

GENERAL AGREEMENT ON  
TARIFFS AND TRADE

RESTRICTED  
SCM/11  
14 October 1981  
Special Distribution

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Committee on Subsidies and  
Countervailing Measures

RESERVATION BY NEW ZEALAND

Statement by the Chairman

1. On 15 September 1981, the Government of New Zealand accepted the Agreement on Interpretation and Application of Articles VI, XVI, and XXIII of the General Agreement on Tariffs and Trade with a reservation in respect of the application of Article 19:5(a), without prejudice to the rights and obligations of the other signatories under the General Agreement or the Agreement. The text of that reservation was circulated to the signatories on 17 September 1981 (L/4914/Rev.4/Add.6).
2. The signatories had a series of consultations with each other and with New Zealand with a view to deciding whether they could consent to the entering of this reservation in terms of Article 19:3 of the Agreement. During these consultations the following points emerged inter alia:
  - (a) New Zealand has submitted to the signatories a detailed list of export incentive schemes which it considers as not being in full conformity with the Agreement. However, unless explicitly extended, all the domestic provisions covered by the reservation proposed by New Zealand will lapse automatically upon a definite date.
  - (b) New Zealand has explicitly committed itself to take all necessary steps to ensure that its laws and regulations relating to the export subsidy practices considered inconsistent with the Agreement are brought into conformity with the provisions of the Agreement within a reasonable period of time.
  - (c) In view of the foregoing and although the New Zealand reservation is open-ended, it is therefore reasonable for the signatories to expect that New Zealand will not take any new action that would be inconsistent with its obligations under the Agreement and that the subject of the reservation will automatically come to an end when the provisions that made it necessary lapse on the specified date.
3. Taking into account these elements, the Committee found that the case under consideration is of a special nature. It noted furthermore that New Zealand has submitted to the signatories a detailed list of its export incentive schemes, allowing the possible effects on their interests to be evaluated, and, if necessary, appropriate steps to be taken under the Agreement.
4. In these conditions, the Committee considered that it was appropriate to seek the means allowing New Zealand to accede to the Agreement while taking account of the specific aspects of this case and to take a decision (SCM/12) to that end, on the understanding that the latter should not be considered as a precedent.