

1996 CHANGES IN THE HARMONIZED SYSTEM

Schedule XIII - New Zealand

Submission of Documentation

Revision

The following communication, dated 18 February 2002, has been received from the Permanent Mission of New Zealand.

New Zealand is pleased to advise that we have concluded consultations with all of the countries that lodged reservations on New Zealand's Schedule XIII HS 96 transpositions. A rectified Schedule XIII has been provided to you electronically along with concordance tables. We would be grateful if this letter could be circulated to WTO Members along with the rectified Schedule XIII.

We set out below the specific changes made to our Schedule as a result of those consultations.

The US's specific reservation was as follows:

**HS 7005.10.90 Non-wired glass, having an absorbent, reflecting or non-reflecting layer:
 other**

The US pointed out that this product should have been bound at 5 per cent *ad valorem* rather than 8 percent. This has been corrected in our Schedule XIII.

The European Communities specific reservations and the discussions held with New Zealand are detailed below.

0207.27 Frozen cuts and offal of turkeys

The EC pointed out that no base and bound duties were listed for these products. This has now been corrected and is reflected as indicated below.

| Tariff Item Number | Product Description | Base rate | Bound rate |
|--------------------|---------------------|-----------|------------|
| 0207.27.10 | ---Livers | 20.0 | 12.8 |
| 0207.27.90 | ---Other | 28.5 | 18.2 |

0405.20 Dairy Spreads

The EC sought clarification of the product coverage for dairy spreads. The coverage of HS0405.20.00 has been elaborated in the following manner.

| Tariff Item Number | Product Description | Base rate | Bound rate | Implementation Period |
|--------------------|---|-----------|------------|-----------------------|
| 0405.20.00 | -Dairy Spreads | | | |
| | --With a milk fat content of 39% or more but less than 75% | 37.5 | 10.5 | 1997 |
| | -- With a milk fat content of 75% or more but less than 80% | 10 | 6.4 | |

0504.00.00 Guts, bladders and stomachs of animals

The EC pointed out that New Zealand's description of this heading did not include fresh, chilled product. New Zealand has amended the product description of this product to include fresh, chilled product.

1212 Locust beans, seaweeds, and other algae, sugar beet and sugar cane

EC asked that the product description for HS1212 include chilled and frozen products. The Schedule now reflects this.

Definition of Agricultural Products

The EC noted its view that products covered by the Agreement on Agriculture should be covered by this agreement after the HS-96 modifications. You recommended that New Zealand list the following headings and their corresponding tariff commitments in Section 1-A (Agricultural Products - tariffs) instead of Section II (Other Products):

- Sub heading 2905.45 (glycerol)
- tariff lines 3302.10.10 to 3302.10.89 inclusive (preparations on odoriferous substances, used in the manufacture of beverages)

New Zealand replied that neither Headings 2905.45 nor Headings 3302.10 are listed in Section 1-A of the Agreement on Agriculture. New Zealand recommended that the EC raise this matter in the context of the new round of agricultural negotiations. The EC agreed and noted that the EC had submitted a paper on this issue under the AIE of the Committee on Agriculture. No changes have been made to New Zealand's Schedule for these products.

3302.10 Preparations based on odoriferous substances, of a kind used for the manufacture of beverages.

The EC noted that the products previously classified under 2106.90.09, 2208.10.51 and 2208.10.59 did not receive the same tariff treatment under the new tariff headings of 3302.10.10, 3302.10.81 and 3302.10.89 and requested that this be corrected. New Zealand acknowledged the errors and has corrected them as follows:

| Tariff item number | Description of Products | Bound rate of duty |
|--------------------|---|--------------------|
| 33.02 | Mixtures of odoriferous substances and mixtures (including alcoholic solutions) with a basis of one or more of these substances, of a kind used as raw materials in industry; other preparations based on odoriferous | |
| 3302.10 | - Of a kind used in the food or drink industries: | |
| | --Preparations based on one or more odoriferous substances (including alcoholic solutions) of a kind used for the manufacture of beverages: | |
| 3302.10.10 | ---Of an alcoholic strength by volume not exceeding 0.5% vol. | 10.5 |
| | ---Other | |
| 3302.10.20 | ----Containing not more than 1.15% vol. | 12.3 |
| | ----Containing more than 1.15% vol., but not more than 2.5% vol., | |
| 3302.10.31 | ----- Further manufacture in a licensed manufacturing area | 12.3 |
| 3302.10.39 | ----- Other | 12.3 |
| 3302.10.41 | ----- For further manufacture in a licensed manufacturing area | 12.3 |
| 3302.10.49 | ----- Other | 12.3 |
| | ---- Containing more than 6% vol., but not more than 9% vol.; | |
| 3302.10.51 | ----- For further manufacture in a licensed manufacturing area | 12.3 |
| 3302.10.59 | ----- Other | 12.3 |
| | ----Containing more than 9% vol., but not more than 14% vol., | |
| 3302.10.61 | ----- For further manufacture in a licensed manufacturing area | 12.3 |
| 3302.10.69 | ----- Other | 12.3 |
| | ---- Containing more than 14% vol., but not more than 23% vol., | |
| 3302.10.71 | ----- For further manufacture in a licensed manufacturing area | 12.3 |
| 3302.10.79 | ----- Other | 12.3 |
| | ----Other: | |
| 3302.10.81 | ----- For further manufacture in a licensed manufacturing area | 0 |
| 3302.10.89 | ----- Other | 0 |
| 3302.10.90 | -- Other | 0 |
| 3302.90.00 | - Other | 10 |

8456.99.10 Electro-chemical machine tools

The EC noted that the bound rate for this item was incorrect. This has been corrected and the unbound rate for this item should have been 0% and the subdivision “other” should be bound at 5%. This has been reflected in our Schedule.

8517.19.10 Videophones

The EC sought clarification of the transposition of HS8517.19.10 and how the bound rate of 17.5 percent was derived. New Zealand advised that 8517.19.10 has multiple sources (including 8525 and 8528 10 20) all of which were unbound. The base applied rate for these sources was 35%. We agreed to a significant 50% reduction from the base rate duty, to a binding of 17.5%. It was noted that the current applied rate on these products is 0%.

Canada’s specific reservations and the discussions and agreements reached with New Zealand are detailed as follows:

Redundant HS92 lines

Canada noted that 6305.39 (Other) , 6305.39.01 (wool packs) and 6305.39.09 (other) - were redundant HS92 lines. These lines have been deleted.

1806 Chocolate and other Food preparations

Canada sought clarification of the transposition of pre-HS tariff items 1901.20.01 and 1901.20.09 into HS 96 tariff lines 1806.90.00 and a concern that this may increase the bound rate for the effected products. New Zealand agreed that the transposition of ex1901.20.01 into 1806.90.00 did impose an increased Uruguay Round bound rate (from 10% to 19.2%). New Zealand proposed that this concern be addressed through a split -out under 1806.90.00 in Schedule XIII. The bound rate for products entering under 1806.90.00 will remain 10%. The agreed split-out is set out below and is reflected in our Schedule XIII.

| Tariff Item number | Description of Products | Bound rate of Duty |
|--------------------|--|--------------------|
| 18.06 | Chocolate and other food preparations containing cocoa; | |
| 1806.10.00 | Cocoa powder, containing added sugar or other sweetening matter | 19.2 |
| 1806.20.00 | - Other preparations in blocks, slabs or bars weighing more than 2kg or in liquid, paste, powder, granular or other bulk form in containers or immediate packings, of a content exceeding 2 kg | 15 |
| | - Other, in blocks, slabs or bars: | |
| 1806.31.00 | -- Filled | 19.2 |
| 1806.32.00 | -- Not filled | 19.2 |
| 1806.90.00 | - Other | |
| | --Mixes and doughs containing cocoa powder in a proportion by weight less than 50% for the preparation of bakers' wares of heading No.19.05 | 10 |
| | -- Other | 19.2 |

Transposition of pre-HS96 1904.10.09 items

Canada expressed concern that the transposition of pre-HS96 tariff items 1904.10.09 into HS-96 tariff line 1806.90.00 would also result in an increase in the bound rate. New Zealand advised that no product was transferred from national item 1904.10.09 (swelled/roasted cereals other than coated with chocolate or cocoa) to new 1806.90.00. The transfer occurred between 1904.10 and new 1806.90 was from item 1904.10.01 and the binding associated with that (19.2%) is already reflected in Schedule XIII. New Zealand's fax of 2 March 2001 provided a table which illustrated the steps taken when transposing pre-HS96 1904.10.09 items into HS1806.90.00. Canada accepted this clarification. The HS96 transposition is set out as follows:

| Tariff Item number | Description of Products | Bound rate of Duty |
|--------------------|--|--------------------|
| 18.06 | Chocolate and other food preparations containing cocoa | |
| 18.06.90.00 | - Other | |

| Tariff Item number | Description of Products | Bound rate of Duty |
|--------------------|--|--------------------|
| | -- Mixes and doughs containing cocoa powder in a proportion by weight less than 50% of the preparation of bakers' wares of heading 19.05 | 10 |
| | -- Other | 19.2 |
| 1904.10 | - Prepared foods obtained by the swelling or roasting of cereals or cereal products | |
| 1904.10.01 | -- Coated with chocolate or chocolate or cocoa | 19.2 |
| 1904.10.09 | -- Other | 10.5 |

If no objection is notified to the Secretariat within 90 days from the date of this document, the modifications to Schedule XIII - New Zealand will be deemed to be approved and will be formally certified.

Copies of the above-mentioned documentation¹ are available in paper form and in electronic form (Excel) in the Market Access Division (Ms. D. Wood, Office 3142).

¹ In English only.