

GENERAL AGREEMENT ON

TARIFFS AND TRADE

RESTRICTED

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GENERALIZED SYSTEM OF PREFERENCES

Notification by New Zealand

Addendum

The attached notification concerning changes to New Zealand's Generalized System of Preferences scheme which came into effect on 1 July 1989 was received from the delegation of New Zealand in a communication dated 9 January 1990.

GENERALISED SYSTEM OF PREFERENCES :

SCHEME OF NEW ZEALAND

As a result of a general review of New Zealand's border protection policy, it was decided to introduce a system of product graduation under the New Zealand GSP Scheme, with effect from 1 July 1989.

This operates as follows:

1. A GSP recipient country or territory is no longer granted LDC tariff preference with respect to individual tariff items when New Zealand's imports from that country or territory under such tariff items exceed, in a trade year, benchmark levels of
 - 25% of total imports and
 - value for duty of NZ\$100,000. This figure will be reviewed after two years operation of the Scheme.

The calculations are based on calendar year statistics under the Harmonised System tariff.

2. There is a procedure for reinstatement of GSP treatment if imports fall below the benchmark for two consecutive years.
3. The following categories are exempted from product graduation:
 - (i) Goods imported under concessions under References 25, 26 (medicaments and pharmaceutical preparations) and 99 (goods not made in New Zealand) in Part II of the New Zealand Tariff;
 - (ii) Tariff items for which the GSP rate is free and the MFN rate is 5%;
 - (iii) Goods for which a specific margin of preference is set down in a bilateral trade agreement with New Zealand.

The existing provision in New Zealand's GSP Scheme for country graduation (and reinstatement) remains unchanged.

New Zealand has informed the countries which have products subject to graduation. A total of 147 tariff items

will be affected, involving 12 countries. This represents less than one percent of total LDC exports to New Zealand.

The product graduation system does not apply to the least developed countries, to whom further benefits have been extended. Items of LLDC origin subject to duty have been granted duty free status, except those which are subject to duty because of decisions taken in the context of government approved Industry Development Plans.

Other Changes in 1989

Graduation

Israel was graduated under the country graduation provision with effect from 1 July 1989.

Reinstatement

Trinidad and Tobago was reinstated with effect from 1 July 1989.