

GENERAL AGREEMENT ON

TARIFFS AND TRADE

RESTRICTED

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Communication from New Zealand

The following communication, dated 17 December 1991, has been received from the Permanent Mission of New Zealand.

NEW ZEALAND: TRADE LIBERALIZATION

On 16 September 1991, the New Zealand Government announced that the reform of the tariff structure will continue post-1992. Under the reform programme announced in December 1987, tariffs are being reduced under a five-step programme (using the Swiss formula) which commenced on 1 July 1988 and will end on 1 July 1992. In the course of this programme, most tariffs on manufactures, for example, will fall to about one-half of their previous levels.

Specific decisions are as follows:

- The tariff reduction programme will continue after 1 July 1992 without interruption.
- In general, tariffs other than those on products subject to a separate review will be reduced by one-third over the period 1 July 1993 - 1 July 1996 and will fall within the range of 0-14 per cent. However, no tariff will reduce to below 5 per cent on 1 July 1996.
- With the exception of motor vehicles, textiles, clothing, carpets and footwear, which are subject to separate programmes, tariffs of 21 per cent or higher will be regarded as being at 21 per cent on 1 July 1992 and will be reduced to 14 per cent over the same period ending 1 July 1996.
- The rate of tariff reductions will be less at the commencement of the period and greater towards the end.
- Import licence control, which now applies only to certain apparel items will be removed completely by 1 July 1992.
- In recognition of the problems of adjustment faced by the clothing and footwear sector, consequent on the removal of import licensing, the Government is conducting a review to assess the effectiveness of trade remedies and tariff enforcement. Existing "specific" tariff rates will therefore remain in place pending a decision following the review on the future use of alternative specific tariffs. This review, which is due to be completed in early March 1992, affects certain items in HS chapters 39, 42, 61, 62, 64 and 65.

Normal tariffs for apparel and adult footwear will reduce to 30 per cent by July 1996. Tariff rates for carpet will reduce to 23 per cent by July 1996. Tariff rates for most knitted and woven fabrics will reduce to 20 per cent by 1996.

There will be a further review of all tariffs in 1994 to determine rates for the period after July 1996.