AND CONCENTRATES:
2617.10	-Antimony ores and concentrates
2617.90	-Other
2620	ASH AND RESIDUES (OTHER THAN FROM THE MANUFACTURE OF IRON OR STEEL), CONTAINING ARSENIC, METALS OR THEIR COMPOUNDS:
2620.99	--Other
2701	COAL; BRIQUETTES, OVOIDS AND SIMILAR SOLID FUELS MANUFACTURED FROM COAL:
2701.1	-Coal, whether or not pulverised, but not agglomerated:
2701.11	--Anthracite
2701.12	--Bituminous coal
2701.19	--Other coal
2701.20	--Briquettes, ovoids and similar solid fuels manufactured from coal

Tariff item number (HS2002)	Description of product
2704.00	COKE AND SEMI-COKE OF COAL, OF LIGNITE OR OF PEAT WHETHER OR NOT AGGLOMERATED; RETORT CARBON
2706.00	TAR DISTILLED FROM COAL, FROM LIGNITE OR FROM PEAT, AND OTHER MINERAL TARS, WHETHER OR NOT DEHYDRATED OR PARTIALLY DISTILLED, INCLUDING RECONSTITUTED TARS:
2706.00	---Other
2707	OILS AND OTHER PRODUCTS OF THE DISTILLATION OF HIGH TEMPERATURE COAL TAR; SIMILAR PRODUCTS IN WHICH THE WEIGHT OF THE AROMATIC CONSTITUENTS EXCEEDS THAT OF THE NON-AROMATIC CONSTITUENTS:
2707.60	-Phenols
2707.9	-Other:
2707.91	--Creosote oils
2708	PITCH AND PITCH COKE, OBTAINED FROM COAL TAR OR FROM OTHER MINERAL TARS:
2708.10	-Pitch
2708.20	-Pitch coke
2709.00	PETROLEUM OILS AND OILS OBTAINED FROM BITUMINOUS MINERALS, CRUDE
2710	PETROLEUM OILS AND OILS OBTAINED FROM BITUMINOUS MINERALS, OTHER THAN CRUDE; PREPARATIONS NOT ELSEWHERE SPECIFIED OR INCLUDED, CONTAINING BY WEIGHT 70% OR MORE OF PETROLEUM OILS OR OF OILS OBTAINED FROM BITUMINOUS MINERALS, THESE OILS BEING THE BASIC CONS
2710.1	-Petroleum oils and oils obtained from bituminous minerals (other than crude) and preparations not elsewhere specified or included, containing by weight 70% or more of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic
2710.11	Light oils and preparations
2710.19	Other
2711	PETROLEUM GASES AND OTHER GASEOUS HYDROCARBONS:
2711.1	-Liquefied:
2711.11	--Natural gas
2711.12	--Propane
2711.13	--Butanes
2715.00	BITUMINOUS MIXTURES BASED ON NATURAL ASPHALT, ON NATURAL BITUMEN, ON PETROLEUM BITUMEN, ON MINERAL TAR OR ON MINERAL TAR PITCH (FOR EXAMPLE, BITUMINOUS MASTICS, CUT-BACKS)

Tariff item number (HS2002)	Description of product
2818	ARTIFICIAL CORUNDUM, WHETHER OR NOT CHEMICALLY DEFINED; ALUMINIUM OXIDE; ALUMINIUM HYDROXIDE:
2818.10	-Artificial corundum, whether or not chemically defined
2818.20	-Aluminium oxide, other than artificial corundum
2818.30	-Aluminium hydroxide
2820	MANGANESE OXIDES:
2820.10	-Manganese dioxide
2820.90	-Other
2825	HYDRAZINE AND HYDROXYLAMINE AND THEIR INORGANIC SALTS; OTHER INORGANIC BASES; OTHER METAL OXIDES, HYDROXIDES AND PEROXIDES:
2825.10	-Hydrazine and hydroxylamine and their inorganic salts
2825.20	-Lithium oxide and hydroxide
2825.30	-Vanadium oxides and hydroxides
2825.40	-Nickel oxides and hydroxides
2825.50	-Copper oxides and hydroxides
2825.60	-Germanium oxides and zirconium dioxide
2825.70	-Molybdenum oxides and hydroxides
2825.80	-Antimony oxides
2825.90	-Other
7101	PEARLS, NATURAL OR CULTURED, WHETHER OR NOT WORKED OR GRADED BUT NOT STRUNG, MOUNTED OR SET; PEARLS, NATURAL OR CULTURED, TEMPORARILY STRUNG FOR CONVENIENCE OF TRANSPORT:
7101.10	-Natural pearls
7101.2	-Cultured pearls:
7101.21	--Unworked
7101.22	--Worked
7102	DIAMONDS, WHETHER OR NOT WORKED, BUT NOT MOUNTED OR SET:
7102.10	-Unsorted
7102.2	-Industrial:
7102.21	--Unworked or simply sawn, cleaved or bruted
7102.29	--Other
7102.3	-Non-industrial:
7102.31	--Unworked or simply sawn, cleaved or bruted
7102.39	--Other
7103	PRECIOUS STONES (OTHER THAN DIAMONDS) AND SEMI-PRECIOUS STONES, WHETHER OR NOT WORKED OR GRADED BUT NOT STRUNG, MOUNTED OR SET; UNGRADED PRECIOUS STONES (OTHER THAN DIAMONDS) AND SEMI-PRECIOUS STONES, TEMPORARILY STRUNG FOR CONVENIENCE OF TRANSPORT:
7103.10	-Unworked or simply sawn or roughly shaped:
7103.9	-Otherwise worked:

Tariff item number (HS2002)	Description of product
7103.91	--Rubies, sapphires and emeralds
7103.99	--Other
7106	SILVER (INCLUDING SILVER PLATED WITH GOLD OR PLATINUM), UNWROUGHT OR IN SEMI-MANUFACTURED FORMS, OR IN POWDER FORM:
7106.10	-Powder
7106.9	-Other:
7106.91	--Unwrought
7106.92	--Semi-manufactured
7108	GOLD (INCLUDING GOLD PLATED WITH PLATINUM) UNWROUGHT OR IN SEMI-MANUFACTURED FORMS, OR IN POWDER FORM:
7108.1	-Non-monetary:
7108.11	--Powder
7108.12	--Other unwrought forms
7108.13	--Other semi-manufactured forms
7112	WASTE AND SCRAP OF PRECIOUS METAL OR OF METAL CLAD WITH PRECIOUS METAL; OTHER WASTE AND SCRAP CONTAINING PRECIOUS METAL OR PRECIOUS METAL COMPOUNDS, OF A KIND USED PRINCIPALLY FOR THE RECOVERY OF PRECIOUS METAL:
7112.30	-Ash containing precious metal or precious metal compounds
7112.9	-Other:
7112.91	--Of gold, including metal clad with gold but excluding sweepings containing other precious metals
7112.92	--Of platinum, including metal clad with platinum but excluding sweepings containing other precious metals
7112.99	--Other
7201	PIG IRON AND SPIEGELEISEN IN PIGS, BLOCKS OR OTHER PRIMARY FORMS:
7201.10	-Non-alloy pig iron containing by weight 0.5% or less of phosphorus
7201.20	-Non-alloy pig iron containing by weight more than 0.5% of phosphorus
7201.50	-Alloy pig iron; spiegeleisen
7202	FERRO-ALLOYS:
7202.1	-Ferro-manganese:
7202.11	--Containing by weight more than 2% of carbon
7202.30	-Ferro-silico-manganese

Tariff item number (HS2002)	Description of product
7203	FERROUS PRODUCTS OBTAINED BY DIRECT REDUCTION OF IRON ORE AND OTHER SPONGY FERROUS PRODUCTS, IN LUMPS, PELLETS OR SIMILAR FORMS; IRON HAVING A MINIMUM PURITY BY WEIGHT OF 99.94%, IN LUMPS, PELLETS OR SIMILAR FORMS:
7203.10	-Ferrous products obtained by direct reduction of iron ore
7204	FERROUS WASTE AND SCRAP; REMELTING SCRAP INGOTS OF IRON OR STEEL:
7204.29	--Other
7204.30	-Waste and scrap of tinned iron or steel
7204.4	-Other waste and scrap:
7204.49	--Other
7401	COPPER MATTES; CEMENT COPPER (PRECIPITATED COPPER):
7401.10	-Copper mattes
7401.20	-Cement copper (precipitated copper)
7402.00	UNREFINED COPPER; COPPER ANODES FOR ELECTROLYTIC REFINING
7403	REFINED COPPER AND COPPER ALLOYS, UNWROUGHT:
7403.1	-Refined copper:
7403.11	--Cathodes and sections of cathodes
7403.12	--Wire-bars
7403.13	--Billets
7403.19	--Other
7403.2	-Copper alloys:
7403.21	--Copper-zinc base alloys (brass)
7403.22	--Copper-tin base alloys (bronze)
7403.23	--Copper-nickel base alloys (cupro-nickel) or copper-nickel-zinc base alloys (nickel silver)
7403.29	--Other copper alloys (other than master alloys of heading 7405)
7404.00	COPPER WASTE AND SCRAP
7405.00	MASTER ALLOYS OF COPPER
7406	COPPER POWDERS AND FLAKES:
7406.10	-Powders of non-lamellar structure
7406.20	-Powders of lamellar structure; flakes
7501	NICKEL MATTES, NICKEL OXIDE SINTERS AND OTHER INTERMEDIATE PRODUCTS OF NICKEL METALLURGY:
7501.10	-Nickel mattes
7501.20	-Nickel oxide sinters and other intermediate products of nickel metallurgy
7502	UNWROUGHT NICKEL:

Tariff item number (HS2002)	Description of product
7502.10	-Nickel, not alloyed
7502.20	-Nickel alloys
7503.00	NICKEL WASTE AND SCRAP
7504.00	NICKEL POWDERS AND FLAKES
7601	UNWROUGHT ALUMINIUM:
7601.10	-Aluminium, not alloyed
7601.20	-Aluminium alloys
7602.00	ALUMINIUM WASTE AND SCRAP
7603	ALUMINIUM POWDERS AND FLAKES:
7603.10	-Powders of non-lamellar structure
7603.20	-Powders of lamellar structure; flakes
7801	UNWROUGHT LEAD:
7801.10	-Refined lead
7801.9	-Other:
7801.91	--Containing by weight antimony as the principal other element
7801.99	--Other
7802.00	LEAD WASTE AND SCRAP
7901	UNWROUGHT ZINC:
7901.1	-Zinc, not alloyed:
7901.11	--Containing by weight 99.99% or more of zinc
7901.12	--Containing by weight less than 99.99% of zinc
7901.20	-Zinc alloys
7902.00	ZINC WASTE AND SCRAP
8001	UNWROUGHT TIN:
8001.10	-Tin, not alloyed
8001.20	-Tin alloys
8002.00	TIN WASTE AND SCRAP
8101	TUNGSTEN (WOLFRAM) AND ARTICLES THEREOF, INCLUDING WASTE AND SCRAP:
8101.10	-Powders
8101.97	--Waste and scrap
8102	MOLYBDENUM AND ARTICLES THEREOF, INCLUDING WASTE AND SCRAP:
8102.10	-Powders
8102.9	-Other:

Tariff item number (HS2002)	Description of product
8102.94	--Unwrought molybdenum, including bars and rods obtained simply by sintering
8102.97	--Waste and scrap
8103	TANTALUM AND ARTICLES THEREOF, INCLUDING WASTE AND SCRAP:
8103.20	-Unwrought tantalum, including bars and rods obtained simply by sintering; powders
8103.30	-Waste and scrap
8104	MAGNESIUM AND ARTICLES THEREOF, INCLUDING WASTE AND SCRAP:
8104.1	-Unwrought magnesium:
8104.11	--Containing at least 99.8% by weight of magnesium
8104.19	--Other
8104.20	-Waste and scrap
8104.30	-Raspings, turnings and granules, graded according to size; powders
8105	COBALT MATTES AND OTHER INTERMEDIATE PRODUCTS OF COBALT METALLURGY; COBALT AND ARTICLES THEREOF, INCLUDING WASTE AND SCRAP:
8105.20	-Cobalt mattes and other intermediate products of cobalt metallurgy; unwrought cobalt; powders
8105.30	-Waste and scrap
8106.00	BISMUTH AND ARTICLES THEREOF, INCLUDING WASTE AND SCRAP
8107	CADMIUM AND ARTICLES THEREOF, INCLUDING WASTE AND SCRAP:
8107.20	-Unwrought cadmium; powders
8107.30	-Waste and scrap
8108	TITANIUM AND ARTICLES THEREOF, INCLUDING WASTE AND SCRAP:
8108.20	-Unwrought titanium; powders
8108.30	-Waste and scrap
8109	ZIRCONIUM AND ARTICLES THEREOF, INCLUDING WASTE AND SCRAP:
8109.20	-Unwrought zirconium; powders
8109.30	-Waste and scrap
8110	ANTIMONY AND ARTICLES THEREOF, INCLUDING WASTE AND SCRAP:
8110.10	-Unwrought antimony; powders
8110.20	-Waste and scrap

Tariff item number (HS2002)	Description of product
8111.00	MANGANESE AND ARTICLES THEREOF, INCLUDING WASTE AND SCRAP
8112	BERYLLIUM, CHROMIUM, GERMANIUM, VANADIUM, GALLIUM, HAFNIUM, INDIUM, NIOBIUM (COLUMBIUM), RHENIUM AND THALLIUM, AND ARTICLES OF THESE METALS, INCLUDING WASTE AND SCRAP:
8112.1	-Beryllium:
8112.12	--Unwrought; powders
8112.13	--Waste and scrap
8112.2	-Chromium:
8112.21	--Unwrought; powders
8112.22	--Waste and scrap
8112.30	-Germanium
8112.40	-Vanadium
8112.5	-Thallium:
8112.51	--Unwrought; powders
8112.52	--Waste and scrap
8112.9	-Other:
8112.92	--Unwrought; waste and scrap; powders
8112.99	--Other
8113.00	CERMETS AND ARTICLES THEREOF, INCLUDING WASTE AND SCRAP

2.4 The ultimate decision on product coverage rests with the participants in the agreement and will be made by July 31, 2006 or as otherwise agreed by Members.

(b) Participation

2.5 Participation will be based on a voluntary basis. The Members who have already expressed an interest for this proposal but have not yet communicated their views and trade data, and Members wanting to join in the discussions on the raw materials proposal are encouraged to express their commitments and requests. The participation of all important importers and exporters within this proposal is essential to its meaningfulness and for the success of the agreement. Least developed countries will not be asked to participate but are welcome to do so, especially having in mind those for which exports of raw materials constitute a significant share of their GDP. To date interested Members have been considering the definition of "critical mass" as participation by Members representing 90% of world trade. This definition is subject to agreement by Members participating in this agreement by July 31, 2006 or as otherwise agreed by Members.

(c) Implementation

2.6 It is proposed that developed and developing countries implement their commitments as soon as possible. The ultimate decision on implementation dates will rest with the participants in the agreement and will be made by July 31, 2006 or otherwise agreed by Members.

(d) Special and Differential Treatment

2.7 All elements of Special and Differential Treatment (e.g. UAE Questionnaire) will be decided by the participants in the agreement by July 31, 2006 or otherwise agreed by Members. Several options have been discussed already, such as longer implementation periods, zero for X, Limited Product Exemptions. Other proposals for Special and Differential Treatment provisions will be considered if put forward by participants.

3. Next Steps:

3.1 Participants are encouraged to communicate their views, commitments, sensitivities, trade related data, remarks and proposals as soon as possible.

3.2 Participants should reach agreement on the details of the modalities by July 31, 2006 or as otherwise agreed by Members.

3.3 The results of this negotiation will be incorporated into each participating Member's Schedule of commitments.
