

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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NEW ZEALAND IMPORT RESTRICTIONS

Modification of Restrictions

1. The following communication, dated 10 April 1967, has been received from the New Zealand authorities.

In recent months New Zealand's balance-of-payments difficulties have been aggravated by a considerable decline in earnings from wool exports as a consequence of a serious weakening in demand. The New Zealand Government has therefore adopted corrective measures to stabilize the level of economic activity and to protect the external reserves.

The Import Licensing Schedule for 1967/68 will play a part in the broad action being taken to adjust the rate of growth to expected overseas earnings. As this will involve modifications in New Zealand's import restrictions this notification is submitted in accordance with the procedures approved on 16 November 1960 (BISD Ninth Supplement, page 18).

The principal features of the 1967/68 Import Licensing Schedule are as follows:

Current exemptions from import licensing will be maintained.

The Token Licence Scheme will also continue with licence entitlements the same as for 1966/67.

In general, the provision for manufacturers' raw materials and components will be 80 per cent of the value of 1966/67 licences.

For consumer goods, in the main the allocation will be 80 per cent of 1966/67 licences but for some items 90 per cent of 1966/67 licences will be provided, e.g. crockery, glassware and children's shoes.

The import provision for motor vehicles will be 80 per cent 1966/67 licences.

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For industrial plant and machinery the emphasis will be on urgent replacements, export manufacture, or important public amenities.

For the most part licence entitlements for spare parts have been retained at 100 per cent 1966/67 licences.

The Aggregation Scheme, which has given a considerable number of importers the opportunity to determine their own priorities, is being stabilized.

2. When a contracting party applies new quantitative import restrictions but does not ask for a consultation with the CONTRACTING PARTIES, the procedures applicable to a contracting party which invokes Article XII envisage that the Council may invite that contracting party to consult in accordance with the provisions of Article XII:4(a) if the Council considers that there is a prima facie case of substantial intensification of restrictions. The Director-General therefore proposes to place the modification of New Zealand import restriction on the agenda of the next session of the Council but not to convoke a special meeting of the Council unless some contracting party so requests. New Zealand is expected to take part in a regular consultation, in the Committee on Balance-of-Payments Restrictions, at the next meeting of the Committee, pursuant to its invocation of article XII.