GENERAL AGREEMENT ON
TARIFFS AND TRADE

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SPECIAL CUSTOMS TREATMENT ACCORDED BY AUSTRALIA TO PRODUCTS OF PAPUA-NEW GUINEA

Note by the Australian Government relating to the Decision of 25 November 1955[1]

The following note, relating to proposed action under the above Decision, has been submitted by the Australian Government. Contracting parties wishing to enter into consultations in accordance with paragraph 2 of the Decision should communicate direct with the Australian Government without delay and, at the same time, inform the Executive Secretary.

"The Australian Tariff Board recently conducted an investigation into the question whether assistance should be accorded the production in Australia of timber and timber products and, if so, the nature and extent of such assistance. Following investigation, the Tariff Board recommended against a general increase in the tariff protection afforded the Australian timber industry. It did, however, recommend variation of the import duties on veneers, Item 291(N) of the Australian Customs Tariff. This variation, as can be seen from Attachment A (setting out the former rates of duty, the rates recommended by the Tariff Board and those brought into force on 15 May 1958), does not disturb the concessions on Item 291(N) negotiated under GATT. The concession in respect of 291(N)(1) is preserved in the new tariff for that item and the exemption from primage duty in respect of both 291(N)(1) and 291(N)(2) remains.

"The Australian Government has accepted the recommendations of the Tariff Board and wishes to implement the Tariff Board's recommendation that veneers from Papua-New Guinea should continue to receive duty-free admission on importation into Australia.

"Veneers from Papua-New Guinea have been admitted free of duty since 17 May 1956, pursuant to and in conformity with the Decision of 25 November 1955. It may be noted that Item 291(N), Veneers, was specified in the Annex to that Decision.

"When seeking that Decision the Australian Government stated[2] that it was not its intention to vary the rates of duty on imports from other countries. The Decision of the CONTRACTING PARTIES and the

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[1] See Basic Instruments and Selected Documents, Fourth Supplement, page 14.

[2] See SR.10/2.

Working Party Report[1] do not contain any requirement that the duties on any of the items specified in the Decision should not be increased but only that the binding of rates of duty in the Australian Schedule would remain subject to the provisions of the General Agreement.

"As has been mentioned, the commitment in respect of the exemption of primage duty for 291(N)(2) has been maintained. However, in view of the statement concerning duty increases, the Australian Government does not wish to widen the margin of preference under Item 291(N)(2) on Veneers from Papua-New Guinea without first notifying contracting parties. Accordingly the Australian Government has introduced new duties for veneers, providing a duty of 2/6d. per 100 square feet on imports from Papua-New Guinea. This rate of duty preserves the existing margin of preference. The new duties were introduced with effect from 15 May 1958. Attachment B sets out details of imports for home consumption for veneers in the two years ended 30 June 1956 and 1957, and for the nine months ended 31 March 1958.

"There have been no imports of veneers from Papua-New Guinea under Tariff Item 291(N)(2). All imports from that source have been valued for duty well below 28/6d. per 100 square feet and thus in the past have been admitted under Tariff Item 291(N)(1).

"The Australian Government, acting pursuant to the Decision of 25 November 1955, now proposes to extend duty-free entry to all veneers from Papua-New Guinea under Item 291(N). In conformity with the provisions of the Decision the Australian Government is prepared to consult, as provided for in the Decision, with any contracting party which considers its commercial interests materially damaged by the action.

"The Australian Government considers that it is not obliged to notify the contracting parties in advance of the action which it is proposed to take, which is fully in conformity with the Decision of 25 November 1955, but in view of the original statement that duties would not be increased it feels that contracting parties should be fully informed of the proposed action."

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[1] BISD, Fourth Supplement, page 82.

ATTACHMENT A

COMMONWEALTH OF AUSTRALIA

Import Duties on Veneers

	British Preferential	Most-favoured-nation	Canada	Papua-New Guinea
A. Former Duties (up to and including 14 May 1958):				
291(N) Veneers -				
(1) The value for duty of which does not exceed 28s.6d. per 100 square feet ... ad val.	12½%	30%	22½%	Free
(2) The value for duty of which exceeds 28s.6d. per 100 square feet				
per 100 square feet	3s.9d.	10s.7½d.	8s.	Free
B. Recommended by the Tariff Board:				
291(N) Veneers -				
(1) The value for duty of which does not exceed 44s. per 100 square feet ... ad val.	12½%	30%	22½%	Free
(2) The value for duty of which exceeds 44s. per 100 square feet				
per 100 square feet	5s.6d.	13s.2d.	9s.11d.	Free
C. Brought into Force 15 May 1958:				
291(N) Veneers -				
(1) The value for duty of which does not exceed 44s. per 100 square feet ... ad val.	12½%	30%	22½%	Free
(2) The value for duty of which exceeds 44s. per 100 square feet				
per 100 square feet	6s.3d.	13s.2d.	10s.6d.	2s.6d.

NOTES:

1. Australia has assumed the following obligations in respect of Veneers:

(a) The value for duty of which does not exceed 28s.6d. per 100 square feet	Most-favoured-nation duty of 30 per cent and primage exemption bound.
(b) The value for duty of which exceeds 28s.6d. per 100 square feet	Primage exemption bound.

These concessions remain in force.

2. Veneers having a value for duty greater than 28s.6d. but not exceeding 44s. per 100 square feet imported from Papua-New Guinea have been accorded duty-free entry - vide C above. This represents a variation of the most-favoured-nation duty from 10s.7½d. per 100 square feet to 30 per cent ad valorem. This variation amounts to a reduction of duty in respect of veneers having a value for duty of up to 35s.5d. per 100 square feet and an increase of duty in respect of veneers having a value for duty exceeding 35s.5d. per 100 square feet.

3. The British Preferential and Canadian duties under Tariff Item 291(N)(2) - vide C above - were increased above the levels recommended by the Tariff Board so that the margins of preference should not exceed those permitted under Article II (revised text), paragraph 4.

ATTACHMENT B - ANNEXE B

Veneers imported into Australia - Importations australiennes de feuilles de placage

Country of Origin Pays d'origine	1955 - 56		1956 - 57		Nine months to 31 March 1958 1er juillet 1957-31 mars 1958	
	sq. ft. pieds carrés	£A livres austr.	sq. ft. pieds carrés	£A livres austr.	sq. ft. pieds carrés	£A livres austr.
Veneers, v.f.d. not exceeding 28s.6d. per 100 square feet (Tariff Item 291(M)(1)) Feuilles de placage dont la valeur en douane n'excède pas 28s.6d. par 100 pieds carrés (Position tarifaire 281(M)(1))						
United Kingdom - Royaume-Uni	3,253,248	23,329	2,208,158	17,067	2,861,203	24,298
New Guinea - Nouvelle-Guinée	5,251,212	35,222	3,862,322	27,877	4,141,073	26,419
Fed. of Malaya - Féd. de Malaisie	-	-	15,898	149	-	-
Singapore - Singapour	-	-	10,000	84	-	-
Austria - Autriche	48,000	627	-	-	-	-
Belgium-Luxemburg - Belgique-Luxembourg	67,288	875	-	-	86,032	87
France - France	460,205	3,338	364,817	2,392	-	-
French Equat. Africa - Afrique Equat. Française	68,621	322	42,746	298	-	-
West Africa - Afrique occidentale	-	-	604,236	3,925	-	-
Germany, Fed. Rep. of - Allemagne, Rép. féd. d'	633,626	3,626	496,503	3,267	479,295	3,385
Spain - Espagne	285,520	2,702	-	-	-	-
Brazil - Brésil	-	-	1,714,914	11,133	-	-
U.S.A. - Etats-Unis d'Amérique	-	-	192,000	870	-	-
Netherlands - Pays-Bas	-	-	-	-	12,750	136
Australia (re-imports) - Australie (réimportations)	14,830	145	-	-	-	-
TOTAL - TOTAUX :	10,082,550	70,186	9,511,594	67,062	7,580,353	54,325

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ATTACHMENT B (continued) - ANNEXE B (suite)

Country of origin Pays d'origine	1955 - 56		1956 - 57		Nine months to 31 March 1958 1er juillet 1957 -31 mars 1958	
	sq. ft. pieds carrés	£A livres austr.	sq. ft. pieds carrés	£A livres austr.	sq. ft. pieds carrés	£A livres austr.
Veneers, v.f.d. exceeding 28s.6d. per 100 square feet (Tariff Item 291(N)(2)) Feuilles de placage dont la valeur en douane excède 28s.6d. par 100 pieds carrés (Position tarifaire 291(N)(2))						
United Kingdom - Royaume-Uni	505,885	16,969	689,874	19,998	418,913	14,317
Canada - Canada	-	-	1,720	80	18,431	855
Belgium-Luxemburg - Belgique-Luxembourg	50,850	1,294	-	-	10,268	432
Finland - Finlande	-	-	5,000	314	10,778	652
France - France	451,654	14,014	357,191	8,066	90,942	2,011
Germany, Fed. Rep. of - Allemagne, Rép. féd. d'	77,959	3,374	75,526	2,589	101,232	3,253
Italy - Italie	400,629	16,427	255,749	13,017	49,345	2,949
Morocco - Maroc	-	-	25,352	1,464	32,793	2,280
Spain - Espagne	16,272	1,439	10,990	1,137	-	-
Switzerland - Suisse	334,809	11,816	250,831	10,377	311,633	9,580
U.S.A. - Etats-Unis d'Amérique	36	15	66,354	2,170	7,188	1,462
Austria - Autriche	29,836	646	22,100	390	-	-
Australia (re-imported) - Australie (réimportations)	37,949	1,742	-	-	-	-
TOTAL - TOTAUX :	1,905,879	67,736	1,760,687	59,602	1,051,523	37,791