

GENERAL AGREEMENT ON

RESTRICTED

TARIFFS AND TRADE

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NOTIFICATION UNDER PARAGRAPH 3 OF THE UNDERSTANDING
REGARDING NOTIFICATION, CONSULTATION, DISPUTE
SETTLEMENT AND SURVEILLANCE

Australia - Reduction in Protection to the
Domestic Passenger Motor Vehicle Industry

The following communication has been received from the Permanent Mission of Australia.

Australia wishes to provide, for the information of the CONTRACTING PARTIES, details of decisions which its Government has taken to significantly reduce the protection accorded to its domestic motor vehicle industry.

On 13 April 1988, the Australian Government announced major changes aimed at continuing the process of structural adjustment within the Australian motor vehicle industry. This adjustment will be induced through a number of specific changes to border measures:

- tariff quotas, which have been in place in some form since 1975, were abolished with effect from 13 April 1988;
- the tariff on imports of passenger motor vehicles has been reduced immediately from an operative level of 57.5 per cent to 45 per cent and will be progressively further reduced to 35 per cent by 1992;
- tariffs on completely knocked down (CKD) packs and certain components for the original assembly of motor vehicles are being reduced in a similar manner;
- the tariff on light commercial vehicles is being reduced immediately from 35 per cent to 20 per cent and will be further reduced to 15 per cent by 1992.

The Government's decision follows a review of the Motor Vehicle Plan which has been in effect since 1984. The adjusted plan is seen as a transitional mechanism designed to enable the Australian automotive sector to move to a less protected and more open environment in the 1990's.

These changes are of considerable significance at the current stage of the Uruguay Round negotiations. Australian imports in this sector have amounted to around A\$3000 million annually in recent years and account for about 15 per cent of total Australian dutiable imports.