

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Inventory of Measures and Mechanisms Influencing Exports

Addendum

NEW ZEALAND

	<u>Page</u>
I. Information on export credits	2
II. Beef and veal, other meats and processed meats	3
III. Dairy products	6
IV. Fruit and vegetables	9
V. Grains	11

Note: The description of measures and observations in the addenda will replace those contained in document COM.AG/W/81/Add.8/Rev.1.

The statistical information will be supplementary to that in previous documentation.

I. Information on Export Credits

In November 1971 the New Zealand Government set up an export credit scheme to be administered by the Reserve Bank. The object of the scheme is to provide credit to exporters to new markets, especially in less-developed countries, where sales would not otherwise be made because credit for longer or softer terms than would be provided by normal commercial channels is required. It is foreseen that credit will be provided especially when this could lead to the development of future trade. The scheme is designed to cover all types of exports including agricultural goods. This scheme is additional to arrangements existing since 1969 whereby the Reserve Bank has made loans to trading banks to replace funds which the banks themselves have used to provide export finance with terms in excess of twelve months.

New Zealand also has a Government sponsored Export Guarantee Office, EXGO, which was set up in 1965 to provide insurance for export credits. This is usually done along normal commercial lines, but provision is made for concessional terms backed by the Government if these are considered to be in the national interest, as has been the case in Chile for example. EXGO is a member of the Berne Union of Credit Insurers.

The New Zealand Government also has bilateral credit arrangements with Indonesia and Peru.

Credit given annually to Indonesia since June 1970 now totals \$2.5 million, at 3 per cent interest over twenty-five years. Over the first seven years of the credit period, interest and principal repayments will be suspended. This credit is part of New Zealand's contribution to the international assistance programme to Indonesia co-ordinated through the intergovernmental group on Indonesia, and is administered in terms of Indonesia's Devisa Credit Regulations. The credit for the 1973/1974 year totalled \$150.000 and was largely spent on dairy and forest products.

In 1969 credit of \$NZ 8.9 million (US\$10 million) was extended to Peru to finance sales of New Zealand dairy products. The principle sum is repayable over five years after a five-year grace period with interest at the rate of 5 3/4 per cent. The credit was used to finance some of Peru's purchases under a parallel commercial agreement between the relevant trading organizations of the two countries. A further credit of US\$4 million has been arranged for dairy products on similar terms to the first. A short-term credit for Peruvian purchases of sheepmeats was also arranged during 1973.

Export restrictions

On 9 September 1973, the Government announced measures to control the effects of inflation in international commodity markets upon the New Zealand economy. Among these were price controls and export controls on the following agricultural products: hogget and weather mutton, fish, meatmeal and tallow. In each case the regulations provided for the issue of export authorities according to the domestic supply situation. Exports of tallow and meatmeal were not restricted and the restrictions on the other commodities were of limited duration: the only prohibition still in effect is for prime grades of hogget and weather mutton of which very little is in any case exported.

II. Beef and Veal, Other Meats and Processed MeatsA. Observations

1. The Meat Export Price Committee determines annually minimum export prices for meat, which have, however, in general been below market realizations.
2. For any meat exported, supplementary (stabilization) payments may be made out to farmers of the Meat Industry Reserve Account, which has been built up entirely by the industry itself. The Meat Industry Reserve Account for recent years as at 30 September, was as follows:

	<u>US\$'000</u>
1968	109,018
1969	109,974
1970	112,881
1971	114,986
1972	104,940
1973	131,533

3. No supplementary payments have been made to farmers from the account since 1961, the fluctuations over 1972 and 1973 being due to exchange rate variation and drawings for other purposes.
4. Arising out of trading activities undertaken in lamb under exceptional circumstances by the New Zealand Meat Producers Board (a producer controlled organization) in 1972, a profit of \$8 million was realized. This sum was lodged in a trust account within the public account called "The Meat Marketing Intervention, Research and Development Account". This can be used to underwrite any deficits arising from the Boards intervention to support meat prices by purchase of meat; to finance any continuing Board's expenditure incurred in providing a basis for intervention action; to underwrite losses which may be incurred in any other marketing operations by the Board; and to finance market research and development work, excluding promotion.
5. Exports of live cattle other than for breeding purposes are negligible. 93,500 head of live sheep were exported to Iran from November 1973 to February 1974.

II. B. STATISTICS

BTN	Products	Years	Exports ^{a/}		Total amount of export payments	Ratio of non-assisted exports to total exports	Ratio of total amount of export payments	
			Total	Without assistance			to total exports	to assisted exports
				US\$ '000			(Percentages)	
ex 02.01	Beef and veal	1968/69	122,215	122,215	-	100	-	-
		1969/70	172,806	172,806	-	100	-	-
		1970/71	190,911	190,911	-	100	-	-
		1971/72	220,045	220,045	-	100	-	-
ex 02.01	Mutton and lamb	1968/69	140,539	140,539	-	100	-	-
		1969/70	205,185	205,185	-	100	-	-
		1970/71	209,097	209,097	-	100	-	-
		1971/72	211,854	211,854	-	100	-	-
ex 02.01	Pigmeat	1968/69	504	504	-	100	-	-
		1969/70	314	314	-	100	-	-
		1970/71	230	230	-	100	-	-
		1971/72	1,186	1,186	-	100	-	-
ex 02.02	Poultry	1968/69	16	16	-	100	-	-
		1969/70	53	53	-	100	-	-
		1970/71	80	80	-	100	-	-
		1971/72	247	247	-	100	-	-
ex 02.01 ex 02.02 ex 02.03 ex 02.04	Offals	1968/69	18,145	18,145	-	100	-	-
		1969/70	24,677	24,677	-	100	-	-
		1970/71	25,989	25,989	-	100	-	-
		1971/72	44,598	44,598	-	100	-	-
ex 02.01 ex 02.04	Game Meat (including wild pork)	1968/69	3,278	3,278	-	100	-	-
		1969/70	4,901	4,901	-	100	-	-
		1970/71	5,707	5,707	-	100	-	-
		1971/72	6,594	6,594	-	100	-	-
ex 02.06	Meat, dried, salted or smoked	1968/69	539	539	-	100	-	-
		1969/70	688	688	-	100	-	-
		1970/71	770	770	-	100	-	-
		1971/72	1,148	1,148	-	100	-	-

^{a/} No figures are available for non-commercial transactions.

BTN	Products	Years	Exports ^{a/}		Total of amount of export payments	Ratio of non-assisted exports to total exports	Ratio of total amount of export payments	
			Total	Without assistance			to total exports	to assisted exports
ex 16.01	Canned meat and meat preparation	1968/69	5,007	US\$'000	-	100	-	-
ex 16.02		1969/70	4,517	5,007	-	100	-	-
		1970/71	4,927	4,517	-	100	-	-
		1971/72	5,586	4,927	-	100	-	-
	Other meat	1968/69	332	5,586	-	100	-	-
		1969/70	439	332	-	100	-	-
		1970/71	353	439	-	100	-	-
		1971/72	357	390	-	100	-	-
	Total of products listed above	1968/69	290,575	357	-	100	-	-
		1969/70	413,580	290,575	-	100	-	-
		1970/71	438,101	413,580	-	100	-	-
		1971/72	491,615	438,101	-	100	-	-

^{a/} No figures are available for non-commercial transactions.
Exchange rate used for 1971/72 NZ\$ 1 = US\$1.172

III. Dairy Products

A. Observations

1. The Dairy Produce Account is a stabilization account for producers which is not used to subsidize exports. The Dairy Produce Account for recent years (as at 31 May each year) was as follows:

	<u>US\$'000</u>
1968	-14,385
1969	-17,921
1970	-22,538
1971	-22,538
1972	-16,625
1973	-24,564

2. High prices in 1972 allowed the deficit to be wiped out and a positive balance was restored. This account is financed from Dairy Board profits after the producer payment is made.

3. All exports were made without assistance and were carried out on a purely commercial basis by the New Zealand Dairy Board.

III. B. STATISTICS

BTN	Products	Years	Exports ^{a/}		Total amount of export payments	Ratio of non-assisted exports to total exports	Ratio of total amount of export payments to total to assisted exports	
			Total	Without assistance			to total exports	to assisted exports
				US\$'000			(Percentages)	
ex 04.02	Milk and cream condensed, evaporated	1968/69 1969/70 1970/71 1971/72	274 297 265 408	274 297 265 408	- - - -	100 100 100 100	- - - -	- - - -
ex 04.02	Whole milk powder	1968/69 1969/70 1970/71 1971/72	4,412 6,208 6,863 3,542	4,412 6,208 6,863 3,542	- - - -	100 100 100 100	- - - -	- - - -
ex 04.02	Skimmed milk powder	1968/69 1969/70 1970/71 1971/72	18,452 25,040 27,576 29,218	18,452 25,040 27,576 29,218	- - - -	100 100 100 100	- - - -	- - - -
ex 04.02	Other milk and cream, including whey and butter-milk powders	1968/69 1969/70 1970/71 1971/72	5,553 6,791 6,446 6,292	5,553 6,791 6,446 6,292	- - - -	100 100 100 100	- - - -	- - - -
04.03	Butter	1968/69 1969/70 1970/71 1971/72	128,531 122,858 125,419 166,445	128,531 122,858 125,419 166,445	- - - -	100 100 100 100	- - - -	- - - -
04.04	Cheese	1968/69 1969/70 1970/71 1971/72	47,716 49,665 53,685 77,562	47,716 49,665 53,685 77,562	- - - -	100 100 100 100	- - - -	- - - -
35.01	Casein	1968/69 1969/70 1970/71 1971/72	25,461 30,931 36,743 29,943	25,461 30,931 36,743 29,943	- - - -	100 100 100 100	- - - -	- - - -

^{a/} No figures are available for non-commercial transactions.

BTN	Products	Years	Exports ^{a/}		Total amount of export payments	Ratio of non-assisted exports to total exports	Ratio of total amount of export payments	
			Total	Without assistance			to total exports	to assisted exports
ex 17.02 ex 21.07	Other dairy products including lactose, milk biscuits and ice-cream powder	1968/69	2,626	US\$'000	-	100	-	-
		1969/70	4,527	2,626	-	100	-	-
		1970/71	3,077	4,527	-	100	-	-
		1971/72	3,047	3,077	-	100	-	-
	Total of products listed above	1968/69	233,025	233,025	-	100	-	-
		1969/70	246,317	246,317	-	100	-	-
		1970/71	260,074	260,074	-	100	-	-
		1971/72	316,457	316,457	-	100	-	-

^{a/} No figures are available for non-commercial transactions

IV. Fruit and VegetablesA. Observations

1. A stabilization arrangement is in operation for apples and pears.

2. The Reserve Fund for apples and pears at the end of each season (30 November) was as follows:

	<u>US\$'000</u>
1968	1,810
1969	2,653
1970	1,074
1971	1,296
1972	Nil

3. All exports were made without assistance.

IV. B. STATISTICS

BTN	Products	Years	Exports			Total amount of export payments	Ratio of non-assisted exports to total exports	Ratio of total amount of export payments	
			Total	With indirect assistance	Without assistance			to total exports	to assisted exports
07.01	Fresh vegetables	1968/69 1969/70 1970/71 1971/72	1,244 1,866 2,246 2,356	- - - -	US\$ '000 1,244 1,866 2,246 2,356	- - - -	100 100 100 100	- - - -	- - - -
07.02 07.03	Frozen and temporarily preserved vegetables	1968/69 1969/70 1970/71 1971/72	2,343 3,243 2,476 2,476	- - - -	2,343 3,243 2,476 2,476	- - - -	100 100 100 100	- - - -	- - - -
07.05	Legumes, dry	1968/69 1969/70 1970/71 1971/72	4,062 3,834 5,056 2,003	- - - -	4,062 3,834 5,056 2,003	- - - -	100 100 100 100	- - - -	- - - -
ex 07.04 ex 20.01 ex 20.02	Preserved vegetables and vegetable preparations	1968/69 1969/70 1970/71 1971/72	981 1,324 1,080 1,098	- - - -	981 1,324 1,080 1,098	- - - -	100 100 100 100	- - - -	- - - -
ex 08.06	Apples and pears, fresh	1968/69 1969/70 1970/71 1971/72	6,870 10,341 10,267 26,858	- - - -	6,870 10,341 10,267 26,858	- - - -	100 100 100 100	- - - -	- - - -
ex 08.01- 08.13	Other fruit and nuts, fresh and dried	1968/69 1969/70 1970/71 1971/72	770 937 943 1,344	- - - -	770 937 943 1,344	- - - -	100 100 100 100	- - - -	- - - -
ex 20.01 ex 20.03- 20.07	Preserved fruit and fruit preparations	1968/69 1969/70 1970/71 1971/72	2,351 2,427 1,872 1,577	- - - -	2,351 2,427 1,872 1,577	- - - -	100 100 100 100	- - - -	- - - -
	Total of products listed above	1968/69 1969/70 1970/71 1971/72	18,621 23,972 23,940 37,712	- - - -	18,621 23,972 23,940 37,712	- - - -	100 100 100 100	- - - -	- - - -

V. Grains

A. Observations

New Zealand normally has a net import requirement for grain, most of which is filled by imports from Australia. However, in 1972 New Zealand produced more grain than was required for domestic consumption, and some was exported. There was no Government assistance for these exports, which were made either privately or through the New Zealand Wheat Board, the producer organization controlling the marketing of wheat throughout New Zealand.

V. B. STATISTICS

BTN	Products	Years	Exports			Total amount of export payments	Ratio of non-assisted exports to total exports	Ratio of total amount of export payments	
			Total	With indirect assistance	Without assistance			to total exports	to assisted exports
10.01	Wheat	1968/69	945	-	US\$'000	-	100	-	-
		1969/70	2,222	-	945	-	100	-	-
		1970/71	-	-	2,222	-	100	-	-
		1971/72	1	-	1	-	100	-	-
10.02-10.07	Other grains	1968/69	106	-	106	-	100	-	-
		1969/70	17	-	17	-	100	-	-
		1970/71	9	-	9	-	100	-	-
		1971/72	549	-	549	-	100	-	-
	Total of products listed above	1968/69	1,051	-	1,051	-	100	-	-
		1969/70	2,239	-	2,239	-	100	-	-
		1970/71	9	-	9	-	100	-	-
		1971/72	550	-	550	-	100	-	-