

GENERAL AGREEMENT ON
TARIFFS AND TRADE

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NOTIFICATION BY AUSTRALIA

In response to GATT/AIR/1650 of 1 August 1980, the following communication, dated 9 October 1980, has been received from the Permanent Mission of Australia.

Beneficiary status under the Australian system of tariff preferences for developing countries was granted to Zimbabwe, with effect from 17 April, 1980.

Developing country quota levels were increased for the 1980/81 quota period on 20 of the 36 quota groups by approximately 10 percent of previous quota level.

Gearboxes, gears and shaft couplings - new developing country preferences have been created for goods falling within tariff classifications 84.63.59 and 84.63.99, effective from 2 May 1980. There is also a 5 percentage points reduction in the margin of preference applicable to 84.63.51 and 84.63.7.

Insulators - temporary duties removed with effect from 1 July 1980, and China reinstated to D.C. preference on fencing insulators (tariff classification 85.25.9).

Sanitary ware - Developing country quota of 20,000 units established for tariff item 69.10 and Philippines reinstated as an eligible beneficiary for this product, effective 1 July, 1980.

Rubber tyres - Israel has been included as an eligible beneficiary for developing country quotas on tyres classified within item 40.11, effective 1 July 1980.

Tiles - Developing country quota on unglazed tiles abolished. Margin of preference now 15 percent for all developing countries, effective 1 July 1980.

Chemical products - Developing country preference on menthol (tariff classification 29.05.1) withdrawn. Brazil excluded from the preference on orange essential oil (33.01.9), effective from 27 August 1980.

Certain works trucks and stackers - An annual global quota was introduced on 10 September 1980, covering imports under tariff classifications 84.22.99., 87.07.11 and 87.07.3. Imports from developing countries are included in the quota. (See Article XIX notification - L/5026).

Textiles, Clothing and Footwear - Government announced on 15 August 1980 that the coverage of the developing country preference system would be extended to include most textile, clothing and footwear products.

The new arrangements will provide preferential margins generally ranging from 5 to 10 percentage points of duty, and will apply irrespective of whether global quotas also apply. Developing countries eligible for these preferences will be those with an import share lower than a prescribed level :

- 15 percent for goods subject to quota ;
- 10 percent for goods having a margin of preference of ten percentage points or more ;
- 5 percent for goods with a margin of 5 percentage points.

The new arrangements for developing countries will be introduced as soon as possible. Developing country preferences will operate on the basis of existing general tariff rates until 31 December 1981, and from 1 January 1982 they will apply to the new general tariff regime.

On 1 January 1982 handicrafts will be brought within quota arrangements where similar machine-made goods are subject to quota, with a consequent increase in quota levels. The handicraft criteria will be modified for textiles, clothing and footwear products which will no longer have to comply with the "Artistic or decorative" requirements of the handicraft concession. Separate duty-free handicraft quotas will apply to six product categories from 1 January 1982 and importers will be permitted to use up to 10 percent of their equivalent non-handicraft quota to import handicrafts in these categories free of duty.

Handicrafts in excess of the duty-free quota will be subject to the global quota system as it applies to machine-made goods. Such goods may however be eligible for D.C. preference.

Two of these separate handicraft quotas have already been introduced (knitted coats, jumpers etc and towelling) (see details below).

No restriction will be made on imports of handicrafts where similar machine-made goods are not subject to quota and they also will be exempt from the "artistic or decorative" requirement.

Handicraft quotas - A quota on duty-free imports of knitted coats, jumpers, cardigans and the like, under the handicraft concession was introduced on 1 July 1980. Importers were issued with quotas equivalent to 85 percent of their imports under the handicraft concession in the twelve months to 31 March 1980.

As part of the general decision on textiles, clothing and footwear, a quota was established on 1 September 1980 covering hand-made towelling and towelling products. Only importers who imported these products duty-free under the handicraft concession in the period 1 July 1979 to 30 June 1980 will be eligible for quota allocations. The annual quota level has been set at 100 percent of base year imports, but the initial allocations will be 16/12 of this figure, to cover the period to 31.12.81.