

**GENERAL AGREEMENT ON
TARIFFS AND TRADE**

RESTRICTED

COM.TD/W/375/Add.2
15 October 1982

Limited Distribution

Committee on Trade and Development
Forty-Eighth Session
25 and 28 October 1982

Original: English

ACTION BY GOVERNMENTS RELEVANT TO THE
IMPLEMENTATION OF PART IV AND THE OPERATION
OF THE ENABLING CLAUSE

Addendum

The attached communication has been received from the delegation of New Zealand.

I. NON-TARIFF MEASURES

A number of non-tariff measures have been implemented which will assist developing countries to increase their exports to New Zealand. Of particular significance are New Zealand's MTN undertakings; recommendations relating to textiles, plastics, writing instruments, wine and packing made by the New Zealand Industries Development Commission (IDC); and exemptions resulting from the 1982-83 Import Licensing Schedule.

1. MTN Undertakings

As a result of New Zealand's MTN undertakings on import licensing agreed at the Tokyo Round, additional licence allocations were made available on a range of products of particular interest to developing countries in the 1979-80 licensing period, and again in 1980-81, 1981-82. The range of items included - fish fillets; rice in retail packs; vegetable oils in retail packs; other prepared or preserved meat or meat offal only; sugar confectionery not containing cocoa; cocoa powder, unsweetened; chocolate and other food preparations containing cocoa; biscuits; macaroni; spaghetti and similar products; vegetables and fruit, prepared or preserved etc; jams, fruits and jellies; fruit preserved by freezing; vegetable and fruit juices not in bulk containers; extracts, essences or concentrates of coffee and coffee substitutes; textured vegetable protein; and prepared mustards, mixed condiments and seasonings other than soy sauce etc.

The extra licensing entitlement has been absorbed into the general basic allocations in the 1981/82 licensing year. In addition, the value of basic allocations have been increased by 25 percent over the 1980-81 period, and 15 percent over the 1981-82 period. The 15 percent increase in consumer goods was put up for tender. Some of the items in respect of which New Zealand agreed to additional licensing were "C" (controlled) items, and these have now been converted into Basic licences for the 1982-83 import licensing period.

2. Textile Industry Plan

A wide range of textile goods of interest to developing countries were exempted from import licensing control in the 1980-81 licensing period as a result of recommendations made by the Industries Development Commission in its report on the New Zealand textile industry. These included flax; yarn and thread containing man-made fibres in Tariff Chapter 51 with some exceptions; quilted fabrics; terry towelling and bathmats of terry towelling; also bed, table, toilet and kitchen linen, plain; babies' napkins; bedspreads, plain; woven pile and chenille fabrics; woven textile fabrics, containing in any proportion man-made discontinuous fibres; woven continuous filament polyester net; woven polyester fabrics; babies' and infants' wear.

Other developments which have taken place as part of the Textile Development Plan include the Materials Replacement (MR) Scheme introduced in 1980 for certain textile yarns and fabrics. Licences

issued under the Scheme in 1980-81 provided for up to 150 percent of imports in the previous licensing period. Provision was also made for limited allocations to new entrants. In the 1981-82 licensing period "MR" entitlement is based on imports against licences issued under the Scheme in the 1980-81 licensing period, and a provision for new entrants is maintained.

Another aspect of the Textile Plan is the allocation of extra licences for certain twine, cordage ropes and cables of a type made in New Zealand. The 1980-81 allocation for these goods was \$400,000, a figure increased to \$5,000 in the 1981-82 licensing period in line with the Import Licensing Schedule increase of 25 percent over the 1980-81 allocation. While the allocation for 1981-82 has not yet been decided, it is expected to be over \$500,000. The import licensing policy for such goods of a type not made in New Zealand has also been liberalised.

3. Plastics Industry Plan

Beginning on 1 July 1982, this Plan is for a six year period. An initial tariff-testing period of three years will determine the levels of tariff protection for the remaining three years, during which time import licensing will be phased out. Generally, most products will be tested at a rate of 25 percent ad valorem. Some, such as resins, compounds and foams, will be lower, while printed and embossed products and some finished articles, may be higher.

New concessions under Tariff Chapter 39 and Tariff Heading 59.08 are effective from 1 July 1982. Generally, products under Chapter 39 will be tendered over the next three years in six six-monthly rounds. In addition to tendering, manufacturers are entitled to receive import licence provision amounting to 2½ percent of their value of production (factory selling price) of goods in a particular item code. This licence, called Product Rationalisation Licence is available to manufacturers who apply to the Customs Department. These products could be sourced from developing countries.

4. Writing Instruments Plan

This Plan aims to replace import licensing with tariffs. There will be a two year tariff testing period, during which time licences will be allocated by tender, followed by a three year licensing phase-out period. High-cost pens, which are not made in New Zealand, are exempt from import licensing as from 1 September 1982. These are defined as all fountain pens and ballpoint and porous-tipped pens and markers having an f.o.b. value of 75 cents or more.

Pens of this type could be sourced from developing countries.

5. Wine Industry Plan

This Plan was implemented on 1 July 1981. Import licensing was replaced by tariff quotas, with provision for wine resellers and some retailers to obtain quotas. The significant difference from import licensing protection is that importers can import outside

quota, although such imports are subject to a higher tariff. It is hoped that developing countries will participate in increased exports to New Zealand of these products.

6. Packaging Industry Plan

The key aspect of this Plan is the provision to issue import licences to end-users where the cost of locally made packing materials causes a serious cost disadvantage. This could be of some benefit to developing countries who specialise in packing materials. The Industry Study Plans represent considerable trade liberalising measures which could be of particular advantage to developing countries.

7. 1982-83 Import Licensing Schedule

The 1982-83 Schedule provides for some further exemptions from import licensing control. (More significant exemptions were made in the 1981-82 Schedule.)

TARIFF ITEM

CLASSES OF GOODS

09.02.001	Tea in packages of 2.00 Kg net weight or over.
10.06.000	Rice (i.e. includes bulk).
15.07.011	Fixed linseed oil, fluid or solid, crude, refined or purified.
15.10.001.09	Fatty acids, other than tall oil.
22.05.002 to 22.05.022	Wine of fresh grapes; grapes with fermentation arrested by the addition of alcohol.
22.06.012 to 22.06.022	Other wines of fresh grapes flavoured with aromatic extracts.
21.07.011	Textured vegetable protein.
22.09.001	Bitters.
Ex 22.09.022.01 Ex 22.09.026.01 Ex 22.09.036.01	Rum, brandy or whiskey, in bottles having an f.o.b. value of not less than \$5.00 per litre.
Ex 39.07.051	Aprons, X-ray protective, of lead impregnated plastic.
Ex 39.07.079	Disposable liners.
Ex 53.10.000	Mending yarn and tapestry yarn of sheep's or lamb's wool, etc, put up for retail sale.
Ex 53.11.002 to Ex 53.11.028	Woven fabrics of sheep's or lamb's wool or of fine animal hair, viz: <ul style="list-style-type: none"> (i) Billiard cloth on declaration that it will be used only in the manufacture or repair of billiard tables (ii) Combination trim (iii) Lining materials as may be approved by the Minister of Customs as admissible under

TARIFF ITEM

CLASSES OF GOODS

- (iv) Printed light-weight woollen fabrics not exceeding 203 grams per square metre
 - (v) Textiles fabrics when declared-
 - (1) by a footwear manufacturer for use by him only in making footwear, or
 - (2) by an importer that they will be sold only to a footwear manufacturer for making footwear
 - (vi) Union cloths being wool and cotton mixtures not exceeding 203 grams per square metre
 - (vii) Union textiles composed of wool and man-made fibres or wool and cotton, to be cut up and made into shirts, pyjamas, nightgowns, or underclothing, approved by the Minister of Customs as admissible under Part II of the Customs Tariff
 - (viii) Woollen tie cloth and tie linings
 - (ix) Woven fabrics of sheep's or lambs' wool or fine animal hair and weighing not more than 150 grams per square metre
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- 68.04.019.09J
Ex 68.04.029
- Ex 69.11.001.21F
69.11.011.37H
69.11.011.49A
69.11.011.58L
69.11.021.21K
69.12.001.21K
69.12.011.37D
69.12.011.49H
69.12.011.58D
69.12.021.21L
- Ex 71.12.009.09K
- 84.24.061.09E
- 84.38.001
- 88.08.011
85.08.021
85.08.031
85.08.039
- 85.12.009.41J
- 97.06.009.71H
- 97.06.009.99H
- 98.01.031.11J
- Millstones, grindstones and the like.
(See tariff for details.)
- Breakfast, dinner, tea and coffee sets, containing cups and/or mugs, and cups, mugs, cups and saucers, cups and saucers and plates, have a c.i.f. price of not less than \$11.50 per Kg; cooking utensils and other articles of tableware having a c.i.f. price of not less than \$8.50 per Kg.
- Identifiable parts of jewellery known as jewellers findings (not for retail in landed form)
- Potato planters
- Card clothing; extruding nipples, spinnerets and the like for extruding man-made fibres.
- Electrical starting and ignition equipment for internal combustion engines
- Microwave ovens
- Snow skis
- Grass skis; face masks and other protective sports equipment
- Cuff-link blanks, parts of cuff links.

8. Please refer to the 1982-83 Import Licensing Schedule Appendix 1 Parts IV and V for goods covered by SPARTECA and import regulations for Cook Islands, Niue and Western Samoa. The Secretariat could be supplied with a copy of these.

9. Publication of Basic License Holders

A further move has been made in making detailed information in the import licensing system publically available. You will recall that in 1981-82 New Zealand published for the first time the Import Licensing Policy Schedule detailing the policies followed in administering the scheme. For 1982-83, the list of basic licence holders have been made public. This list details all basic licence holders by item code and value of individual licence holding. This will greatly assist prospective exporters to New Zealand, by enabling them to go directly to the importers who hold basic licences for goods they are interested in selling in New Zealand.

II. TARIFFS

1. Extensive tariff benefits are now accorded by New Zealand to developing countries. For the trade year ending June 1981, 83.5 percent (\$NZ 1214 million) of developing country trade was set free from all sources, while a further 8.5 percent (\$NZ 124 million) was free with a preferential margin. Exceptions from New Zealand's GSP were kept to a minimum, some 1.5 percent (\$NZ 22 million), and were related in the main to revenue considerations (e.g. spirits and tobacco). The balance of trade, some 6.5 percent (\$NZ 94 million) was dutiable but with a margin of preference in favour of developing countries ranging from 2.5 percent to 20 percent.

III. SPARTECA

1. In line with the objectives of Part IV and the "special and differential treatment" provisions of the Framework Agreement, New Zealand, together with Australia, has entered into an important, non-reciprocal regional trade arrangement designed to assist developing countries in the Pacific region. The Agreement, the South Pacific Regional Trade and Economic Co-operation Agreement (SPARTECA), came into force on 1 January 1981.

2. The Agreement provides that Australia and New Zealand will grant duty-free and unrestricted access for most of the products exported by Island members of the South Pacific Forum on a non-reciprocal basis. In addition, it provides for economic co-operation among the governments concerned, with particular emphasis on assistance by Australia and New Zealand to help develop the export capability of the Forum Island countries. The Agreement was ratified by the Forum Heads of Government from Australia, Cook Islands, Kiribati, New Zealand, Niue, Solomon Islands, Tonga, Tuvalu, Western Samoa, Papua New Guinea, and Fiji. Vanuatu and Nauru are additional countries.

IV. DCLU

Through the Developing Countries Liaison Unit (DCLU), established by the Department of Trade and Industry in 1975 to assist exports to New Zealand from developing countries, New Zealand has continued to assist developing countries increase their exports to New Zealand by helping in arrangements for visiting trade missions, trade groups and individual exporters. The assistance to these visitors has been extended to aiding them in exploring the market opportunities in New Zealand for their products. This year the unit has assisted with exporters' missions from the Solomon Islands and Vanuatu, and with an exhibition of Fiji products held in New Zealand. Products included in these promotions varied from cocoa, fruit and vegetables to such things as furniture, rum and biscuits.

A number of small delegations from developing country trade authorities, which have visited New Zealand to report on the market for particular categories of products have also been briefed by the unit.

The unit has also continued to provide New Zealand market information on specific products to developing country exporters wishing to export to New Zealand. In the past year over 900 enquiries from exporters were actioned by the unit - an increase of 19 percent on the previous year.

The unit has continued to assist New Zealand based officials of developing countries with trade inquiries which they have received.

New Zealand trade and Customs officials have participated in export seminars held in several Pacific Island countries.

V. DCHS

In the 1974-75 licensing period, the New Zealand Government introduced the Developing Countries Handicraft Scheme (DCHS) with an allocation of \$600,000 designed to give aid to developing countries through their handicraft workers.

The DCHS has become very successful, with the allocation increasing regularly until for the 1982-83 licensing period, the allocation was \$2.5 million. At September 1982, this amount was almost totally committed and involved 51 developing countries.