

GENERAL AGREEMENT ON TARIFFS AND TRADE

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CONTRACTING PARTIES
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RENEGOTIATION OF SCHEDULE XIII - NEW ZEALANDNote by the New Zealand Government

Contracting parties will recall that in 1957 New Zealand obtained a waiver from its obligations under Article II in order to enable the Government to introduce a new Tariff without prior negotiation of the concessions involved in GATT Schedule XIII. This waiver was never used as the Government subsequently considered it desirable to withhold the introduction of the Tariff pending further consideration of the form it was to take. That is, the nomenclature to be used, the basis of valuation and the extent of the changes in rates of duty.

As a result of its further examination of the position, the Government has now decided to introduce a completely new Tariff involving the adoption of an international nomenclature - which was not formerly contemplated - a revised basis of valuation for duty and consequential and certain other adjustments of rates of duty.

The Government now proposes to implement the revised Tariff in two stages. The first stage will involve adjustments of rates affecting eight items in New Zealand's GATT Schedule. The total value of imports in 1959 covered by these eight items amount to approximately £650,000. It is the Government's wish that these adjustments which are of a particularly urgent nature, should be made during the forthcoming June-October Parliamentary Session, but if prior negotiation is required, it will not be possible for details of the changes to be completed in time for constitutional procedures to be complied with.

The second stage of the Tariff review will involve the new nomenclature, the new basis of valuation, as well as adjustments both up and down in rates of duty. Because of the need for the earliest possible application of the new Tariff, the Government wishes to bring it into force during the 1961 Parliamentary Session. The preparation of the new Tariff is however a very complex task and there is still a great deal of technical and detailed work to be done before the Tariff is available in final form. In fact, it is not expected that the new draft will be available until well into 1961. The New Zealand Government is thus, as in 1957, once more placed in the position where, if the Tariff review is to be implemented as planned, there will not be sufficient time for prior negotiation. Under New Zealand Parliamentary procedures, a new Tariff is brought into force immediately

by a resolution of the Committee of Ways and Means without prior announcement, discussion or disclosure, and subsequently during the same Parliamentary Session a Bill ratifying the resolution is introduced.

In order to meet the situation contracting parties are asked to approve a waiver in similar terms and conditions as previously, except that the first stage of the operation involving eight items in the GATT Schedule will take place during the forthcoming June-October Parliamentary Session. In all other respects the waiver sought is identical to that formerly approved but not used. New Zealand will enumerate the new concessions which are being offered as compensation for any modifications or withdrawals effected and these will come into immediate effect at the same time as the new Tariff and the CONTRACTING PARTIES will receive prior notification. The New Zealand Government will be fully prepared to negotiate with any interested contracting party with a view to further compensation if it is felt that the compensation provided and provisionally applied is not adequate. Negotiations with contracting parties concerned in regard to the first stage would be carried out during the September-December 1960 Article XXVIII negotiations.

It should be emphasized that except in regard to the timing of the negotiations as explained above, it is New Zealand's firm intention to comply fully with the spirit and the intent of Article XXVIII in every respect.