

GENERAL AGREEMENT ON TARIFFS AND TRADE

THE NEW ZEALAND/AUSTRALIA FREE TRADE AGREEMENT

Information Furnished to GATT by the Member States

The New Zealand/Australia Free Trade Agreement was first examined by the CONTRACTING PARTIES at the twenty-third session held in April 1966.^{1/} Since that time Australia and New Zealand have reported on the operation of the free-trade area on seven occasions (2-9).^{2/}

During the period, Australian and New Zealand Ministers continued to meet annually to review the progress of NAFTA. At their April 1979 meeting, Ministers suggested that it was an appropriate time to examine the future of the Australian/New Zealand trading relationship under NAFTA and that further consideration of this issue should be encouraged among the business communities in both countries. A subsequent meeting by the Australian and New Zealand Prime Ministers in March 1980 established a framework for further detailed exploration and examination of possible arrangements for movement towards a closer economic relationship.

One other recent significant development was that the 1977 Agreement on Tariffs and Tariff Preferences (9)^{2/}, which had an initial life of three years to 30 November 1980, was extended unchanged for a period of twelve months from 1 December 1980 by a ministerial exchange of letters in August 1980.

Since the Agreement came into force, the total value of Trans-Tasman trade has shown an average annual growth of approximately 15.8 per cent. In the year ending June 1978, the beginning of the period under review, total two-way trade was valued at \$A945.1 million and rose to \$A1,410.6 million 1979/80. In the year ended June 1978 total Schedule A trade was valued at \$A623.4 million and this had risen to \$A845.7 million in the year ended June 1980. Schedule A trade as a percentage of total two-way trade has grown from 46.9 per cent in 1966/67 to 60.0 per cent in 1979/80. Trade in Schedule A goods has grown at the average annual rate of about 17.0 per cent by value. It is estimated that some 68.0 per cent of total two-way trade in 1979/80 was covered directly by arrangements under the Free Trade Agreement and that some 80 per cent of the total trade between the two countries was duty free.

^{1/} 1 BISD, Fourteenth Supplement, page 22

^{2/} 2 L/3104
3 L/3309
4 L/3502
5 L/3682
6 L/3854
7 L/4192
8 L/4589
9 L/4872