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PART IV CONSULTATIONS: BACKGROUND INFORMATION

Australia

Note by the Secretariat

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INTRODUCTION

1. At the Fifty-Fourth Session of the Committee on Trade and Development, and the Fortieth Session of the CONTRACTING PARTIES, held in November 1984, it was agreed that the programme of consultations on the implementation of Part IV would be continued during 1985. It was noted that four countries (namely Canada, Switzerland, Australia and New Zealand) had agreed in principle to consult during 1985.
2. The present document, prepared by the secretariat in accordance with the agreement in regard to documentation reached at the Forty-Ninth Session of the Committee, contains factual background material covering developments in trade and trade policy in regard to Australia. The material has for the most part been drawn from available official and GATT documentation. It is not intended to be exhaustive.
3. While every effort has been made, including consultation with the delegation concerned, to present a clear and factually accurate picture of the situation, the information is subject to verification and correction in the light of any comments or suggestions that might be made by delegations.

SECTION I: Economic background

Trends and indicators of domestic economic activity

4. Australia's real GDP growth rate in 1984 was estimated at 6.3 per cent. This growth rate is the highest recorded since 1969. In the intervening period, the growth rates comparable to that of 1984 were recorded only in 1971 and 1973. In order to place the performance of the economy in 1984 in a longer-term perspective, it may be noted that the annual average real GDP growth rate in the period from 1973 to 1982 was only 2.2 per cent. On the other hand, in the ten years up to 1973 the annual average growth rate was 5.5 per cent. It may be seen therefore, that economic performance in 1984 was untypical of the record over the previous ten years or so, but on the other hand was more in tune with the rate of economic expansion enjoyed in the 1960s and early 1970s.
5. The 1984 recovery is attributable principally to expansionary fiscal policy over the last four years, wage moderation and the recovery (including restocking) of the rural sector following drought. More recently, there have been indications of a significant expansion in private investment, particularly in the construction sector. Domestic demand has also shown continued buoyancy. Whilst overall real GDP growth is expected to remain comparatively vigorous in 1985, the rate is expected to be significantly lower than in 1984.
6. Taking domestic demand as a whole, there are significant differences in the respective experiences of 1983 and 1984. In 1983, real domestic demand growth was negative at around -1 per cent, and the overall GDP growth rate of 0.5 per cent for that year resulted from the positive contribution of the foreign balance to national income. By contrast, in 1984 it is estimated that virtually all GDP growth was generated via domestic consumption and investment rather than through differential rates of import and export growth. Other significant contrasts between 1983 and 1984 include the strongly negative contribution of gross fixed capital formation in the former year compared to its positive contribution in the latter year. A similar picture emerges with respect to stockbuilding activity.

7. In regard to the contribution of trade to economic recovery and GDP growth, both imports and exports of goods and services showed rapid expansion in 1984, following negative growth in the previous year. As previously mentioned, import contraction in 1983 was considerably higher than export contraction, while the expansion rates for 1984, measured in constant prices, are estimated to be of a similar magnitude.

8. Unemployment continues to be a concern to Australian policy makers, as is the case in many other countries. The unemployment rate reached a peak of over 10 per cent in mid-1983, before starting to fall. Latest available unemployment figures relating to early 1985 indicate that the rate of unemployment is still around 9 per cent. As far as inflation is concerned, there has been a dramatic reduction in the rate of increase of the consumer price index. As measured by this index, inflation fell from between 10 per cent and 11 per cent in 1982 and 1983 to approximately 4 per cent in 1984. The latest figures for the inflation rate, for the twelve months up to February 1985, indicate a rate of 4.4 per cent. Most of the success in reducing the rate of inflation is attributable to a combination of wage restraint policies and lower import prices.

Trends in international transactions

9. Australia has tended historically to run surpluses on the trade account. Notable exceptions to this trend occurred in 1981 and 1982, as a result of reduced agricultural and mineral exports. In the two years since, that is 1983 and 1984, the trade account has virtually been in balance (see Table 1). Positive trade balances have not been sufficient to offset the deficits on the services account, and so Australia generally runs a current account deficit. It may be seen from Table 1 that the services deficit has ranged from US\$5 billion to US\$6.7 billion, and the current account deficit from US\$5.8 billion to US\$8.1 billion in the three years up to 1984.

10. In the early 1980s both export growth and import growth became negative in current price terms. In the case of exports, this was the first time that negative growth had been registered since the mid-1960s, and in the case of imports since 1975. Export growth first became negative at -1.6 per cent in 1981, rising to -2 per cent in 1982 and -6.2 per cent in 1983. This trend was reversed in 1984 when a growth rate of 13 per cent was registered for exports. In the case of imports, the import growth rate remained strongly positive, at 16.7 per cent in 1981. The small negative rate of import growth in 1982 (-0.6 per cent) suddenly jumped to -16.8 per cent in 1983, before becoming positive at 19.7 per cent in 1984.

11. Turning to the balance-of-payments capital account, Australia has consistently been a net importer of long-term capital. Most of the long-term capital inflow has taken forms other than portfolio and direct investment, as can be seen illustratively from the figures in Table 1. As regards short-term capital, this has generally been a quantitatively less significant element in the capital account, and has less frequently contributed positively to financing the current account deficit. In regard to the short-term capital item shown separately in the balance-of-payments accounts, Australia has been a net importer of capital only in two years (1981 and 1982) out of the six years up to 1984.

Table 1Balance of Payments, 1982, 1983 and 1984
(in US\$ billions)

	1982	1983	1984
Exports, f.o.b.	20.8	19.5	22.5
Imports, f.o.b.	23.4	19.5	23.3
Trade balance	-2.6	-	-0.8
Net services	-5.0	-5.3	-6.7
Private and official transfers, net	-0.5	-0.5	-0.5
Current account balance	-8.1	-5.8	-8.0
Direct investment, net	1.4	2.2	-0.9
Portfolio investment, net	0.9	1.0	0.7
Other long-term capital, net	9.2	4.7	8.0
Other short-term capital, net	0.3	-	-0.8
Net errors and omissions	1.3	0.9	-0.3
Other transactions ¹	-0.3	-0.5	-0.1
Total change in reserves ²	-4.7	-2.5	1.4

¹ Includes monetization/demonetization of gold, allocation of SDRs and valuation charges in reserves

² A negative sign (-) implies an increase in reserves

Source: IMF, International Financial Statistics (April 1985).

12. Table 2 shows the broad geographic distribution of Australia's trade in 1981, 1982 and 1983. During the three years shown in the table, the share of exports and imports accounted for by developed countries ranged between approximately 55 per cent and 60 per cent and between 70 per cent and 75 per cent respectively. The relevant figures for developing countries were 30 per cent to 34 per cent for exports and 22 to 25 per cent for imports. The share of the Eastern Trading Area in Australia's imports and exports is comparatively low, not exceeding 5 per cent of exports and 1 per cent of imports during the three years shown in the Table. It may be noted that these ranges are only approximate since some trade has not been specified according to origin or destination.

13. For the three years shown in the Table, Australia ran a trade deficit with the developed countries and trade surpluses with both the developing countries and the Eastern Trading Area. The longer-term overview of the geographic distribution of Australia's trade shows that the shares of the different country groupings identified in Table 2 have not changed a great deal over the last decade or so. The only discernible trend arguably is a slight reduction in the share of Australia's exports accounted for by developed countries, matched by an increasing trend in the share of exports going to developing countries. Even this trend, however, is not particularly marked and shares of different country groupings in Australia's trade have tended to fluctuate somewhat from year to year.

SECTION II: Tariff system and imports according to tariff treatment

Tariff system

14. For Australia tariffs, including tariff quotas, constitute the predominantly important commercial policy instrument: as indicated in Section V, Australia maintains import restrictions only on a limited number of products.

15. The basic legislation on tariff matters is the Customs Tariff Act of 1982, as amended. The Act came into operation on 1 January 1983, following the government's decision to implement a simplified tariff based on a report by the Industries Assistance Commission on customs tariff simplification. Significant reductions were made in the number of tariff classifications and in the number of different rates of duty. Tariff schedules were made less complex and, as far as practicable, the proposed Harmonized System was taken into account in the formulation of sub-headings. Some complicated compound rates of duty were converted into simple rates and some "2 per cent revenue duties" were removed. Imprecise item descriptions such as "of a kind suitable for use as" were made more precise and more accurate.

16. The tariff schedule of Australia for 1985 indicates the following types of duties:

- (a) General tariff, i.e. m.f.n. duty
- (b) Special tariffs under free-trade arrangements
 - (i) for New Zealand
 - (ii) for Papua New Guinea (PNG)
 - (iii) for Forum Island countries (FI)

Table 2
Balance and Direction of Trade, 1981, 1982 and 1983
(in US\$ billions, exports and imports, f.o.b.)

	1981			1982			1983		
	Exports	Imports	Trade Balance	Exports	Imports	Trade Balance	Exports	Imports	Trade Balance
Total trade ¹	21.8	23.8	-2.0	22.1	24.1	-2.0	20.7	19.4	1.3
Developed countries	12.8	17.0	-4.2	12.5	17.3	-4.8	12.4	14.4	-2.0
Developing countries	7.4	5.9	1.5	7.5	6.0	1.5	6.3	4.3	2.0
Eastern trading area	0.9	0.1	0.8	0.8	0.1	0.7	0.6	-	0.6

¹ Individual components do not add up to totals because some trade has not been specified as to destination or origin

Source: IMF, Direction of Trade Statistics Yearbook, 1984

(c) Other special tariffs

- (i) for developing countries (DC), i.e. GSP
- (ii) for Declared Preference countries (DPC)
- (iii) for Canada (CAN)

For details regarding m.f.n. duties and GSP, reference may be made to Sections III and IV. Information in regard to other special tariffs is given below.

Special tariffs- for New Zealand

Under the Australia/New Zealand Closer Economic Relations - Trade Agreement (ANZCERTA)¹ which entered into force on 1 January 1983, the remaining barriers (tariffs, import licensing and tariff quotas) to trade between Australia and New Zealand are being eliminated in a gradual and progressive manner under an agreed time-table. All tariffs are to be phased out by 1988 and all import licensing and tariff quotas are to be phased out by 1995. As of 1985, imports from New Zealand are free of duty except for a number of tariff items falling within some 95 CCCN headings, including 11 headings covering agricultural products. The items which have not yet reached duty-free treatment are indicated in Schedule 5 of the Australian Customs Tariff.

- for Papua New Guinea

Under the 1977 Agreement on Trade and Commercial Relations between Australia and Papua New Guinea (PATCRA),² Australia accords most products originating in Papua New Guinea duty-free treatment. It was estimated that in 1977 more than 99 per cent of Papua New Guinea exports to Australia had been admitted free of duty (BISD 24th Supplement, pages 63-68).

- for Forum Island countries

Under the South Pacific Regional Trade and Economic Cooperation Agreement (SPARTECA) which entered into force on 1 January 1981, Australia accords a large number of products originating in the developing island countries members of SPARTECA, described as the "Forum Island countries" (Cook Islands, Fiji, Kiribati, Nauru, Niue, Solomon Islands, Tonga, Tuvalu, Vanuatu and Western Samoa), preferential tariff treatment on a non-reciprocal basis. Products listed in Schedule 1 attached to the Agreement are granted unrestricted duty-free treatment, while for those in Schedule 2, Australia applies positive preferential rates or duty-free treatment within tariff quotas (L/5488, Annexes 1 and 2). All the Forum Island countries are also beneficiaries of the Australian GSP Scheme, and five Forum Island countries (Fiji, Kiribati, Solomon Islands, Tonga and Tuvalu) also enjoy DPC rates of duty.

¹This Agreement replaced the New Zealand/Australia Free Trade Agreement (NAFTA) with a view to completing the process towards free trade which commenced in 1966 under the NAFTA.

²This Agreement had replaced the December 1973 Memorandum of Understanding applied to trade and commercial relations between Australia and Papua New Guinea prior to Papua New Guinea's independence.

- for Declared Preference countries

Australia accords thirty-two developing countries and twelve territories belonging to the Commonwealth some extra preferences in addition to the GSP. In introducing a new system of generalized preferences for developing countries in 1966 (see Section IV for details), Australia retained some special preferences for the developing Commonwealth countries and territories which had previously enjoyed the British Preferential Tariff. However, the DPC preferences have gradually been subsumed under the GSP and remain in effect now only on a few agricultural products, i.e., ex 2002 preserved mushrooms and tomatoes, and preserved vegetables in airtight containers, ex 2006 preserved pineapples and miscellaneous fruits, ex 2007 certain passion fruit juice and miscellaneous juices, and ex 2209 rum. Singapore, Hong Kong and Malaysia are the main DPC suppliers to the Australian market.

- for Canada

Under the terms of the Canada/Australia Trade Agreement (which came into effect in 1981 as a modification of a 1960 agreement), Canada enjoys special preferences in the Australian market with respect to some tariff items. In return, Canada applies British preferential rates to Australia.

Tariff quotas

17. Australia uses tariff quotas to safeguard the interests of Australian industries. Imports of sensitive items under preferential rates of duty (GSP or other special preferences) are subject to tariff quotas. Imports exceeding the tariff quotas are subject to higher preferential rates or m.f.n. rates of duties. M.f.n. imports of a number of TCF (textiles, clothing and footwear) items, PMVs (passenger motor vehicles) and steel are also subject to tariff quotas, and imports exceeding the quota limits are liable to high rates of duty. In particular, the tariff quota system has become the predominant form of protection to the textiles, clothing and footwear industries. (See Section IV for further details). M.f.n., GSP and other preferential rates subject to tariff quotas are shown in Part II of Schedule 4 - substituted concessional rates of duty.¹ In the case of TCF, import penetration was stabilised under the tariff quota system applying since 1974. Under the current seven year plan, which began in 1982, there is provision for progressive expansion of import quota levels and a gradual increase in import penetration. A yearly review of quota levels is undertaken by the Textiles Advisory Committee, ensuring that increases in market growth are translated into increased quotas for imports. The plan also provides for additional quota growth factors of, on average, about 2 per cent per annum.

18. As a result, the annual increases in quota levels have been substantially larger than the minimum annual market growth rates provided for in the M.F.A. For example, the increases in quota levels for 1985 amounted to a 15 per cent weighted average increase over 1984 quota levels for these industries.

¹The principal tariff schedule (schedule 3 in the Australian Customs Tariff) does not provide any indication of the existence of lower duty rates (m.f.n., GSP, etc.) applicable to imports within tariff quotas.

19. Preferential rates subject to tariff quotas under the program including M.F.N., GSP and other preferential rates are shown in Part II of Schedule 4 of the Australian Customs Tariff. Information on the amount of tariff quotas for 1985 is not available in the Customs Tariff, but, is published by the Government of Australia in the Commonwealth Gazette. In addition, details of the application of by-law provisions regarding tariff quotas are published in the Australian Customs Services Manual, volume 14, (quota control) as amended. In the case of PMVs the post-1984 assistance package is designed to replace the "80 per cent local manufacture/20 per cent imports" arrangement for completely built up passenger vehicles with a tariff quota system. The duty on over-quota imports is set initially at 100 per cent (in 1985) phasing down by 5 percentage points per year to 1989, when the rate of reduction will accelerate to 7.5 percentage points per year. By 1992 the rate will be 57 per cent for all imports and the tariff quota will be abolished.

20. The global tariff quota for 1985 is 110,000 vehicles. For subsequent years the level of quota will be adjusted, up or down, by the same percentage as the anticipated change in the annual market for vehicles subject to quota (i.e. if the market is expected to increase by 5 per cent in the following year, the quota for that year will be expanded by 5 per cent).

21. In the case of the Australian Steel Industry Plan introduced in December 1983 the objective is to make the Australian industry more efficient and more internationally competitive. The previous arrangements for the industry, which involved global quota restrictions on the import of steel products were abolished and a five year programme introduced which provides for a tariff quota for imports at developing country rates of duty. This quota is set at the level of the average annual volume of developing country imports (excluding those under by-law) over the five years ended July 1983. All imports above this rate attract the general rate which is being phased down although duties on most products are already low: e.g. 5 to 10 per cent for most blooms, billets, plates, hoop and strip.

Tariff Concession System and by-law provisions

22. Being a resource-rich country, Australia imports primarily manufactured products. A large proportion of these imports do not directly compete with the output of domestic industries and could therefore be considered complements to domestic production. Given this background, Australia had traditionally granted non-produced goods duty-free or low-duty treatment while until recent years directing its protection policies to the development and maintenance of import-substituting manufacturing activities. Australian Ministerial statements have emphasised that import substitution has been abandoned as a policy consideration for over a decade.

23. Concessional duty rates (free or 2 per cent revenue duty) may be applied by administrative decision under Part I of Schedule 4 to the Customs Tariff or where indicated "as prescribed by by-law" in the principal tariff schedule (Schedule 3). Part IV includes the major commercial concessional entry provisions of the Tariff Concession System. Concessional entry under this system is accorded to imported goods which do not compete with goods serving similar functions which are manufactured in Australia in the normal course of business. Applications are submitted to the Australian Customs Service.

24. A considerable proportion of Australia's imports are granted duty free or low duty treatment under tariff concession (formally commercial by-law) provisions. Imports under these items totalled \$A 4 billion in 1983/84. The percentage value of the trade of certain exporting countries which benefited from these concessions in 1983/84 were as follows: United States (26 per cent), Sweden (34 per cent), Switzerland (20 per cent), EEC (19 per cent), Japan (22 per cent), Canada (10 per cent), Brazil (13 per cent), Finland (8 per cent), Hong Kong (16 per cent), Taiwan (11 per cent), South Africa (8 per cent), Korea, Rep. of (10 per cent), Singapore (8 per cent), Malaysia (6 per cent) and India (3 per cent). Goods from developing countries entering under the Tariff Concessions System totalled \$A 400 million in 1983/84 or 9 per cent of total imports under the System. As a result of consolidation of the tariff (with the conversion to the harmonized system) the number of items on which concessions are available has been reduced. However, this does not necessarily indicate a reduction in the volume of trade falling under concession provisions.

Imports according to tariff treatment

25. Table 3 shows imports of Australia in the fiscal year 1980/81 according to tariff treatment for all products, agricultural products, industrial products and petroleum, respectively.¹ Total imports of Australia during this year amounted to US\$21 billion, of which agricultural products, industrial products and petroleum accounted for 5 per cent, 82 per cent and 13 per cent, respectively. Of the total imports, m.f.n. sources accounted for 66 per cent, GSP beneficiary developing countries 27 per cent, New Zealand (enjoying progressively expanding free trade arrangements) 4 per cent and Canada (some of whose products receive preferential treatment) 3 per cent.

- Imports of agricultural products

26. Imports of agricultural products amounted to US\$1,073 million in 1980/81, of which m.f.n. sources accounted for 45 per cent. GSP beneficiary developing countries 41 per cent, New Zealand 11 per cent and Canada 3 per cent. Of the total imports of agricultural products, 14 per cent comprised imports subject to bound duty-free treatment.² The remaining 86 per cent, subject to either positive m.f.n. rates or unbound zero m.f.n. rates were composed of (i) imports subject to m.f.n. treatment (69 per cent), (ii) imports covered by free trade arrangements and special preferences (13 per cent) and (iii) imports covered by GSP (4 per cent). Imports of agricultural products from GSP beneficiary developing countries amounted to US\$43.5 million in 1980/81, 18 per cent of which enjoyed bound duty-free treatment. The remaining 82 per cent were composed of (i) imports subject to m.f.n. treatment (61 per cent), (ii) imports subject to free-trade arrangements and special preferences (10 per cent) and (iii) imports covered by GSP (11 per cent).

¹ Table 3 does not include the following imports: (i) imports by government, (ii) imports under concessional and extraordinary provisions of the tariff and (iii) imports from Australian island territories including Christmas Island, Cocos and Keeling Islands and Norfolk Island.

² Many Australian tariff items are subject to unbound duty-free treatment or "2 per cent revenue duty".

Table 3
Imports of Australia in 1980/81 According to Economic
Groupings and Tariff Treatment

(Unit: US\$ million)

Sources of imports Tariff treatment	Total	MFN sources	GSP benefi- ciaries ¹	New Zealand	Canada	Unspeci- fied sources
Total imports	20,882 100%	13,767 66%	5,610 27%	724 4%	556 3%	224
CCCN Chapters 1-24	1,073 100%	486 45%	435 41%	114 11%	35 3%	2
MFN 0% bound	149 14%	58	79	10	2	-
MFN dutiable (bound or unbound) and 0% unbound:	924 86%	428	356	104	33	2
Covered by free-trade arrangements and special preferences	139 13%	-	45	81	13	-
Covered by GSP ²	47 4%	-	47	-	-	-
MFN treatment ³	735 69%	428	264	23	20	-
CCCN Chapters 25-99 excluding petroleum	17,045 100%	13,248 78%	2,452 15%	602 4%	521 3%	222
MFN 0% bound	1,290 8%	896	290	10	41	53
MFN dutiable and 0% unbound	15,755 92%	12,352	2,162	592	480	169
Covered by free-trade arrangements and special preferences	634 4%	-	11	479	144	-
Covered by GSP ²	1,182 7%	-	1,182	-	-	-
MFN treatment ³	13,772 81%	12,352	969	113	336	-
Petroleum (CCCN 2709, 2710)	2,764 100%	33 1%	2,723 99%	8	-	-

¹ Including imports from Papua New Guinea - US\$85 million and those from ten Forum Island countries - US\$95 million. These countries enjoy also free-trade or other preferential arrangements

² Including imports eligible for GSP but accorded m.f.n. treatment because of GSP tariff quotas or for other reasons

³ Including imports of duty-free items unbound, current duty-free items bound at positive rates (ceiling binding) and dutiable items granted duty-free treatment under by-law provisions

- Imports of industrial products

27. Imports of industrial products during 1980/81 amounted to US\$17,045 million, of which m.f.n. sources accounted for 78 per cent, GSP beneficiary developing countries 15 per cent, New Zealand 4 per cent and Canada 3 per cent. Of the total imports of industrial products, 8 per cent were subject to bound duty-free treatment.¹ The remaining 92 per cent, subject to either positive m.f.n. rates or unbound zero m.f.n. rates, were composed of (i) imports subject to m.f.n. treatment (81 per cent), (ii) imports covered by free-trade arrangements or special preferences (4 per cent) and (iii) imports covered by GSP (7 per cent). Imports of industrial products from GSP beneficiary developing countries amounted to US\$2,452 million in 1980/81, 12 per cent of which enjoyed bound duty-free treatment. The remaining 88 per cent were composed of (i) imports subject to m.f.n. treatment (40 per cent) and (ii) imports covered by GSP (48 per cent).

- Imports of petroleum

28. Imports of petroleum amounted to US\$2,764 million in 1980/81. Most petroleum imports were from GSP beneficiaries. In Australia, crude, topped or enriched petroleum oils are m.f.n. duty-free. Petroleum goods such as diesel oil or fuel, other fuel or heating oil and gasoline are dutiable on an m.f.n. basis.

Particular features of Australia's trade

29. A working paper published by the Industries Assistance Commission in March 1985² provided the following information on particular features of Australia's international trade.

"Although regarded as a trading nation, Australia's involvement in international trade has been lower than that of most other industrial economies. Indeed, in the period since World War II, Australia's participation in international trade has declined while most developed economies have increased their involvement in the international market.

"Australia's comparatively low involvement in international trade is influenced by a number of factors. These include its relative geographic isolation from the traditional major markets of Europe and the USA and the relatively high transport costs associated with trade. Moreover protection policies in Australia have traditionally been directed at the development and maintenance of import-replacing manufacturing activities and consequently, have had a limiting influence on Australia's trade involvement.

"One further explanation of Australia's relative lack of involvement in international trade, and particularly in the rapid growth of world trade since World War II, may be found in the changes in world demand and prices for those goods in which Australia has traditionally traded.

¹Many Australian tariff items are subject to unbound duty-free treatment or "2 per cent revenue duty".

²"Australian Trade Classified by Industry: 1968-69 to 1981-82."

"There have been significant changes in imports (including both competitive and non-competitive imports) as a proportion of the domestic market in some industries, with large increases occurring in a narrow range of industries. The share of mining imports into the domestic market of the sector increased¹ (from 11 per cent to 27 per cent) as did the share for manufacturing (17 per cent to 25 per cent). Within manufacturing, the most marked increases were in Textiles (from 33 to 46 per cent), clothing and other machinery and equipment (33 to 50 per cent). Most of the increase in the market share of imports in quota-protected industries² occurred prior to the imposition of quantitative restrictions.

"In terms of competitive (dutiabale) import shares of the domestic market, the main industries with large increases are clothing and footwear (from 7 to 21 per cent) and transport equipment (from 9 to 15 per cent). However, such increases in competitive import shares occurred prior to the imposition of quotas and, in the case of clothing and footwear and transport equipment, import shares have declined in recent years.

"Associated with the changes in the composition of Australia's imports and exports are some quite significant changes in the direction of trade. Over the period studied³ there has been a major re-orientation of Australia's trade away from the traditional markets and sources in Europe and North America. Asia has become the most important area trading with Australia."

An analysis of selected dutiabale items of interest to developing countries

30. The available tariff average data presented in Section III sometimes conceal tariff problems concerning individual products, in particular peak tariff rates. Detailed data at the tariff line level are provided in the Annex to this document.

31. The Annex covers dutiabale items for developing countries⁴ among Australian tariff items in respect of which imports from GSP beneficiary developing countries and territories accounted for more than 20 per cent of imports from all sources or exceeded US\$1 million in 1980/81, and provides data on tariff treatment of these items (m.f.n., GSP etc.), together with the corresponding trade flows in 1980/81. The data in the Annex have been extracted from the Tariff Study File on Australia for 1980/81, which is the latest available in GATT. However, tariff rates have been updated to 1985 provisionally to the extent technically feasible on the basis of the 1980/81 tariff structure: tariff sub-headings as of 1985 are often different from those of 1980/81.

¹In the period 1968/69-1981/82.

²Tariff quotas

³1968/69-1981/82

⁴Items other than m.f.n. duty-free items and GSP duty-free items.

32. Items listed in the Annex have been broken down into several agricultural and industrial product groups. With respect to these product groups, Table 4 shows the number of tariff lines and imports in 1980/81 according to different tariff treatment (m.f.n. GSP, and special tariff preferences for Papua New Guinea, New Zealand and Canada).

33. Imports of items covered by Table 4 amounted to US\$2,970 million in 1980/81 or about 14 per cent of total Australian imports. A great majority of the items covered by Table 4 were industrial products. Among the industrial product groups listed in Table 4, "clothing" was most important in Australian imports from GSP beneficiary developing countries, followed by "machinery, transport equipment and scientific instruments", "leather and leather products", "textiles and made-up articles", "wood and wood products", "metals" and "chemicals and plastic goods".

SECTION III: M.f.n. duties

The level of m.f.n. duties and tariff escalation

- Industrial products

34. Table 5 shows the average m.f.n. duties (simple and weighted) of Australia as of 1981 with respect to all industrial products (excluding petroleum) and for major industrial product groups of export interest to developing countries and further, amongst all industrial products and each product group separately for raw materials, semi-manufactures and manufactures.

35. All Tokyo Round concessions of Australia, which were implemented in 1980 without staging, are reflected in the tariff data in Table 5. As stated in Section II, Australia extensively revised its customs tariff in 1983, simplifying its tariff structure and duty rates. The new customs tariff also included a number of tariff reductions and increases. Thus, the tariff average data in Table 5 might be considered only as broadly indicative of the Australian tariff situation. It may be also noted that with regard to bound dutiable items, bound rates have been used as a basis for obtaining tariff averages irrespective of whether tariff reductions were actually granted under by-law provisions. In many cases where by-law does not apply the actual tariff is lower than the bound rate. Australian authorities calculate that actual rates are lower than bound rates in 65 per cent of bound tariff items. Australian ad valorem duties are generally based on the f.o.b. value. The incidence of tariffs based on the f.o.b. value is somewhat lower than that of those based on the c.i.f. value. Australia is a party to the Customs Valuation Code.

36. Table 5 indicates that the weighted and simple averages of Australian duties on industrial products were 11.5 per cent and 14.3 per cent, respectively. These averages were considerably higher than those of all other developed countries except New Zealand. The weighted and simple averages on raw materials, semi-manufactures and finished manufactures were as follows: 0.5-4.3 per cent, 6.9-10.2 per cent and 13.1-16.8 per cent. The tariff escalation between different stages of processing remains significant in Australia although this has been considerably attenuated for developing countries through the GSP.

Table 4

Products of Export Interest to Developing Countries, Durable for these Countries
Imports according to Tariff Treatment
(1980/81, US\$ million)

Note: Imports from GSP beneficiary developing countries are indicated in column (5) - m.f.n. treatment and in column (7) - GSP treatment

CCCN Chapters	Product groups	Number of tariff lines	Imports from all sources	Imports according to tariff treatment					
				MFN		GSP	Papua N.G.	New Zealand	Canada
				GSP benef.	Other				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
04,11,16,21	Meat, fishery products, dairy products and cereals	6	42.0 100%	8.3 20%	22.1 53%	0.3 1%	-	11.3 27%	
07,20	Vegetables, fruits and nuts and their products	13	28.9 100%	11.4 40%	12.4 43%	0.2 1%	-	0.3 1%	4.6 16%
17,22,24	Tobacco, alcoholic beverages, etc.	12	74.0 100%	7.1 10%	52.3 71%	11.6 16%	-	1.9 3%	
09	Coffee	2	36.4 100%	-	0.8 2%	-	35.6 98%	-	
	Sub-total of agricultural products	20	181.5 100%	26.9 15%	87.6 48%	12.1 7%	35.5 20%	13.5 7%	4.6 3%
40,6401	Rubber, rubber products incl. footwear	8	173.3 100%	3.1 2%	108.0 62%	48.4 28%	5.4 3%	8.3 5%	0.1
41,42,43 6402-6405	Leather and leather products incl. footwear	19	132.4 100%	5.8 4%	31.2 24%	87.7 66%	-	7.4 6%	0.2
44,48,94 except 9404	Wood and wood products, paper	15	172.0 100%	42.1 24%	55.6 32%	32.0 19%	4.7 3%	33.6 20%	4.0 2%
51,53,55, 56,58,59, 62,9404	Textiles, made-up articles	45	181.7 100%	21.8 12%	87.1 48%	61.3 34%	-	9.5 5%	2.0 1%
60,61,65	Clothing	85	331.7 100%	44.4 13%	57.8 17%	207.4 63%	-	21.9 7%	0.1
25,ex27, 69-71	Mineral products, precious stones and metals	12	94.0 100%	6.5 7%	69.1 73%	11.7 12%	-	5.3 6%	1.4 1%
73,74,76, 82,83 except8305	Metals	44	263.6 100%	11.2 4%	174.1 66%	58.6 22%	-	17.7 7%	2.0 1%
28,29,36, 39	Chemicals and plastic goods	26	202.0 100%	6.2 3%	112.8 56%	59.5 29%	-	14.1 7%	9.3 5%
84-87 89-91	Machinery, transport equipment and scientific instruments	50	1,110.4 100%	43.2 4%	934.2 84%	85.2 8%	0.1	26.6 2%	9.5 1%
45,49,66, 67,8305, 92,96-98	Miscellaneous	29	128.2 100%	3.7 3%	68.3 53%	52.0 41%	-	3.2 3%	1.0 1%
	Sub-total of industrial products	334	2,789.3 100%	188.0 7%	1,698.2 61%	703.8 25%	10.2	147.5 5%	29.6 1%
	Total	354	2,970.8 100%	214.9 7%	1,785.9 60%	715.9 24%	45.7 2%	161.1 5%	34.2 1%

Source: GATT Tariff Study files

Table 5
Australia - M.f.n. Duty Averages as of 1981

S = simple average; W = weighted average based on imports in 1980/81 from m.f.n. and GSP sources.

(Unit: per cent ad valorem)

Product category		All products	Raw materials	Semi-finished manufactures	Finished manufactures
All industrial products (Ch.29-99 excluding petroleum)	S	14.3	4.3	10.2	16.8
	W	11.5	0.5	6.9	13.1
Rubber	S	15.8	10.2	11.9	20.8 ¹
	W	18.6	1.8	13.7	19.8 ¹
Leather	S	17.8	7.5	8.1	20.9 ²
	W	29.4	7.5	14.5	21.0 ²
Wood and cork	S	9.3	1.3	7.7	10.7 ³
	W	8.1	5.1	6.5	12.6 ³
Pulp, paper and printed matter and other articles	S	8.4	6.2	7.4	11.0 ⁴
	W	5.3	0.0	7.4	14.9 ⁴
Textiles	S	29.5	5.7	9.3	(Fabrics) 21.5
	W	20.3	0.3	10.9	11.5
Made-up articles	S				17.2
	W				18.4
Clothing and clothing accessories	S				47.2
	W				50.5
Mineral products and fertilizers	S	6.4	2.1		8.3 ⁵
	W	8.8	0.5		14.5 ⁵
Ores and metals	S	9.4	0.7	See below	12.2
	W	11.2	0.1		16.2
Iron and steel	S		0.0 ⁶	6.6	
	W		0.0 ⁶	8.5	
Non-ferrous metals	S		1.9 ⁷	3.3	
	W		2.4 ⁷	3.8	
Essential oils, perfume materials, toilet preparations, etc.	S	7.3		5.5	8.0
	W	12.0		7.2	13.4
Electric machines and apparatus	S				11.4
	W				11.8

¹Rubber manufactures other than the following: rubber tyres and tubes S 10.0, W 18.9; rubber footwear S 25.6; W 42.9

²Leather manufactures other than the following: travel goods and hand bags S 6.7, W 11.5; leather footwear S 23.6, W 43.6

³Wood and cork manufactures other than the following: wood based panels S 29.2, W 39.2; furniture of wood and other materials S 10.6, W 28.4

⁴Manufactured articles other than printed matter.

⁵Mineral manufactures other than the following: manufactured fertilizers S 0.0, W 0.0; glass and glassware S 7.7, W 9.5

⁶Ferro-alloys

⁷Unwrought non-ferrous metals including scrap

Source: GATT Tariff Study files.

37. While a large majority of industrial products have been covered by the GSP scheme of Australia, the level of m.f.n. duties continues to be of interest and relevant for developing countries: GSP rates have been established in relation to the level of m.f.n. duties and GSP rates are therefore liable to be changed in step with any changes in m.f.n. rates (see Section IV: GSP - GSP rates and margins).

38. Table 5 also shows m.f.n. duty averages (simple and weighted) with respect to a number of industrial product groups. Attention is drawn to footnotes to the table which indicate tariff averages for a number of separately identified product groups from among finished manufactures: these product groups are often subject to distinctly different levels of duties than those on other finished manufactures based on the same material.

- Agricultural products

39. Table 6 shows the average m.f.n. duties (simple and weighted) of Australia with respect to some agricultural/tropical product groups. This table indicates that tariff protection by Australia on agricultural/tropical products is not as significant as on industrial products, and is on average well below that of other industrial countries.

Bindings of m.f.n. duties

40. Table 7 shows the extent to which a number of developed countries have bound their m.f.n. tariffs in the GATT. Australia has bound 32 per cent of its tariff lines covering agricultural products, accounting for 68 per cent of 1980/81 imports of these products. These percentages are on the lower side among developed country markets. In the case of industrial products excluding petroleum, Australia has bound 17 per cent of its tariff lines accounting for 41 per cent of 1980/81 imports. These percentages are by far the lowest among developed countries.

41. Australia and New Zealand did not take part in the across-the-board tariff reductions made on industrial products by other developed countries in the Kennedy and Tokyo Rounds of Multilateral Trade Negotiations. These countries considered that they could not take part in the across-the-board tariff reductions, in view of the insufficiency of the benefits accruing to their own exports as a result of this exercise.

42. Australia's trade pattern has been characterised by the exchange of agricultural and resource-based products for highly processed manufactured products, although the share of manufactured goods in total exports has somewhat increased. The composition of Australian exports in 1975 and 1982 is indicated below:

	All food items	Agricul- tural raw materials	Fuels (coal, etc.)	Ores and metals	Manuf- actured goods	Unallo- cated
						(%)
1975	35.6	11.3	11.9	26.7	13.8	0.7
1982	30.6	10.8	18.2	21.5	16.0	2.8

Source: UNCTAD Handbook of International Trade and Development Statistics, 1984 Supplement.

Table 6

Australia - M.f.n. Duty Averages as of 1981
with respect to some Agricultural/Tropical Product Groups

Note: The averages of duties being actually applied to developing countries are lower than those indicated: a number of products covered by this table enjoy GSP duty rates lower than m.f.n. duties.

Product group	M.f.n. duty average	
	Simple average	Weighted ¹ average
Coffee, tea, cocoa (0901,0902,2102, Ch. 18)	2.2	1.0
Spices (0904-0910)	2.8	0.2
Vegetables and fruit	7.3	5.6
Unprocessed (Ch. 07,08)	7.3	3.7
Processed (Ch. 20)	7.2	8.5
Vegetables, oilseeds and oils	4.5	2.7
Seeds (1201)	4.6	2.3
Oils (1507), 1510-12)	4.5	2.9
Plants, flowers, wax (Ch. 06, 1207, Chs. 13, 14, 1515, 1516)	2.9	0.4
Fishery products	2.8	0.7
Unprocessed (Ch. 03)	0.0	0.0
Processed (1504, 1604, 1605)	4.2	1.3
Miscellaneous animal products (0106, 0204, Ch. 05)	2.1	0.0

¹ Average of all tariff items (i.e. duty-free as well as dutiable items) weighted by imports of such items from m.f.n. and GSP sources

Source: GATT Tariff Study files

Table 7
Importance of M.f.n. Tariff Bindings in GATT
(in percentage)

Market (and statistical year)	Share of bindings in			
	Tariff lines		m.f.n. imports in the year indicated	
	Agriculture (CCCN chapters 01-24)	Industry excluding petroleum (CCCN chapters 25-99 excluding 2709-10)	Agriculture (CCCN chapters 01-24)	Industry excluding petroleum (CCCN chapters 25-99 excluding 2709-10)
United States (1981)	90	100	95	100
Canada (1982)	91	98	98	92
Japan (1981)	64	97	63	86
European Communities (1981)	63	99	82	100
Austria (1980)	63	96	83	95
Finland (1981)	57	97	76	99
Norway (1981)	70	91	96	97
Sweden (1981)	49	98	79	97
Switzerland (1982)	47	100	64	100
New Zealand (1981/82)	54	52	59	69
Australia (1980/81)	32	17	68	41
Hungary (1981)	23	93	29	96

Note: The estimates refer to the post-Tokyo Round tariffs and cover full and partial bindings. M.f.n. imports include imports entitled to GSP. The figures are preliminary.

43. Maintaining a large freedom for the modification of its tariffs and employing the customs tariff as the principal industrial policy instrument, Australia has modified its m.f.n. rates more frequently and extensively than other developed countries in the recent past. However, on average these modifications led to a reduction of some 27 per cent in the nominal tariff rate over the decade to 1982. For example, Australia imposed in late 1974 global tariff quotas on fourteen categories of textile products, of which only one involved tariff bindings.

SECTION IV: GSP

44. A booklet "Australian Tariff Preferences for Developing Countries", which the Australian Department of Trade and Resources published in 1982 for public information, provides the following statement of Australia's GSP policy:

"Australia's preference system is designed to assist developing countries overcome disadvantages they might experience in competing with other countries for access to the Australian market; providing always that imports at the preferential rates of duty offered under the system neither cause nor threaten injury to Australian industry.

"It is also a basic principle of the system that tariff preference is not accorded to individual developing countries or developing countries as a whole, when such countries are known to be already competitive with other countries in the Australian market without the aid of a preference. Similarly, margins of preference are not increased, and may be modified or withdrawn, in cases where it appears that imports from developing countries are competitive.

"The system as it stands today is under constant examination as the preferences applicable to specific products are brought to attention during the course of normal tariff review proceedings, or as a result of representations made by Australian industry, Australian importers or the developing countries themselves."

45. The following paragraphs refer to historical developments of the Australian GSP scheme, which is called "the DC Preference System" in Australia.

46. Following discussions on "preferences by developed countries to less-developed countries" at the meetings of the GATT Working Party on Preferences and the Committee on Trade and Development held in the period of 1964-1966, Australia sought and obtained a GATT waiver for introducing in 1966 generalized tariff preferences for developing countries on selected semi-manufactured and manufactured products mostly in the industrial sector (BISD 14th Supplement, pages 23-26). Its aim was to help developing countries to export products to the Australian markets in cases where their industry was not yet fully competitive. In this way, Australia took the lead in introducing generalized tariff preferences for developing countries.

47. With effect from 1 January 1974, Australia improved extensively its preferential scheme for developing countries, covering it under a new GATT waiver granted for the GSP. The product coverage was expanded significantly to include a large majority of dutiable manufactures, semi-manufactures and substantially processed primary products, with GSP tariff quota limitations applying to a limited number of products. GSP

rates were generally set at 10 percentage points less than m.f.n. rates. Duty-free GSP rates were established where the m.f.n. duty was 12.5 per cent ad valorem or less.

48. Following a second full-scale review of its GSP scheme, Australia modified its GSP scheme with effect from 1 July 1976. The reduction of GSP rates generally ranging up to 10 percentage points, were made on a wide range of products. In accordance with the basic principles of the system, however, increases were made to the preferential rates of duty applying to some products in which developing countries had become competitive in the Australian market. In addition, a small number of beneficiary countries were excluded from the preferences applicable to particular products. The range of products covered by the system was again extended and the new preferences included concessions on a number of unprocessed primary products, mainly tropical products.

49. As the result of a further review during the first half of 1979, new or increased margins of preference were applied to sixty-six tariff classifications and quota levels on imports at the preferential rate were increased in respect of twenty quota groups with effect from 1 July 1979.

50. A further significant extension to the product coverage of the system was announced in August 1980 with the Government's decision that, in the context of a programme of assistance for the Australian textiles, clothing and footwear (TCF) industries scheduled to be implemented from 1 January 1982, the GSP would be extended to cover most TCF products, which had previously been largely excluded from the system. For the first time in the Australian system, an automatic mechanism has been introduced to determine the eligibility of individual developing countries (see sub-section "separate GSP arrangements for textiles, clothing and footwear" below for details). The Australian GSP scheme is under review at present.

GSP Scheme as of 1 January 1985

Beneficiary countries and territories

51. As of 1 January 1985, the list of beneficiaries of the Australian GSP scheme includes 158 countries and territories, comprising (i) Papua New Guinea, (ii) 10 Forum Island countries, (iii) 32 Declared Preference countries (of which 5 are also Forum Island countries), (iv) 12 Declared Preference territories, (v) 93 other GSP beneficiary countries and (vi) 15 other GSP beneficiary territories. Practically all GATT member countries enjoying one or more of other GSP schemes enjoy the GSP scheme of Australia. Recent changes include the addition of Zimbabwe on 17 April 1980 and the deletion of Greece effective 1 March 1981 due to its accession to the EEC.

Product coverage of GSP

52. The Australian GSP scheme covers a large part of dutiable tariff items. Exclusions from the scheme consist mainly of products subject to revenue duties (such as alcoholic beverages and manufactured tobacco) and products for which imports from developing countries at preferential rates would be likely to cause injury to Australian industries. The exceptions list as of 1 July 1982 included a number of agricultural products falling

within 49 CCCN headings and a number of industrial products falling within 117 CCCN headings. However, as informed by the Government of Australia, this exceptions list is now obsolete. An up-to-date list will be published after Government has completed a review of the Australian GSP. In the meantime current exceptions are apparent by reference to the tariff.

GSP margins and rates

53. The Australian GSP scheme is based on according margins of preference, rather than maintaining specified GSP rates. Thus, GSP rates of Australia are liable to change in step with changes of m.f.n. rates, thus maintaining a margin of preference for beneficiaries.

54. Margins of preference extended to the products of developing countries under Australia's system vary widely but generally the GSP rates are set at 10 to 15 percentage points below the m.f.n. rate. For example, in the case of an m.f.n. rate of 25 per cent, a GSP rate of 10 per cent or 15 per cent would apply for the same goods. Zero GSP rates are applied to about two-thirds of the value of imports effected under GSP.

Country exclusions

55. Some beneficiaries have been excluded from the application of GSP on particular items, generally resulting from an Industries Assistance Commission inquiry which concluded that imports at the preferential rates were injuring Australian industry.

56. In addition under the TCF programme a country will lose its preference for a calendar year on certain categories of goods if imports from that country in that category exceed a given proportion of total imports in a prior assessment period. Table 8 shows GSP beneficiaries subject to country exclusions in 1985 and the number of tariff items affected.

Special treatment of handicraft goods

57. Certain handicraft products are admitted into Australia free of duty provided they comply with the Australian definition of hand-made products. While this concession applies to handicrafts imported from all sources, Australia has notified this measure under the GSP because its main beneficiaries are developing countries. From 1 January 1982, TCF (textiles, clothing and footwear) handicrafts no longer enter under the provisions of the general handicraft by-law but are subject to separate arrangements which include tariff quotas at zero and positive rates and a broader definition of TCF handicrafts (see COM.TD/SCPM/W/3 for details).

58. The booklet "Australian Tariff Preferences for Developing countries 1982" provided the following information in regard to the handicrafts scheme:

"Certificates from an authority in the exporting country are not required for goods to qualify for the handicraft concession and, if submitted, are not accepted as sufficient proof that the goods meet the required criteria of the general provisions. However, appropriate certificates or declarations issued in the exporting country could assist clearance through Customs.

Table 8

GSP Beneficiaries Subject to Country Exclusions in 1985
and the Number of Tariff Items Affected - Industrial Products

Unit: Tariff line

GSP beneficiaries	Exclusions from GSP under the TCF Programme	Exclusions from GSP of non-TCF Programme products under GSP tariff quotas	Leather, leather products incl. footwear CCCN Ch.42,43 6402-6405 ¹	Textiles, clothing and made-up textile articles CCCN Ch.50-62	Other industrial products ²
Taiwan	60	16	10 (6)	44	53
Hong Kong	59	3	8 (4)	48	24
China	53	-	9 (5)	45	13
Korea, Rep. of	30	7	12 (8)	19	12
Brazil	13	6	- (3)	6	6 (3)
Philippines	8	-	-	7	-
India	3	-	-	2	5
Singapore	2	-	-	1	2
Yugoslavia	-	2	-	-	2
Malaysia	2	-	-	1	-
Pakistan	2	-	-	2	-
Mexico	-	-	-	-	1
Thailand	1	-	-	1	1
Cuba	-	-	-	-	(1)

¹ TCF programme items have been shown within brackets.

² Three (bracketed) exclusions for Brazil and one for Cuba comprised processed primary products (orange juice, textured vegetable protein and cigars etc.).

Source: Australian Department of Trade

"To help in the assessment of whether or not goods submitted for entry under the handicraft concession are in fact hand-made, it is normal practice for Customs to ask the Australian importer to furnish documentary evidence by way of photographs from the overseas supplier, showing the various stages of manufacture and the tools used in production together with a written statement detailing the step-by-step processes and materials involved. On receipt of satisfactory evidence which confirms that the goods are hand-made, appropriate details are sent to all State Customs offices, so that it is not necessary to present further evidence for future shipments of the same goods from the same supplier.

"The Australian by-law concession for handicrafts does not give exemption from sales tax. Goods eligible for the concession are exempted from Customs duties and, except for textiles, clothing and footwear, from the application of quantitative restrictions, but are subject to the normal rates of sales tax, which vary with the type of goods".

59. Imports that benefited from the handicrafts scheme amounted to A\$56 million in 1983/84. India, China, Hong Kong and Indonesia were the main beneficiaries of the scheme, accounting for 86 per cent of total imports under this scheme. Other beneficiaries included Taiwan Province, Pakistan, Republic of Korea, Philippines, Mauritius, Thailand, Peru and the United Kingdom. Major products supplied under the scheme in 1983/84 included the following items: 6005 knitted outer garments, 6102 women's and infants' outer garments, 6202 linen and other furnishing articles, 9403 other furniture and parts, and 5509 other woven fabrics of cotton.

Separate GSP arrangements for textiles, clothing and footwear

60. With effect from 1 January 1981, Australia has extended the coverage of GSP to most textiles, clothing and footwear products. The new arrangements provide preferential margins generally ranging from 5 to 10 percentage points of duty, and apply irrespective of whether global quotas also apply. Developing countries eligible for these preferences are limited¹ to those with an import share lower than the following prescribed levels:

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

(COM.TD/SCPM/W/3)

61. The above action was taken in the context of a programme of assistance for the textiles, clothing and footwear industries for a period of seven years from 1 January 1982. The main features of the programme are as follows:

- bounties are provided on the production of most yarns. These yarns are quota-free and subject only to minimum duties;
- most fabrics are quota-free and subject to duties;
- all lightweight woven fabrics less than 120 grams per square metre, other than pocketings and linings, are admitted duty-free provided they are used in a clothing factory in the production of garments;

¹

See Table 8 above for GSP beneficiaries subject to country exclusions.

- tariff quotas continue on a range of woven man-made fibre fabrics and bed-sheeting;
- tariff quotas apply to clothing and footwear products and some finished textiles.

(COM.TD/W/321/Add.2)

GSP tariff quotas

62. GSP rates apply to imports within tariff quotas in regard to the following items:

1602.100 canned ham, 1704.900 sugar confectionary, 4011.200 and 900 rubber tyres, 4423.100 and 900 builder's carpentry and joinery, 6910 ceramic sanitary ware, ex 7308-7318 certain iron and steel products, 8415.200 refrigerators, 8501.200 electric current rectifying assemblies, 8506.200 electric fans, 8523.990 certain insulated electric wires, 8901.190 ships and boats, maximum 150 tons, 9003 spectacle frames, 9009.100 projectors, ex 9307 loaded cartridges, ex 9401 chairs and 9403.900 other domestic furniture.

63. Imports from GSP beneficiaries in excess of tariff quotas are dutiable at m.f.n. rates. Quota allocations for imports at GSP rates are made to Australian importers annually (1 July-30 June) on the basis of past import performance, both under the GSP quota and at the m.f.n. rate.

64. With respect to a number of the TCF items¹ and passenger motor vehicles (ex 8702), tariff quotas apply not only to imports under GSP but also to imports under the m.f.n. rate and under special preferences. Imports from GSP beneficiaries in excess of tariff quotas are dutiable at higher GSP rates indicated in the principal tariff schedule; GSP rates on imports within tariff quotas are indicated separately in Part II of Schedule 4 of the Australian Customs Tariff.

65. For example, in the clothing sector duty rates on imports within and outside tariff quotas are as follows:

	MFN	GSP (GSP margin always 10%)
Within tariff quotas* A	50%	40%
B	70-155%	60-145%
Outside tariff quotas	50% plus specific rate**	40% plus specific rate**

*Under each tariff item two different rates apply (within tariff quotas) depending on the type of clothing. One is invariably 50 per cent MFN and 40 per cent GSP but the other one varies from one tariff item to another.

**Additional specific rates range between A\$5 per garment on shirts and other underwear and A\$25 per garment on suits, coats and rainwear. For a few tariff items the ad valorem rates of 125 per cent MFN and 115 per cent GSP are applied on imports outside tariff quotas.

¹ These TCF items fall within the following CCCN headings:
3901, 3902, 3903, 3907, 4013, 4203, 5009, 5109, 5508, 5509, 5607, 5906, 5908, 6003, 6004, 6005, 6101, 6102, 6103, 6104, 6109, 6202, 6401, 6402, 6403, 6405, 9404.

66. It is evident that the additional specific rates on imports exceeding tariff quotas would have a restrictive effect, in particular on the relatively lower priced goods imported from developing countries. It appears that current Australian duties on clothing, in particular those applying to imports exceeding tariff quotas, are mostly higher than those that existed before the adoption of a programme of assistance for the textiles, clothing and footwear industries (cf. tariff line details in the Annex). Table 9 shows total imports of TCF programme products to Australia from developing countries during the years 1977 to 1984, with breakdown of imports within and outside tariff quotas, and duty-free non-quota imports.

GSP rules of origin

67. To be eligible for the Australian GSP scheme, goods must comply with the following two requirements:

- (i) the final process of manufacture must have been carried out in the country claiming GSP treatment, and
- (ii) at least half of the total factory or works cost of the goods must consist of the value of labour and/or materials of one or more developing countries (for the purposes of this requirement any Australian content may be counted as if it were developing country content).

68. Thus, donor country content can be counted as originating in the beneficiary country and global cumulative origin is allowed. This means that value addition to qualify for GSP could partly be made in Australia, or in two or more GSP beneficiary countries without regional limitation. The rules of origin of Australia are quite liberal and do not have any discriminatory elements as between products.

69. Under the Australian origin certification requirements, certificates of origin may be completed by exporters in developing countries, who have the option of:

- (i) completing a declaration of origin on the face of the normal commercial invoice for the goods, or
- (ii) using the normal invoice plus a completed Form A (Combined Declaration and Certificate of Origin).

70. Further, there is no requirement in the Australian system that goods from developing countries must be shipped direct to Australia from the exporting country in order to qualify for preferential treatment. This allows developing country exporters and Australian importers maximum flexibility in arranging transportation of their goods to Australia.

Modifications of GSP

Major reviews and IAC inquiries

71. Periodic reviews of the Australian GSP are conducted to ensure that the system keeps pace with changes in Australian industry and in the range of goods imported from developing countries. Broad or general requests for alterations to the system are examined in the context of the major reviews, but requests relating to individual products are considered as they arise.

Table 9
TCF Imports from Developing Countries
(in \$A millions)

Year	Total TCF imports from developing countries	Share of developing countries in total imports of TCF from all sources (%)	Imports under tariff quotas		Dutiable non-quota imports		Duty free non-quota imports
			T	C	T	C	
1977	461.3	45.7					
1978	521.1	46.5					
1979	600.0	47.3					
1980	694.1	49.7					
1981	779.8	51.9					
1982	893.4	53.8	NA ¹	268.9	NA ¹	47.0	16.0
1983	856.3	53.2	63.5	258.8	192.9	48.3	15.1
1984	1111.8	54.6	71.7	297.6	228.6	59.4	13.7
							141.6
							282.1

¹Not available.

Source: Government of Australia

If a reasonable case is established for an addition to, or removal from, the system, the Ministers for Trade and for Industry, Technology and Commerce refer the matter to an independent advisory body, the Industries Assistance Commission (IAC) for inquiry and report within forty-five days. This procedure ensures that all interested parties are given an opportunity to submit their views in the form of evidence at a public inquiry and that any modifications to the system can be finalised quickly. The final decision in each case is taken by the two Ministers. Where a GSP inquiry has arisen as a result of disruption to Australian industry caused by imports at the GSP rate from any particular developing country (or countries) or where such disruption is shown to exist in the course of a general inquiry by the Commission, the Ministers may decide, as an alternative to exclusion of the product from the system, to exclude one or more countries from the preference applicable to that product, while retaining the GSP rate for the remaining developing countries. In a few instances, application of these procedures has resulted in a rapid decline in imports from the country concerned. Consequently, in September 1979, the Minister for Trade stated that in future cases where safeguard action was necessary, the possibility of reducing the margin of preference for the country or countries concerned, rather than removing it completely, would be considered. The IAC has been instructed by the Government to take this option into account in its consideration of GSP in its inquiries. (Australian Tariff Preferences for Developing Countries, 1982)

Modifications

72. Australia has modified its GSP scheme more extensively and more frequently than any other developed countries. This is partly due to relatively frequent changes to its m.f.n. rates and tariff structure (see also Section II - bindings of m.f.n. duties).

73. A broad picture of changes in the Australian GSP scheme has been provided in the introduction to this section. Improvements have taken the following forms:

- (i) increase of GSP preferential margins/reduction of GSP rates;
- (ii) extension of GSP to new items;
- (iii) removal or increase of GSP tariff quotas, and
- (iv) restoration of countries to GSP eligibility with respect to products subject to country exclusions.

74. In recent years almost all restrictive modifications of GSP have taken the form of new country exclusions, on the basis of assessments by the Industries Assistance Commission of competitive need in the export of particular products to Australia. There have also been some reductions in GSP preferential margins. Product withdrawals were rather limited; the last withdrawal was reported in 1980 for menthol. The Annex to this document shows that GSP has been withdrawn with respect to a few other items including umbrellas and rubberized fabrics and articles.

75. Australian notifications on the modification of its GSP scheme have been circulated as L/3982/Add. series except in 1980 when certain modifications were circulated on the request of the Australian delegation as COM.TD/W/.. and COM.TD/SCPM/W documents.

Imports under GSP

76. Table 10 shows imports from GSP beneficiary developing countries according to tariff treatment in the period 1979/80-1983/84. In 1983/84, total imports from GSP beneficiary developing countries amounted to A\$5,681 million, of which imports entering at GSP rates represented 34.6 per cent (GSP duty-free: 23.2 per cent and GSP dutiable 11.4 per cent), goods qualifying for handicraft concession (duty-free) 1.0 per cent, other duty-free imports (duty-free on an m.f.n. basis and under free-trade arrangements and special preferences) 41.7 per cent, and m.f.n. dutiable imports 22.7 per cent. About two-thirds of Australian imports under GSP were free of duty in the period 1979/80-1983/84. In this period, 65-74 per cent of imports from developing countries enjoyed duty-free treatment on an m.f.n. basis, under GSP, under free-trade arrangements or under special preferences.

77. Table 11 shows GSP imports of Australia from major GSP beneficiaries in 1982/83 and 1983/84. Twenty largest beneficiaries between them accounted for 95.8 per cent of total GSP imports in 1983/84; ten largest beneficiaries accounted for 78.0 per cent of the total GSP imports. The share of the ten largest beneficiaries is smaller than the share recorded under most other GSP schemes. This is evidently due largely to the exclusion of competitive countries or territories from the application of GSP on a product-by-product basis.

SECTION V: Quantitative restrictions and other trade measures

Quantitative restrictions¹

78. Quantitative restrictions maintained by Australia affecting imports of industrial products are limited to non-agricultural tractors, road rollers, earth moving, excavating and materials handling machinery, four-wheel drive vehicles, and used, second-hand machinery, equipment and vehicles. The purpose of these quantitative import restrictions is to protect and support the local industry. As from 1 January 1985, import licensing controls on motor vehicles of less than five years of age have been replaced by a system of tariff quotas.² Import restrictions are also maintained on some agricultural products, including sugar and sugar products, some vegetables, food-stuffs, beverages, spirits and tobacco. Import licensing is also used to control the importation of narcotic drugs and psychotropic substances.

Textiles trade: trade flows and restrictive measures

79. Australia's imports of textiles and clothing exceeded exports in 1973/74³ and in the period 1980-1983 (see Table 12). The deficit amounted to US\$946 million in 1973/74, and to US\$1,084 million in 1983.

80. Exports of textiles were valued at US\$78 million in 1973/74, US\$163 million in 1982 and US\$121 million in 1983. Exports of clothing amounted to US\$16 million in 1973/74, US\$14 million in 1982 and US\$15 million in 1983.

¹ Quantitative import restrictions have not been shown in the Annex to this document because the value of Australia's imports from developing countries of most of the affected products is below the cut-off points used in preparing the Annex.

² Details on tariff quotas can be found in Sections II and IV.

³ Fiscal year: July 1973 to June 1974.

TABLE 10
SUMMARY OF TARIFF TREATMENT OF IMPORT CLEARANCES FROM
DEVELOPING COUNTRIES 1979/80 TO 1983/84

Tariff Treatment of Import Clearances	1979/80		1980/81		1981/82		1982/83		1983/84	
	A\$Million	%	A\$Million	%	A\$Million	%	A\$Million	%	A\$Million	%
Goods entered at GSP rates										
- Free	746.1	17.7	993.5	19.4	1,271.3	21.5	1,348.8	22.5	1,315.8	23.2
- Dutiable	341.7	8.1	439.7	8.6	616.5	10.4	571.7	9.5	650.4	11.4
Goods qualifying for handicraft concession	50.5	1.2	62.4	1.2	67.8	1.1	54.7	0.9	55.5	1.0
Goods free of duty at other than GSP rates	2,257.3	53.6	2,762.7	53.9	3,060.8	51.7	3,091.6	51.6	2,369.4	41.7
Goods subject to duty at other than GSP rates	791.3	18.8	834.4	16.3	906.0	15.3	927.3	15.5	1,290.1	22.7
Items for which details are not separately available	24.2	0.6	35.9	0.7	-	-	-	-	-	-
Total	4,211.1	100.0	5,128.7	100.0	5,922.3	100.0	5,994.1	100.0	5,681.1	100.0

Source: Government of Australia

TABLE 11

IMPORT CLEARANCES UNDER THE AUSTRALIAN SYSTEM OF TARIFF PREFERENCES
FOR DEVELOPING COUNTRIES, BY MAJOR BENEFICIARY, 1982/83 & 1983/84

Beneficiary	1982/83			1983/84		
	\$'000	% of Total Trade	Cumulative %	\$'000	% of Total Trade	Cumulative %
Taiwan Province	301,234	15.7	15.7	397,790	20.2	20.2
Korea, Rep of	196,040	10.2	25.9	205,517	10.5	30.7
Hong Kong	174,500	9.1	35.0	200,649	10.2	40.9
Malaysia	105,545	5.5	40.5	136,046	6.9	47.8
China PR	111,112	5.8	46.3	131,997	6.7	54.5
Singapore	208,120	10.8	57.1	123,046	6.3	60.8
Kuwait	291,678	15.2	72.3	118,997	6.1	66.9
Bahrain	39,051	2.0	74.3	74,609	3.8	70.7
Trinidad	55,429	2.9	77.2	72,991	3.7	74.4
Indonesia	27,504	1.4	78.6	70,921	3.6	78.0
Brazil	62,200	3.2	81.8	68,709	3.5	81.5
United Arab Emirates	51,199	2.7	84.5	68,030	3.5	85.0
India	49,169	2.6	87.1	46,078	2.3	87.3
Philippines	42,286	2.2	89.3	43,051	2.2	89.5
Israel	39,996	2.1	91.4	35,305	1.8	91.3
Saudi Arabia	16,883	0.9	92.3	22,745	1.2	92.5
Fiji	10,021	0.5	92.8	21,589	1.1	93.6
Portugal	10,184	0.5	93.3	16,528	0.8	94.4
Uganda	6,948	0.4	93.7	13,752	0.7	95.1
Pakistan	10,911	0.6	94.3	12,927	0.7	95.8
Other						
Beneficiaries	110,471	5.7	100.0	84,848	4.3	100.0
Developing Countries						
Total	1,920,481	100.0	100.0	1,966,125	100.0	100.0

Source: Government of Australia

Table 12
Trade in Textiles and Clothing
(in \$ millions)

	1973/74*		1980		1981		1982		1983	
	\$A	\$US	\$A	\$US	\$A	\$US	\$A	\$US	\$A	\$US
Total Exports	53	78	119	136	126	145	160	163	145	121
Clothing	11	16	21	24	15	17	14	14	18	15
Total Imports	582	860	993	1134	1013	1167	1101	1122	1098	914
Clothing	122	180	295	337	359	413	409	417	367	306
Imports from developed countries	380	562	562	642	582	670	650	662	641	534
% share in total imports	65.3		56.6		57.5		59.0		58.4	
Clothing	31	46	66	75	70	81	75	76	74	62
% share in total imports	25.6		22.5		19.6		18.4		20.1	
Imports from developing countries	202	299	387	442	390	449	450	459	456	380
% share in total imports	34.6		39		38.5		40.9		41.5	
Clothing	91	135	229	261	288	332	334	340	294	245
% share in total imports	74.4		77.5		80.3		81.6		79.9	
Exchange Rate \$US:	\$A 1.47833		\$A 1.14166		\$A 1.15166		\$A 1.01916		\$A 0.8325	

*Fiscal year: July to June.

Source: Government of Australia

81. Imports of textiles, valued at US\$860 million in 1973/74, rose to US\$1,122 million in 1982, and fell back to US\$914 million in 1983. Imports from developed countries which amounted to 56.6 per cent of the total imports in 1980, had risen to 58.4 per cent by 1983. The share of imports from developing countries, which was 34.6 per cent in 1973/74, rose to 41.5 per cent in 1983.

82. Imports of clothing amounted to US\$180 million in 1973/74, US\$417 million in 1982 and US\$306 million in 1983. In 1973/74, 25.6 per cent of these imports were from developed countries, and 74.4 per cent from developing countries. In 1982 the respective shares were 18.4 per cent and 81.6 per cent, and in 1983 20.1 per cent and 79.9 per cent.

83. Australia imposes global tariff quotas on certain textile items. This tariff quota system involves a two-tier tariff. The "base" tariff applies to imports up to a specified level. Imports above this level are subject to an additional specific duty. These duties apply uniformly to imports from all sources except for some imports under preferential and regional arrangements with developing countries and with New Zealand. An increase in tariff quotas is allowed for at a rate determined by a "quota expansion factor" averaging about 2 per cent per annum and a market growth factor.

Safeguard actions

84. Table 13 lists all Article XIX actions taken by Australia since 1980.

Anti-dumping actions

85. Information concerning anti-dumping actions taken by Australia between October 1984 and March 1985 may be found in the document prepared by the secretariat for the Council review, on 5 June 1985, of developments in the trading system (document C/W/470, pp. 31-32). Notifications by Australia of anti-dumping actions taken since 1982 may be found in the following documents: ADP/14/Add.5, ADP/15/Add.4, ADP/20/Add.4, ADP/22/Add.3 and ADP/23/Add.2.

Countervailing duty actions

86. Information concerning countervailing duty actions taken by Australia between October 1984 and March 1985 may be found in the document prepared by the secretariat for the Council review, on 5 June 1985, of developments in the trading system (document C/W/470, p.32). Notifications by Australia of countervailing duty actions taken since 1981 may be found in the following documents: SCM/15/Add.3, SCM/39/Add.5, SCM/44/Add.6, SCM/48/Add.3, SCM/50/Add.4 and SCM/59/Add.2.

Other non-tariff measures

87. Table 14 lists notifications by other contracting parties in regard to other non-tariff measures maintained by Australia and affecting products of export interest to developing countries. Notifications under the relevant procedures do not however necessarily establish the existence of non-tariff barriers to trade in all these cases. Relevant documents, which have been indicated, may be referred to for further information on these measures.

Table 13

Article XIX Measures

Product	Measure	Direction	Reference
Certain works trucks and stackers	Quantitative restrictions	September 1980 - April 1982	L/5026/Rev.1 and Add.1-20
Hoop and strip of iron and steel	Tariff quotas	August 1982 - December 1983	L/4365 and Corr.1 and Add.1
Certain filament lamps	Increased duties	July 1983 - now	L/5526 and Add.1-7
Non-electrical refrigerators	Increased duties	August 1983 - now	L/5529 and Add.1

Table 14
A U S T R A L I A

A - Product - related notifications

CCCN	Description	Notifying Country	Non-tariff measure	Reference
0601	Bulbs, tubers, tuberous roots, corms, crowns and rhizomes, dormant, in growth or in flower	EEC Romania United States	Health and sanitary regulations-imports of goods classified under this heading, are prohibited	AG/DOC/ 4/AUS/1
0602	Other live plants, including trees, shrubs, bushes, roots, cuttings and slips	EEC Romania United States	Health and sanitary regulations; certain imports are prohibited	AG/DOC/4 AUS/1
0802	Citrus fruit	EEC,USA	Health and sanitary regulations	AG/DOC/4/ AUS/1
1201	Oilseeds and oleaginous fruit, whole or broken	USA	Health and sanitary regulations	AG/DOC/4/ AUS/1
2304	Oil cake and other residue resulting from the extraction of vegetable oils	Pakistan	Health and sanitary regulations for cottonseed/rapeseed meal	AG/DOC/4/ AUS/1
Chapter 44	Lumber, wooden containers	Canada EEC Nordic Countries	Health regulations	NTM/INV/III. B.1
Chapters 50-62	Textiles	Switzerland	Labelling	NTM/INV/IV. K.3

B - Other Notifications

N T M	Notifying Country	Reference
- Labelling requirements, commerce regulations	Nordic Countries	NTM/INV/IV.K.1
- Weight and measures limitations on packaged products	U S A	NTM/INV/IV.K.2
- Determination of the basis for the wholesale tax	EEC, USA	NTM/INV/V.E.3

Discriminatory sales tax

88. Categories of products listed below are exempt from sales tax when produced in Australia but are subject to sales tax if imported from and produced in, a foreign country other than New Zealand, Fiji, Norfolk Island, Papua New Guinea and Christmas or Cocos (Keeling) Islands. Goods produced in these countries are exempt if the same product produced in Australia is exempt - item III(1), First Schedule.

1. Foods for livestock (unless exempt as raw materials).
2. Foods for poultry.
3. Certain unprocessed primary products including:
 - (a) those derived from
 - mining
 - cultivation of land
 - maintenance of animals, poultry and bees
 - fisheries
 - timber getting
 - (b) fauna (unless imported for breeding purposes)
 - (c) flora.
4. Metals as recovered from ores (unless exempt as raw materials).
5. Beer that contains more than 1.15 per cent by volume of alcohol.
6. Non-alcoholic grape wine.
7. Non-alcoholic cider.
8. Fruit juice products.
9. Briquettes.
10. Charcoal.
11. Coke.
12. Firewood.
13. Crude tar sold to manufacturer for use by him as a fuel or applied by the manufacturer thereof as a fuel for use in the manufacture of goods.
14. Power alcohol and mixtures of petrol and power alcohol.
15. Certain substances for use as fuel for internal combustion engines.
16. Compressed air.

17. Hydraulic power.
18. Steam.
19. Electric current for lighting or power.
20. Boxes, cases and crates, and inside linings and inside packing materials for use in the boxes, cases and crates, for use in marketing goods which are exempt from sales tax.
21. Foods for birds.

89. Insofar as taxable goods are concerned, the rate of sales tax which applies to imported goods is generally the same as that which applies to the domestically produced like product.

90. The majority of domestic products exempt from sales tax are primary products or goods produced from primary products, e.g. fruit juice products, and have been exempt since the inception of sales tax or soon after that date. At that time few of the products which were exempted from the tax if domestically produced were imported. For example, goods such as electricity and steam could hardly be imported while there would have been little call for the importation of goods such as firewood, coke and briquettes and primary products such as wheat, wool, fruit and vegetables.

91. These tax provisions remained in law when Australia's Protocol of Provisional Application of the General Agreement on Tariffs and Trade was signed on 30 October 1947. Under the terms of the Protocol Australia undertook to apply provisionally Part II of the GATT to the fullest extent not inconsistent with their existing legislation.

92. A considerable number of discriminatory taxes have however been removed over the years. A significant step was taken in 1963 when imported foodstuffs became exempt. More recently in the course of the 1984 Budget all alcoholic wines and ciders became taxable at 10 per cent, removing a previously discriminatory tax.

SECTION VI: Other trade policy aspects

Structural adjustment policies

93. Information in regard to structural adjustment policies and developments in Australia, provided by Australia to the Working Party on Structural Adjustment and Trade Policy, is contained in the document Spec(82)6/Add.3 and Supp.1. The record of the discussions in the working party on this contribution is contained in the document Spec(83)29/Add.2.

Agricultural policy

94. The following information in regard to the agricultural policy of Australia has been drawn from the OECD Country Report on Australia prepared in 1984 in response to the OECD Ministerial Council Mandate on Agricultural Trade (AGR(84)9/TC(84)14).

Objective of agricultural policy

95. "The basic objective of Australian agricultural policy is the development of efficient and competitive rural industries. Australia markets the greater part of its agricultural production on the world market and, therefore, the structure and performance of the rural sector is shaped fundamentally by developments on the world market. To remain competitive, policies are oriented towards promoting positive structural adjustment and the development and adoption of new technology.

96. "Heavy dependence on export markets has led to emphasis on orderly marketing and price stabilization arrangements. The aim is to lessen the adverse effects associated with sharp fluctuations in world prices. Because Australia is more susceptible to the vagaries of climate than most other OECD countries, a further policy objective is to provide assistance to producers affected severely by droughts or floods, and to encourage producers to protect themselves against the effects of bad seasons.

Price support

97. "As stated, policies oriented towards support, or stabilization, of agricultural prices and incomes have been, and still are, probably the most important policy area in the Australian agricultural system. Two major institutional factors influencing the shape of these policies (especially price policies) have been the rural marketing boards (described in more detail later on) and the limitations on marketing and other powers imposed by the federal constitution. This latter factor has been one of the most powerful and pervasive influences on the development of Australian policies, the main reason being the existence of Section 92 of the Constitution, which provides that trade, commerce and intercourse among the States... shall be absolutely free."

98. The sectors covered by the various price support measures and schemes include the dairy industry, the wheat industry, the sugar industry, the wool industry, rice production and fruit growing.

Supply management

99. Direct supply control measures are relatively rare in Australian agriculture, affecting only a limited number of products. There are, of course, many measures which influence supply of particular products, especially the various price support schemes referred to above. However, commodities for which there are measures directly limiting the quantity that can be produced or delivered to the marketing authorities include sugar, market milk, rice and tobacco. A scheme of production quotas in the wheat industry was used in the later 1960s but has not been used since then.

Marketing Boards and marketing policies

100. "In Australia there are (ten) Commonwealth Statutory Market Authorities. These are for apples and pears; canned fruits; dairy products; dried vine fruits; ... honey; meat and livestock; tobacco; wheat; wine and wool. Each State also has some local commodity Authorities, or Boards; a number of these deal at State level with the same products as the national Boards while others are specialized Boards for localized products. Queensland and New South Wales have about twenty such boards, and the other States about half a dozen each.

101. At the national level the main role of statutory marketing bodies has been in relation to export control and other export-related arrangements. In cases where their functions extend to the domestic situation, then complementary State legislation has been required. With the exception of the Australian Wheat Board, the Australian Honey Board and the Australian Tobacco Board, all of the statutory marketing authorities were established in the 1970s. They were formed out of existing Commonwealth marketing boards which had mainly been concerned to achieve more orderly marketing of export surpluses. While the authorities carry out many of the export-related functions of the boards they replaced, they have become more involved in publicity and promotional activities in both the domestic and overseas markets.

102. In recent years, the Australian government has been reviewing the functions and activities of its statutory marketing authorities and has introduced a number of significant administrative reforms of the authorities. This has included de-regulating the authorities and giving them greater commercial and operational independence.

103. "Although the main role of marketing boards is in relation to export control, their influence is much wider than this in many cases and, indeed, they are central to the principle of "orderly marketing" which has been a key policy approach of Australian Governments for many years. These bodies are frequently the means through which other policies, such as separation of domestic and export markets, price equalization arrangements and price guarantees are implemented. Their power to directly raise prices is usually severely limited by lack of control over production and, therefore, their main means of influencing the market is through price discrimination. This generally takes the form of the diversion of supplies from the domestic to the export market. In some cases ... there can also be discrimination by end-use product.

104. "Starting from the point of minimum market intervention, a number of functions of these bodies can be defined (which apply to both Commonwealth and State authorities).

- i) Grading: This covers both grading to provide information to consumers and to ensure that health requirements are met. The second aspect is very important in relation to trade.
- ii) Research: This can be involvement in product research, administration of research programmes or collection of levies for research (which go into a trust fund).
- iii) Promotion: Product promotion financed by producers (through levies) and sometimes partly by Government.
- iv) Licensing: These licenses can cover health requirements and the right to trade and are generally aimed at market regulation.
- v) Storage and transport: Some authorities which exercise powers of acquisition are responsible for coordinating handling, storage and transport and may own their own storage facilities. Authorities which export are usually involved in negotiations with shipping lines.
- iv) Price influence: Authorities can influence the price of their products in many cases (e.g. the reserve price scheme of the Australian Wool Corporation).

- vii) Pooling: producers are paid an equalized price based on sales from all markets, sometimes over more than one season. It is usually operated in conjunction with Government sponsored underwriting and stabilization arrangements.
- viii) Compulsory acquisition: Sometimes used in combination with exercise more control over marketing operations. This power may be exercised through a system of licensed receivers.
- ix) Administered prices: Usually operated through a differential pricing system whereby the total market is divided into two or more sections (e.g. export and domestic, human and non-human, etc.).
- x) Supply controls: Some authorities have the power to control supply..."

Income stabilization policies

105. While the various price stabilization schemes that exist in Australia aim at the stabilization of prices paid to Australian farmers, and are not primarily oriented towards stabilization of incomes, and indeed are not always very effective in this regard, they certainly are an important influence on the level of income for certain types of farmers, especially where the schemes contain provisions for guaranteed minimum prices for all, or a substantial proportion of production (e.g. wheat, wool, apples and pears, certain dairy products, tobacco). In addition to the various price stabilization schemes, however, there are certain other schemes in Australia which focus more directly on the question of stabilization of farm incomes. The most important factors influencing the nature of these schemes are the highly variable climatic agricultural products, many Australian farm commodities being very dependent on exports. These schemes are described below.

i) Tax averaging scheme

"In a progressive income tax structure, such as exists in Australia, taxpayers with fluctuating incomes, such as is particularly the case with Australian farmers, are likely to have a greater liability for tax than taxpayers with more stable incomes and thus be treated inequitably. For this reason, primary products have access to averaging provisions under the income tax law. These provisions enable primary producers to use the average of the income of the current year and the preceding four years as a basis for determining the rate of tax to be applied to current taxable incomes. These provisions are intended to ensure that fluctuations in income, in conjunction with progression in rates of tax, do not lead to primary producer taxpayers with fluctuating incomes bearing higher tax rates than other taxpayers having incomes, which, over a period of years are comparable but non-fluctuating. The total tax that could have been paid by primary producers over a period is thus reduced..."

ii) Income equalization deposits

"The income equalization deposits scheme (IED's) was introduced in 1976 to replace the old drought bond scheme. The purpose of the scheme is to encourage farmers to set aside funds in good years as a provision against years of very low returns due to factors such as low market prices or natural disasters. From

introduction of the IED scheme until its amendment in 1983, the amount deposited in a Government Trust Account could be deducted from income assessable for taxation in the year to which the deposit related and was included as taxable income in the year in which it was redeemed. Following concern that the scheme was conferring benefits haphazardly and that there were market differences in effective yields on deposits, the taxation aspects of the scheme were removed for new deposits as from 1 September 1983. The incentive for primary producers to make deposits is now the interest rate, which is set two percentage points above the short-term bond rate and is reviewed quarterly. In any income year, deposits eligible for this interest rate cannot exceed the lesser of 60 per cent of the taxpayer's gross receipts from primary production and the taxpayer's taxable income, including income for property. In addition, the maximum amount of deposits eligible for this interest rate is A\$ 250,000. Ineligible deposits receive interest at a rate three percentage points below the short-term bond rate...

Agricultural trade policies

106. "Agricultural trade policy can be described as the international aspects of Australia's national agricultural policies, especially concerning the broad strategy behind Australia's agricultural export trade. As indicated earlier, Australia's interest in agricultural trade is predominantly as an exporter; imports of agricultural commodities are relatively small and declining. Since the second World War, Australia's agricultural trade policy has essentially consisted of three major elements, as follows:

- Improved international market conditions should be sought through the reduction of restrictive trade barriers, particularly non-tariff barriers, affecting agricultural trade; this should be achieved partly through bilateral negotiations but primarily through the GATT.
- An improvement should be sought in Australia's own trading position and access to markets by means of bilateral trade agreements and negotiations, including those under GATT.
- A reduction should be sought in the instability and unpredictability of primary commodity trade, basically through multilateral commodity agreements, though also through bilateral arrangements."

107. The policies specifically concerned with agricultural trade and reflecting the above objectives as well as the narrower ones of export assistance and import restriction are described briefly below. It may be noted, however, that many other policies, especially those relating to the marketing arrangements, also have a direct impact on agricultural trade.

i) Export assistance and controls

In Australia, export assistance to agricultural products is low overall, although there are some specific direct measures of assistance which relate to the dairy industry, the wheat industry and the wool industry. It is noted, however, that the two-price marketing schemes which operate for some important products can provide implicit export subsidies.

ii) Barriers to imports

Relatively few tariffs apply to agricultural products and those that do are not normally very high. Imports of dairy products from New Zealand to Australia are subject to quantitative restrictions under a voluntary agreement between the Australian Dairy Corporation and its New Zealand counterpart. Imports of some agricultural products under preferential tariffs are also subject to quotas; for example, the Schedule 2 concessions on agricultural products provided to South Pacific Forum island countries under the SPARTECA Agreement and quotas on sugar confectionary and fruit preserved by sugar under the Australian system of tariff preferences. Under the Commonwealth/Queensland Sugar Agreement, Australia maintains a prohibition on the importation of sugar, golden syrup and treacle except in certain special cases.

Participation in international commodity agreements

108. Australia is a member of the international commodity agreements on coffee, rubber, wheat, sugar and tin. Australia is also a member of the international arrangements on dairy products and meat. Australia has signed and ratified the Agreement on the Common Fund for Commodities.

Regional ArrangementsAustralia - New Zealand Closer Economic Relations - Trade Agreement (ANZCERT)

109. The Australia-New Zealand Closer Economic Relations - Trade Agreement was signed on 28 March 1983, although the trading arrangements under that Agreement have applied since 1 January 1983. The Agreement replaced the New Zealand-Australia Free Trade Agreement (NAFTA) which operated from 1966 to 1982, and which resulted in the elimination of tariffs on 80 per cent of trans-Tasman trade. The Closer Economic Relations Trade Agreement established a timetable under a general liberalization formula for the automatic removal of the remaining tariffs on trans-Tasman trade by 1988. There are a limited number of products subject to a modified application of this general liberalization formula which will be fully liberalized by 1995. These goods include, inter alia, certain agricultural commodities, wine, wood products, carpets, iron and steel products, white goods, furniture, motor vehicles, apparel and clothing etc. The text of the ANZCERT Agreement was circulated in document L/5475/Add.1. The parties to the Agreement considered that the modalities and time-table to achieve free trade under the ANZCERT Trade Agreement met the requirements set down in Article XXIV of the General Agreement. Some contracting parties while welcoming the Agreement's general intention and objectives expressed difficulties in taking a definite position on the full compatibility of some of its provisions with Article XXIV. The report of the Working Party, inter alia, noted the views expressed by members and the reservation of their rights under the General Agreement. The Working Party recommended that the CONTRACTING PARTIES invite the parties to the Agreement, consistent with normal GATT practice, to furnish reports on the operation of the Agreement biennially until such time as its provisions had been fully implemented (L/5664). At its meeting on 2 October 1984 the Council adopted the report of the Working Party (C/M/181 pages 2 and 3).

Papua New Guinea - Australia Trade and Commercial Relations Agreement (PATCRA)

110. The Papua New Guinea - Australia Trade and Commercial Relations Agreement was signed on 6 November 1976. The text of the Agreement was circulated in document L/4451/Add.1. The Agreement established a free trade area between the parties to the Agreement and replaced the December 1973 Memorandum of Understanding applied to trade and commercial relations between Australia and Papua New Guinea prior to Papua New Guinea's independence. A CONTRACTING PARTIES' Decision of 24 October 1953 had enabled Australia, for purposes of economic development and subject to certain conditions, to grant duty-free treatment to primary products and products substantially derived from such primary products originating from the Trust Territory of Papua New Guinea (BISD 2S18-19, 5S/34-36 and 8S/28-29). The Agreement formalized the traditional trading relationship by which substantially all the trade between the two countries was free of duties and other restrictive regulations of commerce. The report of the Working Party which examined the Agreement states, inter alia, that the parties to the Agreement, supported by some members of the Working Party were of the opinion that the Agreement established a free trade area in accordance with the provisions of Article XXIV. Some other members were of the view that it was doubtful that the Agreement was fully compatible with the provisions of Article XXIV because no reciprocal reduction of duties or elimination of other restrictive regulations of commerce by Papua New Guinea was required and there was no plan and schedule leading to the formation of a full free trade area (BISD 24S/63-68). The Council adopted the report of the Working Party on 11 November 1977 (C/M/123 pages 5-6). At its meeting on 6 November 1979 the Council took note of a report by Australia on the operation of the Agreement circulated in document L/4848 (C/M/135 page 13). The report, inter alia, noted that in 1977/78 virtually all of Australia's imports from Papua New Guinea were duty-free (99.6 per cent) while almost four-fifths of Australian exports to Papua New Guinea were estimated to be duty-free (78.5 per cent). In 1977/78 the percentage of duty-free trade in total trade between Australia and Papua New Guinea had reached 83.5 per cent.

South Pacific Regional Trade and Economic Cooperation Agreement (SPARTECA)

111. The South Pacific Regional Trade and Economic Cooperation Agreement which was signed on 14 July 1980 entered into force on 1 January 1981. The text of the Agreement was circulated in document L/5100. The Agreement provides that Australia and New Zealand will grant, on a non-reciprocal basis, duty-free and unrestricted access for most of the products exported by the Forum Island countries signatories of the Agreement. The conditions of access are specified in the schedules annexed to the Agreement. The current schedules of Australia and New Zealand appear in L/5794. The Forum Island countries are the Cook Islands, Fiji, Kiribati, Nauru, Niue, Papua New Guinea, Solomon Islands, Tonga, Tuvalu, Vanuatu and Western Samoa. At its meeting on 11 June 1981 the Council took note of the communication in document L/5100 and agreed that the contracting parties concerned should submit a report on developments under the Agreement in accordance with the procedure for the examination of biennial reports on regional agreements (C/M/148 pages 12-13). At its meeting on 3 October 1983 the Council took note of a report on the operation of the Agreement submitted by New Zealand and Australia which had been circulated in document L/5488 (C/M/171 page 5). Australia/SPARTECA trade statistics indicated that (excluding

Papua New Guinea) in 1981/82 97 per cent of total exports from Forum Island countries to Australia had entered under SPARTECA. The latest biennial report submitted by Australia and New Zealand on the operation of the Agreement has been circulated as document L/5794.

SECTION VII: Trade with least-developed countries

112. Table 15 tries to analyse the trade of Australia with the least-developed countries from 1978 to 1983. The Table shows that there was a considerable growth in Australia's exports to the least-developed countries between 1978 and 1980, with the value of exports more than doubling from US\$115.5 million in 1978 to US\$258.3 million in 1980. Exports have, however, fallen dramatically to US\$95.2 million by 1983. Imports from the least-developed countries, grew modestly from US\$34.6 million in 1978 to US\$55.0 million in 1980, but after, fell steadily to US\$34.7 million in 1983, the same level as in 1978. The percentage share of the least-developed countries as an export market for Australia grew from 0.9 per cent in 1978 to 1.4 per cent in 1980 but fell to 0.4 per cent in 1983. On the other hand, their share of Australia's imports which stood at 0.3 per cent in 1978 had fallen to 0.2 per cent by 1983. The table also shows that the balance of trade during the period under consideration has been largely in favour of Australia. In 1978, imports from the least-developed countries were equivalent to 30.0 per cent of exports to them; in 1980 the ratio was 21.3 per cent and in 1983 it was 36.4 per cent.

113. The composition of Australia's imports from the least-developed countries as shown in Table 16 indicates that in 1981 the main imported items were agricultural products such as tropical fruits, raw coffee, lac and natural gums, and unmanufactured tobacco; industrial raw materials such as sawn wood, cotton and other vegetable textile fibres; and textile manufactures such as hessian and fabrics made of jute, carpets and rugs, twine, cordage and ropes, sacks and bags from jute and other vegetable fibres, clothing and garments; and miscellaneous manufactures and semi-manufactures.

114. Table 15 shows further that during the period 1978 to 1983 Australia exported annually to an average of 28 least-developed countries. With a number of countries there was regular export and import trade, with others trade was intermittent, and with a few countries there was no recorded trade. The main markets for Australia's exports to the least-developed countries were Afghanistan, Bangladesh, Peoples Democratic Republic of Lao, Democratic Republic of Yemen, Ethiopia, Maldives, Malawi, Nepal, Niger, Haiti, Western Samoa, Sierra Leone, Somalia, Sudan, Uganda, Tanzania, Togo and the Yemen Arab Republic. In 1982-1983, Bangladesh, Democratic Peoples Republic of Yemen and the Arab Republic of Yemen alone accounted for about 75 per cent of Australia's exports to the least-developed countries. The main sources of Australia's imports from this group of countries were Bangladesh, Afghanistan, Ethiopia, Haiti, Malawi, Nepal, Western Samoa, Sudan, Tanzania and Uganda with Bangladesh, Malawi and Uganda above accounting for about 75 per cent of total imports in 1982-83.

Table 15
Australia's Trade with the Least-Developed Countries 1977-1983

Country	1977-78 (US\$'000)		1979-80 (US\$'000)		1980-81 (US\$'000)		1981-82 (US\$'000)		1982-83 (US\$'000)	
	Export	Import	Export	Import	Export	Import	Export	Import	Export	Import
Afghanistan	952	550	72	976	221	849	3	1275	57	829
Bangladesh	39,537	10,723	123,503	28,333	70,474	2,888	45,255	18,481	16,491	13,785
Benin	24	4	7	-	29	-	47	-	9	-
Bhutan	144	-	4	-	8	-	-	-	4	-
Botswana	11	1	65	54	27	3	15	27	103	45
Burkina Faso	38	-	362	-	9	7	16	-	12	-
Burundi	137	-	11	3	-	-	-	-	41	105
Cape Verde Islands	1	-	1	-	46	-	-	-	39	-
Central African Rep.	-	-	3	1	-	-	-	1	-	-
Chad	-	656	-	-	-	-	-	-	-	-
Comoros	572	1	-	3	67	2	1	-	-	1
Djibouti	11	-	32	-	58	5	2	-	60	-
Equatorial Guinea	-	-	-	-	-	-	-	-	-	-
Ethiopia	358	389	-	542	8,526	444	5,203	679	109	693
Gambia	7	-	7	-	1	-	2	-	3	-
Guinea	113	-	6	-	-	10	27	6	6	3
Guinea Bissau	1	-	17	-	-	-	-	-	2	-
Haiti	34	72	18	150	101	317	16	512	5	519
Laos Peoples Democratic Republic	39	-	427	-	333	-	130	6	34	-
Lesotho	68	3	1	21	10	10	-	73	1,872	232
Malawi	135	3,223	409	4,626	452	3,659	359	6,285	182	5,639
Maldives	126	-	263	2	807	-	294	-	165	2
Mali	7	-	-	-	1	-	1	1	55	-
Nepal	415	170	1,947	190	1,983	246	1,681	225	2,373	165
Niger	830	-	11	-	263	-	92	6	512	-
Rwanda	7	-	8	-	27	-	8	-	5	62
W. Samoa	8,284	683	8,392	822	7,736	533	6,242	467	5,061	1,595
Sao Tome and Principe	-	-	-	-	-	-	-	-	-	-
Sierra Leone	16	15	2,051	3	421	1	93	1	25	4
Somalia	1,458	-	717	-	2,483	23	51	-	2,396	1
Sudan	3,403	497	1,450	1,023	5,907	294	3,138	311	6,567	431
Togo	7	-	1	-	-	-	-	-	2,117	1,156
Uganda	690	12,585	1,287	11,601	283	15,235	2,236	7,575	548	6,670
United Rep. of Tanzania	4,975	4,369	5,257	6,491	9,117	7,133	8,458	4,046	1,220	2,631
Yemen Arab Republic	33,544	-	65,138	113	55,233	-	57,552	-	21,537	-
Yemen, Peoples Dem. Republic	19,535	638	31,536	16	39,758	-	30,885	-	33,586	-
Total/LDC (million US\$)	115.5	34.6	258.3	55.0	204.4	50.7	161.8	40.1	95.2	34.6
Total/World (million US\$)	12,269.7	11,168.9	18,870.9	16,217.5	19,176.9	18,964.6	19,572.2	23,004.7	22,061.6	21,806.2
Percentage share of LDC in total trade	0.9	0.3	1.4	0.3	1.1	0.3	0.8	0.2	0.4	0.2

1 In terms of financial year - 1 July-30 June

Source: Australian National Statistics.

Tariff measures affecting exports of the least-developed countries to Australia

115. Australia does not offer a special preferential tariff treatment to imports from least-developed countries other than the normal GSP treatment, and handicraft concessions. However, as Table 16 shows, most agricultural imports from this group of countries are duty-free¹ either on an m.f.n. or GSP basis, the major exceptions being coffee, other than raw coffee (ex 09.01) and manufactured tobacco (ex 24.01). Most imports of manufactures are also duty-free on an m.f.n. or GSP basis. However, certain leather goods and textile products including yarn of jute and various articles of clothing attract GSP duties ranging from 10 per cent to over 105 per cent. The only least-developed country whose exports to Australia enjoy special preferential tariff treatment other than the GSP is Western Samoa which is covered by the SPARTECA.

¹Analysis by the Central Statistics section of the Department of Trade of Australia shows that in 1983-84 about 88 per cent of Australia's imports from the least-developed countries entered duty-free on m.f.n., GSP and other preferential basis.

Table 16
Australia's Main Imports from the Least-Developed Countries
and their Tariff Treatment: 1982

CCCN Heading	Product Description	Tariff Treatment 1985	Total Imports from LDCs (US\$'000) 1982	Main LDC Suppliers
25.12	Coral and similar substances, shells unworked	MFN:2% GSP:Free	9	HTI,TZA
07.05	Dried leguminous vegetables excluding beans, etc.	MFN:2% GSP:Free	27	MWI,NPL
07.06	Manioc, arrowroot, salep, sweet potatoes and similar roots etc.	MFN:2% GSP:Free	8	WSM
ex08.01	Dates, bananas, pineapples, avocados, mangoes, guavas etc., fresh or dried	MFN:Free	705	WSM,TZA
ex09.01	Raw coffee as prescribed by by-law	MFN:2% GSP:Free	15,896	ETH,UGA
ex09.01	Coffee other than raw coffee and coffee simply kiln dried	MFN:A\$0.07/kg 2.3%(S)	110	TZA
09.02	Tea	MFN:Free	23	BGD,TZA
09.07	Cloves, (whole fruit, cloves and stems)	MFN:Free	9	TZA
09.08	Nutmeg, mace and cardamoms	MFN:Free	4	ETH
120.8	Locust beans, fruit kernels and other vegetable products for human consumption	MFN:2% GSP:Free	13	SDN
130.2	Shellac, seedlac, other lacs, natural gums, resins, etc.	MFN:Free	288	DJI,SDN
14.05	Vegetable products, nes.	MFN:Free	2	WSM
21.02	Coffee extracts	MFN:A\$0.66/Kg. GSP:Free	13	TZA
23.07	Sweetened forage; other preparations of a kind used in animal feeding	MFN:2% GSP:Free	132	WSM
ex24.01 120	Unmanufactured tobacco - by-law	MFN:Free	138	MWI,TZA
ex24.01	Tobacco for manufacture of cigarettes, or fine cut tobacco that will contain Australian-grown tobacco	MFN:A\$0.47/Kg GSP:A\$0.38/Kg 88%(S)	2,755	MWI,TZA
ex24.01	Tobacco for manufacture of tobacco that will contain Australian-grown tobacco leaf	MFN:A\$0.33/Kg GSP:A\$0.265/Kg 6.3%(S)	347	MWI,TZA
ex26.01	Metallic ores and concentrates and roasted iron pyrites, other than manganese ores and cont.	MFN:2% GSP:Free	23	SOM
26.03	Ash and residues containing metals or metallic compounds	MFN:2% GSP:Free	6	WSM
ex33.01	Lemon/orange essential oils	MFN:10% GSP:Free	4	GIN
ex33.01	Citrus essential oil excl. lemon & orange	MFN:10% GSP:Free	52	HTI
ex33.01	Other essential oils; resinoids	MFN:10% GSP:Free	11	COM,GIN,TZA
ex41.02	Calf of bovine and equine animals	MFN:2% GSP:Free	4	BWA
ex42.01	Saddlery and harness of any material	MFN:25% GSP:Free	2	AFG
ex42.02	Card cases, smoking requisites, snuff boxes	MFN:25% GSP:15%	6	AFG,BGD,NPL
ex42.02	Travel goods and bags etc. of leather, plastic, rubber etc.	MFN:2% MFN:81 Free GSP:Free	6	NPL
ex42.03	Wrist straps of leather or composition leather and belts	MFN:25% GSP:10%	13	AFG
ex44.04	Wood sawn lengthwise over 5mm thickness	MFN:Free	263	WSM
ex46.03	Furnishing drapery and napery, baskets, panniers, hampers and the like	MFN:2% GSP:Free	6	BGD,HTI
55.01	Cotton, not carded or combed	MFN:Free	4,709	TZA
57.03	Jute not spun, tow and waste of jute	MFN:2% GSP:Free	392	BGD
57.04	Other vegetable textile fibres not spun, waste or such fibres	MFN:Free	306	TZA
57.06	Yarn of jute	MFN:20% GSP:10%	11	BGD

Table 16 (continued)
Australia's Main Imports from the Least-Developed Countries
and their Tariff Treatment: 1982

CCCN Heading	Product Description	Tariff Treatment 1985	Total Imports from LDCs (US\$'000) 1982	Main LDC Suppliers
5710	Hessian brattice cloth, fabrics wholly of jute	MFN:Free	5,161	BGD
58.01	Carpets, carpetting and rugs, knotted	MFN:2% GSP:Free	508	AFG,NPL
ex58.02	Other carpets, rugs, mats and like wholly of jute	MFN:Free	20	BGD
ex58.02	Other carpets, etc., hand-made, other wholly cotton or pile wholly cotton pile or face wholly jute	MFN:Free	219	AFG,NPL,BGD,LSO
ex58.02	Other carpets, rugs, mats and the like nes.	MFN:40% GSP:30%	30	AFG
ex58.05	Narrow pile fabric having a cut pile, wholly of hemp, jute, hem & jute	MFN:30%	103	BGD,
ex59.04	Other twine, cordage, ropes and cables	MFN:30%		
ex59.06	Other articles made from yarn twine, cordage, rope, or cable, excl. textile fabrics and articles	MFN:30%	21	BGD
ex60.03	Socks, sockettes and the like knitted or crocheted, not elastic or rubberized	MFN:50% and A\$1/pair GSP:40% and A\$1/pair	6	AFG,NPL
ex60.05	Articles of apparel, knitted, crocheted or prescribed by law	MFN:35% GSP:25%	3	AFG
ex60.05	Coats, jumpers and the like and shirts and blouses knitted or crocheted	MFN:50% and A\$5/garment GSP:40% and A\$5/garment	35	AFG,NPL
ex61.01	Coats and jackets nes. chest 86cm & over, etc. prescribed by law	MFN:50% and A\$5/garment GSP:40% and A\$5/garment	17	NPL
ex61.02	Dresses, various kinds	Various rates	157	AFG,NPL
ex61.03	Shirts, & shirt fronts as by law complete	MFN:50% GSP:40%	12	NPL
ex62.02	Bed sheets, pillow cases, bolster cases, etc.	MFN:115% GSP:105%	3	AFG
ex62.02	Bed linen, table linen and other furnishing articles	MFN:25% GSP:20%	8	AFG,BGD
ex62.03	Sacks, bags for packing goods other than of man-made fibre materials	MFN:Free	16,460	BGD
ex63.02	Rags, scrap twine, cordage, rope and cable etc.	MFN:2% GSP:Free	4	NPL
ex67.04	Wigs, transformations and fringes	MFN:2% GSP:Free	160	HTI
ex67.04	As above, by-law	MFN:Free	25	HTI
ex71.12	Articles of jewellery or rolled gold under 9 carat etc.	MFN:25% GSP:15%	3	NPL,BGD
ex83.06	Statuettes and other ornaments	MFN:20% GSP:Free	8	NPL
ex97.06	Appliances and accessories for sports and outdoor games excluding cricket balls and bats	MFN:25% GSP:10%	45	HTI
ex98.11	Smoking pipes and parts, cigars and cigarette holders and parts other than smoking pipes wholly of clay	MFN:15% GSP:Free	30	TZA

(S) Ad-valorem incidence based on 1981 figures

Source: Customs Tariff, Australian Customs Service, Canberra 1985
GATT Tariff Study files