

MARKET ACCESS FOR NON-AGRICULTURAL PRODUCTS

Trade liberalisation in the raw materials sector

Communication from the United Arab Emirates

Revision

The following communication, dated 2 May 2007, 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 paragraph 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:

Tariff Item Number (HS2002)	POSSIBLE TARIFF LINES FOR INCLUSION
2501	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.
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 OF SLABS OF A RECTANGULAR SHAPE.
2516	GRANITE PORPHYRY, BASALT, SANDSTONE AND OTHER MONUMENTAL OR BUILDING STONE, WHETHER OF NOT ROUGHLY TRIMMED OR MERELY CUT, BY SAWING OR OTHERWISE, INTO BLOCKS OR SABLs OF A RECTANGULAR (INCLUDING SQUARE) SHAPE
2519	NATURAL MAGNESIUM CARBONATE (MAGNESITE); FUSED MAGNESIA; DEAD-BURNED (SINTERED) MAGNESIA, WHETHER OF NOT CONTAINING SMALL QUANTITIES OF OTHER OXIDES ADDED BEFORE SINTERING; OTHER MAGNESIUM OXIDE, WHETHER OR NOT PURE.
2520	GYPSUM; ANHYDRITE; PLASTERS (CONSISTING OF CALCINED GYPSUM OR CALCIUM SULPHATE) WHETHER OR NOT COLOURED, WITH OR WITHOUT SMALL QUANTITIES OF ACCELERATORS OR RETARDERS.
2523	PORTLAND CEMENT, ALUMINOUS CEMENT, SLAG CEMENT, SUPERSULPHATE CEMENT AND SIMILAR HYDRAULIC CEMENTS, WHETHER OR NOT COLOURED OR IN THE FORM OF CLINKERS.
2530	MINERAL SUBSTANCES NOT ELSEWHERE SPECIFIED OR INCLUDED
2601	IRON ORES AND CONCENTRATES, INCLUDING ROASTED IRON PYRITES: - Iron ores and concentrates, other than roasted iron pyrites : -- Non-agglomerated -- 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
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
2612.00	URANIUM OR THORIUM ORES AND CONCENTRATES
2614.00	TITANIUM ORES AND CONCENTRATES

Tariff Item Number (HS2002)	POSSIBLE TARIFF LINES FOR INCLUSION
2615.00 2616.00 2620.00	NIOBIUM, TANTALUM, VANADIUM OR ZIRCONIUM ORES AND CONCENTRATES PRECIOUS METAL ORES AND CONCENTRATES ASH AND RESIDUES (OTHER THAN FROM THE MANUFACTURE OF IRON OR STEEL), CONTAINING ARSENIC, METALS OR THEIR COMPOUNDS
2701	COAL; BRIQUETTES, OVOIDS AND SIMILAR SOLID FUELS MANUFACTURED FROM COAL.
2704	COKE AND SEMI-COKE OF COAL, OF LIGNITE OR OF PEAT, WHETHER OR NOT AGGLOMERATED; RETORT CARBON.
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.
2708	PITCH AND PITCH COKE, OBTAINED FROM COAL TAR OF FROM OTHER MINERAL TARS.
2709	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 OF INCLUDED, CONTAINING BY WEIGHT 70% OF MORE OF PETROLEUM OILS OR OILS OBTAINED FROM BITUMINOUS MINERALS, THESE OILS BEING THE BASIC.
2711	PETROLEUM GASES AND OTHER GASEOUS HYDROCARBONS.
2715.00	BITUMINOUS MIXTURE BASED ON NATURAL ASPHALT, ON NATURAL BITUMEN, ON PETROLEUM BITUMEN, ON MINERAL TAR OF MINERAL TAR PITCH (FOR EXAMPLE, BITUMINOUS MASTICS, CUT-BACKS)
2818	ARTIFICIAL CORUNDUM, WHETHER OF NOT CHEMICALLY DEFINED; ALUMINIUM OXIDE; ALUMINIUM HYDROXIDE.
2820	MANGANESE OXIDES.
7101	PEARLS, NATURAL OF CULTURED, WHETHER OR NOT WORKED OF GRADED BUT NOT STRUNG, MOUNTED OR SET; PEARLS, NATURAL OR CULTURED, TEMPORARILY STRUNG FOR CONVENIENCE OF TRANSPORT.
7102	DIAMONDS, WHETHER OR NOT WORKED, BUT NOT MOUNTED OR SET
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 IN LUMPS, PELLETS OR SIMILAR FORMS
7204	FERROUS WASTE AND SCRAP; REMELTING SCRAP INGOTS OF IRON OR STEEL - WASTE AND SCRAP OF ALLOY STEEL:
7204.21	-- OF STAINLESS STEEL
7204.29	-- OTHER
7204.49	- OTHER WASTE AND SCRAP -- OTHER

Tariff Item Number (HS2002)	POSSIBLE TARIFF LINES FOR INCLUSION
7401 7401.10 7401.20	COPPER MATTES; CEMENT COPPER (PRECIPITATED COPPER): - Copper mattes - Cement copper (precipitated copper)
7402.00	UNREFINED COPPER; COPPERANODES FOR ELECTROLYTIC REFINING.
7403 7403.1 7403.11 7403.12 7403.13 7403.19 7403.2 7403.21 7403.22 7403.23	REFINED COPPER AND COPPER ALLOYS, UNWROUGHT: Refined copper : - Cathodes and sections of cathodes - Wire-bars - Billets - Other - Copper alloys: - Copper-zinc base alloys (brass) - Copper-tin base alloys (bronze) - 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	MASTRAL 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.
7502	UNWROUGHT NICKEL.
7504	NICKEL POWDERS AND FLAKES
7601	UNWROUGHT ALUMINIUM
7601.10	Aluminium, not alloyed
7601.20	Aluminium alloys
7602.00	ALUMINIUM WASTE SCRAP
7603	ALUMINIUM POWDERS AND FLAKES :
7603.10	-powders of non-lamellar structure
7603.20	-powders of lamellar structure
7801	UNWROUGHT LEAD
7901	UNWROUGHT ZINC
8104	MAGNESIUM AND ARTICLES THERE OF, INCLUDING WASTE AND SCRAP:
8104.1	-Unwrought magnesium :
8104.11	- Containing at least 99.8% by weight of magnesium
8104.19	- Other

Tariff Item Number (HS2002)	POSSIBLE TARIFF LINES FOR INCLUSION
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
8111.00	MANGANESE 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 2007 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 2007 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 2007 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 2007 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 2007 or as otherwise agreed by Members.

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